

108TH CONGRESS
1ST SESSION

H. J. RES. 63

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.

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Whereas the United States, in accordance with section 231 of the Compact of Free Association set forth in Title II of Public Law 99–239, January 14, 1986, 99 Stat. 1770, entered into negotiations with the Governments of the Federated States of Micronesia and the Republic of the Marshall Islands; 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

1 *Resolved by the Senate and House of Representatives*
 2 *of the United States of America in Congress assembled,*

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

4 (a) **SHORT TITLE.**—This joint resolution, together
 5 with the Table of Contents in subsection (b) of this sec-
 6 tion, may be cited as the “Compact of Free Association
 7 Amendments Act of 2003”.

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

TITLE I—APPROVAL OF U.S.-FSM COMPACT AND U.S.-RMI COMPACT; INTERPRETATION OF, AND UNITED STATES 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 U.S.-RMI Compact of Free Association.

- (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 and the U.S.-RMI Compact and Certain Agreements.
- (e) Subsidiary Agreement 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) Kwajalein.
- (d) Section 177 Agreement.
- (e) Nuclear Test Effects.
- (f) Espousal Provisions.
- (g) DOE Radiological Health Care Program; USDA Agricultural and Food Programs.
- (h) Rongelap.
- (i) Four Atoll Health Care Program.
- (j) Enjebi Community Trust Fund.
- (k) Bikini Atoll Cleanup.
- (l) Agreement on Audits.

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

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

Sec. 105. Supplemental Provisions.

- (a) Domestic Program Requirements.
- (b) Relations With the Federated States of Micronesia and the Republic of the Marshall Islands.
- (c) Judicial Training.
- (d) Continuing Trust Territory Authorization.
- (e) Survivability; Actions Incompatible with United States Authority.
- (f) Noncompliance Sanctions.
- (g) Continuing Programs and Laws.
- (h) College of Micronesia.
- (i) Trust Territory Debts to U.S. Federal Agencies.
- (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) Inflation Adjustment.
- (q) Armed Services Vocational Aptitude Battery Testing.
- (r) 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 and the Government of the Federated States of Micronesia and Between the Government of the United States 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.
 Article VII—General Legal Provisions.

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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
14 Compact of Free Association, as amended with respect to
15 the Federated States of Micronesia and signed by the
16 United States and the Government of the Federated
17 States of Micronesia and set forth in Title II (section

1 201(a)) of this joint resolution, is hereby approved, and
2 Congress hereby consents to the subsidiary agreements
3 and amended subsidiary agreements listed in section 462
4 of the U.S.-FSM Compact. Subject to the provisions of
5 this joint resolution, the President is authorized to agree,
6 in accordance with section 411 of the U.S.-FSM Compact,
7 to an effective date for and thereafter to implement such
8 U.S.-FSM Compact.

9 (b) REPUBLIC OF THE MARSHALL ISLANDS.—The
10 Compact of Free Association, as amended with respect to
11 the Republic of the Marshall Islands and signed by the
12 United States and the Government of the Republic of the
13 Marshall Islands and set forth in Title II (section 201(b))
14 of this joint resolution, is hereby approved, and Congress
15 hereby consents to the subsidiary agreements and amend-
16 ed subsidiary agreements listed in section 462 of the U.S.-
17 RMI Compact. Subject to the provisions of this joint reso-
18 lution, the President is authorized to agree, in accordance
19 with section 411 of the U.S.-RMI Compact, to an effective
20 date for and thereafter to implement such U.S.-RMI Com-
21 pact.

22 (c) REFERENCES TO THE COMPACT, THE U.S.-FSM
23 COMPACT, AND THE U.S.-RMI COMPACT; REFERENCES
24 TO SUBSIDIARY AGREEMENTS OR SEPARATE AGREE-
25 MENTS.—

1 (1) Any reference in this joint resolution (ex-
2 cept references in title II) to “the Compact” shall be
3 treated as a reference to the Compact of Free Asso-
4 ciation set forth in title II of Public Law 99–239,
5 January 14, 1986 (99 Stat. 1770). Any reference in
6 this joint resolution to the “U.S.-FSM Compact”
7 shall be treated as a reference to the Compact of
8 Free Association, as amended between the Govern-
9 ment of the United States of America and the Gov-
10 ernment of the Federated States of Micronesia and
11 set forth in Title II (section 201(a)) of this joint res-
12 olution. Any reference in this joint resolution to the
13 “U.S.-RMI Compact” shall be treated as a reference
14 to the Compact of Free Association, as amended be-
15 tween the Government of the United States of
16 America and the Government of the Republic of the
17 Marshall Islands and set forth in Title II (section
18 201(b)) of this joint resolution.

19 (2) Any reference to the term “subsidiary
20 agreements” or “separate agreements” in this joint
21 resolution shall be treated as a reference to agree-
22 ments listed in section 462 of the U.S.-FSM Com-
23 pact and the U.S.-RMI Compact, and any other
24 agreements that the United States may from time to
25 time enter into with either the government of the

1 Federated States of Micronesia or the government of
2 the Republic of the Marshall Islands, or with both
3 such governments in accordance with the provisions
4 of the U.S.-FSM Compact and the U.S.-RMI Com-
5 pact.

6 (d) AMENDMENT, CHANGE, OR TERMINATION IN THE
7 U.S.-FSM COMPACT AND U.S.-RMI COMPACT AND CER-
8 TAIN AGREEMENTS.—

9 (1) Any amendment, change, or termination by
10 mutual agreement or by unilateral action of the Gov-
11 ernment of the United States of all or any part of
12 the U.S.-FSM Compact or U.S.-RMI Compact shall
13 not enter into force until after Congress has incor-
14 porated it in an Act of Congress.

15 (2) The provisions of paragraph (1) shall
16 apply—

17 (A) to all actions of the Government of the
18 United States under the U.S.-FSM Compact or
19 U.S.-RMI Compact including, but not limited
20 to, actions taken pursuant to sections 431, 441,
21 or 442;

22 (B) to any amendment, change, or termi-
23 nation in the Agreement Between the Govern-
24 ment of the United States and the Government
25 of the Federated States of Micronesia Regard-

1 ing Friendship, Cooperation and Mutual Secu-
2 rity Concluded Pursuant to Sections 321 and
3 323 of the Compact of Free Association re-
4 ferred to in section 462(a)(2) of the U.S.-FSM
5 Compact and the Agreement Between the Gov-
6 ernment of the United States and the Govern-
7 ment of the Marshall Islands Regarding Mutual
8 Security Concluded Pursuant to Sections 321
9 and 323 of the Compact of Free Association re-
10 ferred to in section 462(a)(5) of the U.S.-RMI
11 Compact;

12 (C) to any amendment, change, or termi-
13 nation of the agreements concluded pursuant to
14 Compact section 177, and section 215(a) of the
15 U.S.-FSM Compact and section 216(a) of the
16 U.S.-RMI Compact, the terms of which are in-
17 corporated by reference into the U.S.-FSM
18 Compact and the U.S.-RMI Compact; and

19 (D) to the following subsidiary agreements,
20 or portions thereof: Articles III, IV and X of
21 the agreement referred to in section 462(b)(6)
22 of the U.S.-RMI Compact:

23 (i) Article III and IV of the agree-
24 ment referred to in section 462(b)(6) of
25 the U.S.-FSM Compact.

1 (ii) Articles VI, XV, and XVII of the
2 agreement referred to in section 462(b)(7)
3 of the U.S.-FSM Compact and U.S.-RMI
4 Compact.

5 (e) SUBSIDIARY AGREEMENTS DEEMED BILAT-
6 ERAL.—For purposes of implementation of the U.S.-FSM
7 Compact and the U.S.-RMI Compact and this joint resolu-
8 tion, the Agreement Concluded Pursuant to Section 234
9 of the Compact of Free Association and referred to in sec-
10 tion 462(a)(1) of the U.S.-FSM Compact and section
11 462(a)(4) of the U.S.-RMI Compact shall be deemed to
12 be a bilateral agreement between the United States and
13 each other party to such subsidiary agreement. The con-
14 sent or concurrence of any other party shall not be re-
15 quired for the effectiveness of any actions taken by the
16 United States in conjunction with either the Federated
17 States of Micronesia or the Republic of the Marshall Is-
18 lands which are intended to affect the implementation,
19 modification, suspension, or termination of such sub-
20 sidiary agreement (or any provision thereof) as regards
21 the mutual responsibilities of the United States and the
22 party in conjunction with whom the actions are taken.

23 (f) ENTRY INTO FORCE OF FUTURE AMENDMENTS
24 TO SUBSIDIARY AGREEMENTS.—No agreement between
25 the United States and the government of either the Fed-

1 erated States of Micronesia or the Republic of the Mar-
 2 shall Islands which would amend, change, or terminate
 3 any subsidiary agreement or portion thereof, other than
 4 those set forth in subsection (d) of this section shall enter
 5 into force until after the President has transmitted such
 6 agreement to the President of the Senate and the Speaker
 7 of the House of Representatives together with an expla-
 8 nation of the agreement and the reasons therefor. In the
 9 case of the agreement referred to in section 462(b)(3) of
 10 the U.S.-FSM Compact and the U.S.-RMI Compact, such
 11 transmittal shall include a specific statement by the Sec-
 12 retary of Labor as to the necessity of such amendment,
 13 change, or termination, and the impact thereof.

14 **SEC. 102. AGREEMENTS WITH FEDERATED STATES OF MI-**
 15 **CRONESIA.**

16 (a) LAW ENFORCEMENT ASSISTANCE.—Pursuant to
 17 sections 222 and 224 of the U.S.-FSM Compact, the
 18 United States shall provide nonreimbursable technical and
 19 training assistance as appropriate, including training and
 20 equipment for postal inspection of illicit drugs and other
 21 contraband, to enable the Government of the Federated
 22 States of Micronesia to develop and adequately enforce
 23 laws of the Federated States of Micronesia and to cooper-
 24 ate with the United States in the enforcement of criminal
 25 laws of the United States. Funds appropriated pursuant

1 to section 105(j) of this title may be used to reimburse
2 State or local agencies providing such assistance.

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

9 (1) GENERAL AUTHORITY OF THE COMP-
10 TROLLER GENERAL TO AUDIT.—

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

14 (i) all grants, program assistance, and
15 other assistance provided to the Govern-
16 ment of the Federated States of Micro-
17 nesia under Articles I and II of Title Two
18 of the U.S.-FSM Compact; and

19 (ii) any other assistance provided by
20 the Government of the United States to
21 the Government of the Federated States of
22 Micronesia.

23 Such authority shall include authority for the
24 Comptroller General to conduct or cause to be
25 conducted any of the audits provided for in sec-

1 tion 232 of the U.S.-FSM Compact. The au-
2 thority provided in this paragraph shall con-
3 tinue for at least ten years after the last such
4 grant has been made or assistance has been
5 provided.

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

15 (2) COMPTROLLER GENERAL ACCESS TO
16 RECORDS.—

17 (A) In carrying out paragraph (1), the
18 Comptroller General (and his duly authorized
19 representatives) shall have such access to the
20 personnel and (without cost) to records, docu-
21 ments, working papers, automated data and
22 files, and other information relevant to such au-
23 dits. The Comptroller General may duplicate
24 any such records, documents, working papers,

1 automated data and files, or other information
2 relevant to such audits.

3 (B) Such records, documents, working pa-
4 pers, automated data and files, and other infor-
5 mation regarding each such grant or other as-
6 sistance shall be maintained for at least ten
7 years after the date such grant or assistance
8 was provided and in a manner that permits
9 such grants, assistance, and payments to be ac-
10 counted for distinct from any other funds of the
11 Government of the Federated States of Micro-
12 nesia.

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

1 enjoy immunity from seizure of personal property,
2 immigration restrictions, and laws relating to alien
3 registration, fingerprinting, and the registration of
4 foreign agents. Such persons shall enjoy the same
5 taxation exemptions as are set forth in Article 34 of
6 the Vienna Convention on Diplomatic Relations. The
7 privileges, exemptions and immunities accorded
8 under this paragraph are not for the personal ben-
9 efit of the individuals concerned but are to safeguard
10 the independent exercise of their official functions.
11 Without prejudice to those privileges, exemptions
12 and immunities, it is the duty of all such persons to
13 respect the laws and regulations of the Government
14 of the Federated States of Micronesia.

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 Fed-
20 erated States of Micronesia has met the re-
21 quirements set forth in the U.S.-FSM Compact,
22 or any related agreement entered into under the
23 U.S.-FSM Compact, regarding the purposes for
24 which such grants and other assistance are to
25 be used; and

1 (B) the propriety of the financial trans-
2 actions of the Government of the Federated
3 States of Micronesia pursuant to such grants or
4 assistance.

5 (5) COOPERATION BY FEDERATED STATES OF
6 MICRONESIA.—The Government of the Federated
7 States of Micronesia will cooperate fully with the
8 Comptroller General of the United States in the con-
9 duct of such audits as the Comptroller General de-
10 termines necessary to enable the Comptroller Gen-
11 eral to fully discharge his responsibilities under this
12 joint resolution.

13 **SEC. 103. AGREEMENTS WITH AND OTHER PROVISIONS RE-**
14 **LATED TO THE REPUBLIC OF THE MARSHALL**
15 **ISLANDS.**

16 (a) LAW ENFORCEMENT ASSISTANCE.—Pursuant to
17 sections 222 and 224 of the U.S.-RMI Compact, the
18 United States shall provide non-reimbursable technical
19 and training assistance as appropriate, including training
20 and equipment for postal inspection of illicit drugs and
21 other contraband, to enable the Government of the Mar-
22 shall Islands to develop and adequately enforce laws of the
23 Marshall Islands and to cooperate with the United States
24 in the enforcement of criminal laws of the United States.
25 Funds appropriated pursuant to section 105(j) of this title

1 may be used to reimburse State or local agencies providing
2 such assistance.

3 (b) EJIT.—

4 (1) In the joint resolution of January 14, 1986
5 (Public Law 99–239) Congress provided that the
6 President of the United States shall negotiate with
7 the Government of the Marshall Islands an agree-
8 ment whereby, without prejudice as to any claims
9 which have been or may be asserted by any party as
10 to rightful title and ownership of any lands on Ejit,
11 the Government of the Marshall Islands shall assure
12 that lands on Ejit used as of January 1, 1985, by
13 the people of Bikini, will continue to be available
14 without charge for their use, until such time as Bi-
15 kini is restored and inhabitable and the continued
16 use of Ejit is no longer necessary, unless a Marshall
17 Islands court of competent jurisdiction finally deter-
18 mines that there are legal impediments to continued
19 use of Ejit by the people of Bikini.

20 (2) In the joint resolution of January 14, 1986
21 (Public Law 99–239) Congress provided that if the
22 impediments described in paragraph (1) do arise,
23 the United States will cooperate with the Govern-
24 ment of the Marshall Islands in assisting any person
25 adversely affected by such judicial determination to

1 remain on Ejit, or in locating suitable and accept-
2 able alternative lands for such person's use.

3 (3) In the joint resolution of January 14, 1986
4 (Public Law 99-239) Congress provided that para-
5 graph (1) shall not be applied in a manner which
6 would prevent the Government of the Marshall Is-
7 lands from acting in accordance with its constitu-
8 tional processes to resolve title and ownership claims
9 with respect to such lands or from taking substitute
10 or additional measures to meet the needs of the peo-
11 ple of Bikini with their democratically expressed con-
12 sent and approval.

13 (c) KWAJALEIN.—

14 (1) It is the policy of the United States that
15 payment of funds by the Government of the Mar-
16 shall Islands to the landowners of Kwajalein Atoll in
17 accordance with the land use agreement dated Octo-
18 ber 19, 1982, or as amended or superceded, and any
19 related allocation agreements, is required in order to
20 ensure that the Government of the United States
21 will be able to fulfill its obligation and responsibil-
22 ities under Title Three of the Compact and the sub-
23 sidiary agreements concluded pursuant to the Com-
24 pact.

1 (2)(A) If the Government of the Marshall Is-
2 lands fails to make payments in accordance with
3 paragraph (1), the Government of the United States
4 shall initiate procedures under section 313 of the
5 Compact and consult with the Government of the
6 Marshall Islands with respect to the basis for the
7 nonpayment of funds.

8 (B) The United States shall expeditiously re-
9 solve the matter of any nonpayment of funds re-
10 quired under paragraph (1) pursuant to section 313
11 of the Compact and the authority and responsibility
12 of the Government of the United States for security
13 and defense matters in or relating to the Marshall
14 Islands.

15 (C) This paragraph shall be enforced in accord-
16 ance with section 105(f)(2).

17 (3) Until such time as the Government of the
18 Marshall Islands and the landowners of Kwajalein
19 Atoll have concluded an agreement amending or
20 superceding the land use agreement dated October
21 19, 1982, any amounts paid by the United States to
22 the Government of the Marshall Islands in excess of
23 the amounts required to be paid pursuant to the
24 land use agreement dated October 19, 1982, shall be
25 paid into, and held in, an interest bearing account

1 in a United States financial institution by the Gov-
2 ernment of the Republic of the Marshall Islands.

3 (4)(A) The Government of the Republic of the
4 Marshall Islands shall notify the Government of the
5 United States when an agreement amending or
6 superceding the land use agreement dated October
7 19, 1982, is concluded.

8 (B) If no agreement amending or superceding
9 the land use agreement dated October 19, 1982, is
10 concluded by the date five years after the date of en-
11 actment of this resolution, the President shall report
12 to Congress on the intentions of the United States
13 with respect to the use of Kwajalein Atoll after
14 2016, and on any plans to relocate activities carried
15 out at Kwajalein Atoll.

16 (d) SECTION 177 AGREEMENT.—

17 (1) In the joint resolution of January 14, 1986
18 (Public Law 99–239) Congress provided that in fur-
19 therance of the purposes of Article I of the Sub-
20 sidiary Agreement for Implementation of Section
21 177 of the Compact, the payment of the amount
22 specified therein shall be made by the United States
23 under Article I of the Agreement between the Gov-
24 ernment of the United States and the Government
25 of the Marshall Islands for the Implementation of

1 section 177 of the Compact (hereafter in this sub-
2 section referred to as the “Section 177 Agreement”)
3 only after the Government of the Marshall Islands
4 has notified the President of the United States as to
5 which investment management firm has been se-
6 lected by such Government to act as Fund Manager
7 under Article I of the Section 177 Agreement.

8 (2) In the joint resolution of January 14, 1986
9 (Public Law 99–239) Congress provided that in the
10 event that the President determines that an invest-
11 ment management firm selected by the Government
12 of the Marshall Islands does not meet the require-
13 ments specified in Article I of the Section 177
14 Agreement, the United States shall invoke the con-
15 ference and dispute resolution procedures of Article
16 II of Title Four of the Compact. Pending the resolu-
17 tion of such a dispute and until a qualified Fund
18 Manager has been designated, the Government of
19 the Marshall Islands shall place the funds paid by
20 the United States pursuant to Article I of the Sec-
21 tion 177 Agreement into an interest-bearing escrow
22 account. Upon designation of a qualified Fund Man-
23 ager, all funds in the escrow account shall be trans-
24 ferred to the control of such Fund Manager for

1 management pursuant to the Section 177 Agree-
2 ment.

3 (3) In the joint resolution of January 14, 1986
4 (Public Law 99–239) Congress provided that if the
5 Government of the Marshall Islands determines that
6 some other investment firm should act as Fund
7 Manager in place of the firm first (or subsequently)
8 selected by such Government, the Government of the
9 Marshall Islands shall so notify the President of the
10 United States, identifying the firm selected by such
11 Government to become Fund Manager, and the
12 President shall proceed to evaluate the qualifications
13 of such identified firm.

14 (4) In the joint resolution of January 14, 1986
15 (Public Law 99–239) Congress provided that at the
16 end of 15 years after the effective date of the Com-
17 pact, the firm then acting as Fund Manager shall
18 transfer to the Government of the Marshall Islands,
19 or to such account as such Government shall so no-
20 tify the Fund Manager, all remaining funds and as-
21 sets being managed by the Fund Manager under the
22 Section 177 Agreement.

23 (e) NUCLEAR TEST EFFECTS.—In the joint resolu-
24 tion of January 14, 1986 (Public Law 99–239) Congress
25 provided that in approving the Compact, the Congress un-

1 derstands and intends that the peoples of Bikini,
 2 Enewetak, Rongelap, and Utrik, who were affected by the
 3 United States nuclear weapons testing program in the
 4 Marshall Islands, will receive the amounts of \$75,000,000
 5 (Bikini); \$48,750,000 (Enewetak); \$37,500,000
 6 (Rongelap); and \$22,500,000 (Utrik), respectively, which
 7 amounts shall be paid out of proceeds from the fund estab-
 8 lished under Article I, section 1 of the subsidiary agree-
 9 ment for the implementation of section 177 of the Com-
 10 pact. The amounts specified in this subsection shall be in
 11 addition to any amounts which may be awarded to claim-
 12 ants pursuant to Article IV of the subsidiary agreement
 13 for the implementation of Section 177 of the Compact.
 14 Nothing in this subsection creates any rights or obliga-
 15 tions beyond those provided for in the original enacted
 16 version of Public Law 99–239.

17 (f) ESPOUSAL PROVISIONS.—

18 (1) In the joint resolution of January 14, 1986
 19 (Public Law 99–239) Congress provided that it is
 20 the intention of the Congress of the United States
 21 that the provisions of section 177 of the Compact of
 22 Free Association and the Agreement between the
 23 Government of the United States and the Govern-
 24 ment of the Marshall Islands for the Implementation
 25 of Section 177 of the Compact (hereafter in this

1 subsection referred to as the “Section 177 Agree-
2 ment”) constitute a full and final settlement of all
3 claims described in Articles X and XI of the Section
4 177 Agreement, and that any such claims be termi-
5 nated and barred except insofar as provided for in
6 the Section 177 Agreement.

7 (2) In the joint resolution of January 14, 1986
8 (Public Law 99–239) Congress provided that in fur-
9 therance of the intention of Congress as stated in
10 paragraph (1) of this subsection, the Section 177
11 Agreement is hereby ratified and approved. It is the
12 explicit understanding and intent of Congress that
13 the jurisdictional limitations set forth in Article XII
14 of such Agreement are enacted solely and exclusively
15 to accomplish the objective of Article X of such
16 Agreement and only as a clarification of the effect
17 of Article X, and are not to be construed or imple-
18 mented separately from Article X.

19 (g) DOE RADIOLOGICAL HEALTH CARE PROGRAM;
20 USDA AGRICULTURAL AND FOOD PROGRAMS.—

21 (1) Notwithstanding any other provision of law,
22 upon the request of the Government of the Republic
23 of the Marshall Islands, the President (either
24 through an appropriate department or agency of the
25 United States or by contract with a United States

1 firm) shall continue to provide special medical care
2 and logistical support thereto for the remaining
3 members of the population of Rongelap and Utrik
4 who were exposed to radiation resulting from the
5 1954 United States thermo-nuclear “Bravo” test,
6 pursuant to Public Laws 95–134 and 96–205.

7 (2)(A) In the joint resolution of January 14,
8 1986 (Public Law 99–239), Congress provided that
9 notwithstanding any other provision of law, upon the
10 request of the Government of the Marshall Islands,
11 for the first fifteen years after the effective date of
12 the Compact, the President (either through an ap-
13 propriate department or agency of the United States
14 or by contract with a United States firm or by a
15 grant to the Government of the Republic of the Mar-
16 shall Islands which may further contract only with
17 a United States firm or a Republic of the Marshall
18 Islands firm, the owners, officers and majority of the
19 employees of which are citizens of the United States
20 or the Republic of the Marshall Islands) shall pro-
21 vide technical and other assistance—

22 (i) without reimbursement, to continue the
23 planting and agricultural maintenance program
24 on Enewetak, as provided in subparagraph (C);

1 (ii) without reimbursement, to continue the
2 food programs of the Bikini and Enewetak peo-
3 ple described in section 1(d) of Article II of the
4 Subsidiary Agreement for the Implementation
5 of Section 177 of the Compact and for contin-
6 ued waterborne transportation of agricultural
7 products to Enewetak including operations and
8 maintenance of the vessel used for such pur-
9 poses.

10 (B) The President shall ensure the assistance
11 provided under these programs reflects the changes
12 in the population since the inception of such pro-
13 grams.

14 (C)(i) The planting and agricultural mainte-
15 nance program on Enewetak shall be funded at a
16 level of not less than \$1,300,000 per year, as ad-
17 justed for inflation under section 218 of the U.S.-
18 RMI Compact.

19 (ii) There is hereby authorized and appro-
20 priated to the Secretary of the Interior, out of any
21 funds in the Treasury not otherwise appropriated, to
22 remain available until expended, for each fiscal year
23 from 2004 through 2023, \$1,300,000, as adjusted
24 for inflation under section 218 of the U.S.-RMI

1 Compact, to carry out the planting and agricultural
2 maintenance program.

3 (3) In the joint resolution of January 14, 1986
4 (Public Law 99–239) Congress provided that pay-
5 ments under this subsection shall be provided to
6 such extent or in such amounts as are necessary for
7 services and other assistance provided pursuant to
8 this subsection. It is the sense of Congress that after
9 the periods of time specified in paragraphs (1) and
10 (2) of this subsection, consideration will be given to
11 such additional funding for these programs as may
12 be necessary.

13 (h) RONGELAP.—

14 (1) In the joint resolution of January 14, 1986
15 (Public Law 99–239) Congress provided that be-
16 cause Rongelap was directly affected by fallout from
17 a 1954 United States thermonuclear test and be-
18 cause the Rongelap people remain unconvinced that
19 it is safe to continue to live on Rongelap Island, it
20 is the intent of Congress to take such steps (if any)
21 as may be necessary to overcome the effects of such
22 fallout on the habitability of Rongelap Island, and to
23 restore Rongelap Island, if necessary, so that it can
24 be safely inhabited. Accordingly, it is the expectation
25 of the Congress that the Government of the Mar-

1 shall Islands shall use such portion of the funds
2 specified in Article II, section 1(e) of the subsidiary
3 agreement for the implementation of section 177 of
4 the Compact as are necessary for the purpose of
5 contracting with a qualified scientist or group of sci-
6 entists to review the data collected by the Depart-
7 ment of Energy relating to radiation levels and other
8 conditions on Rongelap Island resulting from the
9 thermonuclear test. It is the expectation of the Con-
10 gress that the Government of the Marshall Islands,
11 after consultation with the people of Rongelap, shall
12 select the party to review such data, and shall con-
13 tract for such review and for submission of a report
14 to the President of the United States and the Con-
15 gress as to the results thereof.

16 (2) In the joint resolution of January 14, 1986
17 (Public Law 99-239) Congress provided that the
18 purpose of the review referred to in paragraph (1)
19 of this subsection shall be to establish whether the
20 data cited in support of the conclusions as to the
21 habitability of Rongelap Island, as set forth in the
22 Department of Energy report entitled: “The Mean-
23 ing of Radiation for Those Atolls in the Northern
24 Part of the Marshall Islands That Were Surveyed in
25 1978”, dated November 1982, are adequate and

1 whether such conclusions are fully supported by the
2 data. If the party reviewing the data concludes that
3 such conclusions as to habitability are fully sup-
4 ported by adequate data, the report to the President
5 of the United States and the Congress shall so state.
6 If the party reviewing the data concludes that the
7 data are inadequate to support such conclusions as
8 to habitability or that such conclusions as to habit-
9 ability are not fully supported by the data, the Gov-
10 ernment of the Marshall Islands shall contract with
11 an appropriate scientist or group of scientists to un-
12 dertake a complete survey of radiation and other ef-
13 fects of the nuclear testing program relating to the
14 habitability of Rongelap Island. Such sums as are
15 necessary for such survey and report concerning the
16 results thereof and as to steps needed to restore the
17 habitability of Rongelap Island are authorized to be
18 made available to the Government of the Marshall
19 Islands.

20 (3) In the joint resolution of January 14, 1986
21 (Public Law 99-239) Congress provided that it is
22 the intent of Congress that such steps (if any) as
23 are necessary to restore the habitability of Rongelap
24 Island and return the Rongelap people to their
25 homeland will be taken by the United States in con-

1 sultation with the Government of the Marshall Is-
2 lands and, in accordance with its authority under
3 the Constitution of the Marshall Islands, the
4 Rongelap local government council.

5 (i) FOUR ATOLL HEALTH CARE PROGRAM.—

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

1 persons affected by the consequences of the United
2 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)
11 to be covered into the Fund to be available for fu-
12 ture 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
16 the 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
20 the total amount so retained and the proceeds there-
21 of annual disbursements sufficient to continue to
22 make payments for the provision of health services
23 as specified in paragraph (1) of this subsection to
24 such extent as may be provided in contracts between
25 the Government of the Marshall Islands and appro-

1 appropriate United States providers of such health serv-
2 ices.

3 (j) 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
6 of law, the Secretary of the Treasury shall establish on
7 the books of the Treasury of the United States a fund
8 having the status specified in Article V of the subsidiary
9 agreement for the implementation of Section 177 of the
10 Compact, to be known as the “Enjebi Community Trust
11 Fund” (hereafter in this subsection referred to as the
12 “Fund”), and shall credit to the Fund the amount of
13 \$7,500,000. Such amount, which shall be ex gratia, shall
14 be in addition to and not charged against any other funds
15 provided for in the Compact and its subsidiary agree-
16 ments, this joint resolution, or any other Act. Upon receipt
17 by the President of the United States of the agreement
18 described in this subsection, the Secretary of the Treas-
19 ury, upon request of the Government of the Marshall Is-
20 lands, shall transfer the Fund to the Government of the
21 Marshall Islands, provided that the Government of the
22 Marshall Islands agrees as follows:

23 (1) ENJEBI TRUST AGREEMENT.—In the joint
24 resolution of January 14, 1986 (Public Law 99–
25 239) Congress provided that the Government of the

1 Marshall Islands and the Enewetak Local Govern-
2 ment Council, in consultation with the people of
3 Enjebi, shall provide for the creation of the Enjebi
4 Community Trust Fund and the employment of the
5 manager of the Enewetak Fund established pursu-
6 ant to the Section 177 Agreement as trustee and
7 manager of the Enjebi Community Trust Fund, or,
8 should the manager of the Enewetak Fund not be
9 acceptable to the people of Enjebi, another United
10 States investment manager with substantial experi-
11 ence in the administration of trusts and with funds
12 under management in excess of 250 million dollars.

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

1 ards for the general population, including mean an-
2 nual dose and mean 30-year cumulative dose stand-
3 ards.

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

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

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

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

1 that the United States determines that within 25
2 years of January 14, 1986, the people of Enjebi can-
3 not resettle Enjebi without exceeding the radiation
4 standards set forth in paragraph (2) of this sub-
5 section, then the fund manager shall be directed by
6 the trust instrument to distribute the Fund to the
7 people of Enjebi for their resettlement at some other
8 location in accordance with a plan, developed by the
9 Enewetak Local Government Council and the people
10 of Enjebi and concurred with by the Government of
11 the Marshall Islands, to assure consistency with the
12 government's overall economic development plan.

13 (5) INTEREST FROM FUND.—In the joint reso-
14 lution of January 14, 1986 (Public Law 99-239)
15 Congress provided that prior to and during the dis-
16 tribution of the corpus of the Fund pursuant to
17 paragraphs (3) and (4) of this subsection, the people
18 of Enjebi may, if they so request, receive the interest
19 earned by the Fund on no less frequent a basis than
20 quarterly.

21 (6) DISCLAIMER OF LIABILITY.—In the joint
22 resolution of January 14, 1986 (Public Law 99-
23 239) Congress provided that neither under the laws
24 of the Marshall Islands nor under the laws of the
25 United States, shall the Government of the United

1 States be liable for any loss or damage to person or
2 property in respect to the resettlement of Enjebi by
3 the people of Enjebi, pursuant to the provision of
4 this subsection or otherwise.

5 (k) BIKINI ATOLL CLEANUP.—

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

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

23 (3) CONDITIONS OF FUNDING.—In the joint
24 resolution of January 14, 1986 (Public Law 99–
25 239) the Congress provided that the funds referred

1 to in paragraph (2) were to be made available pursu-
 2 ant to Article VI, Section 1 of the Compact Section
 3 177 Agreement upon completion of the events set
 4 forth in the settlement agreement referred to in
 5 paragraph (2) of this subsection.

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

12 (1) GENERAL AUTHORITY OF THE COMP-
 13 TROLLER GENERAL TO AUDIT.—

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

17 (i) all grants, program assistance, and
 18 other assistance provided to the Govern-
 19 ment of the Republic of the Marshall Is-
 20 lands under Articles I and II of Title Two
 21 of the U.S.-RMI Compact; and

22 (ii) any other assistance provided by
 23 the Government of the United States to
 24 the Government of the Republic of the
 25 Marshall 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 au-
5 thority provided in this paragraph shall con-
6 tinue for at least three years after the last such
7 grant has been made or assistance has been
8 provided.

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

18 (2) COMPTROLLER GENERAL ACCESS TO
19 RECORDS.—

20 (A) In carrying out paragraph (1), the
21 Comptroller General (and his duly authorized
22 representatives) shall have such access to the
23 personnel and (without cost) to records, docu-
24 ments, working papers, automated data and
25 files, and other information relevant to such au-

1 dits. The Comptroller General may duplicate
2 any such records, documents, working papers,
3 automated data and files, or other information
4 relevant to such audits.

5 (B) Such records, documents, working pa-
6 pers, automated data and files, and other infor-
7 mation regarding each such grant or other as-
8 sistance shall be maintained for at least three
9 years after the date such grant or assistance
10 was provided and in a manner that permits
11 such grants, assistance and payments to be ac-
12 counted for distinct from any other funds of the
13 Government of the Republic of the Marshall Is-
14 lands.

15 (3) STATUS OF COMPTROLLER GENERAL REP-
16 RESENTATIVES.—The Comptroller General and his
17 duly authorized representatives shall be immune
18 from civil and criminal process relating to words
19 spoken or written and all acts performed by them in
20 their official capacity and falling within their func-
21 tions, except insofar as such immunity may be ex-
22 pressly waived by the Government of the United
23 States. The Comptroller General and his duly au-
24 thorized representatives shall not be liable to arrest
25 or detention pending trial, except in the case of a

1 grave crime and pursuant to a decision by a com-
2 petent judicial authority, and such persons shall
3 enjoy immunity from seizure of personal property,
4 immigration restrictions, and laws relating to alien
5 registration, fingerprinting, and the registration of
6 foreign agents. Such persons shall enjoy the same
7 taxation exemptions as are set forth in Article 34 of
8 the Vienna Convention on Diplomatic Relations. The
9 privileges, exemptions and immunities accorded
10 under this paragraph are not for the personal ben-
11 efit of the individuals concerned but are to safeguard
12 the independent exercise of their official functions.
13 Without prejudice to those privileges, exemptions
14 and immunities, it is the duty of all such persons to
15 respect the laws and regulations of the Government
16 of the Republic of the Marshall Islands.

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

21 (A) whether the Government of the Repub-
22 lic of the Marshall Islands has met the require-
23 ments set forth in the U.S.-RMI Compact, or
24 any related agreement entered into under the
25 U.S.-RMI Compact, regarding the purposes for

1 which such grants and other assistance are to
2 be used; and

3 (B) the propriety of the financial trans-
4 actions of the Government of the Republic of
5 the Marshall Islands pursuant to such grants or
6 assistance.

7 (5) COOPERATION BY THE REPUBLIC OF THE
8 MARSHALL ISLANDS.—The Government of the Re-
9 public of the Marshall Islands will cooperate fully
10 with the Comptroller General of the United States in
11 the conduct of such audits as the Comptroller Gen-
12 eral determines necessary to enable the Comptroller
13 General to fully discharge his responsibilities under
14 this joint resolution.

15 **SEC. 104. INTERPRETATION OF AND UNITED STATES POL-**
16 **ICY REGARDING U.S.-FSM COMPACT AND U.S.-**
17 **RMI COMPACT.**

18 (a) HUMAN RIGHTS.—In approving the U.S.-FSM
19 Compact and the U.S.-RMI Compact, the Congress notes
20 the conclusion in the Statement of Intent of the Report
21 of The Future Political Status Commission of the Con-
22 gress of Micronesia in July, 1969, that “our recommenda-
23 tion of a free associated state is indissolubly linked to our
24 desire for such a democratic, representative, constitutional
25 government” and notes that such desire and intention are

1 reaffirmed and embodied in the Constitutions of the Fed-
 2 erated States of Micronesia and the Republic of the Mar-
 3 shall Islands. The Congress also notes and specifically en-
 4 dorses the preamble to the U.S.-FSM Compact and the
 5 U.S.-RMI Compact, which affirms that the governments
 6 of the parties to the U.S.-FSM Compact and the U.S.-
 7 RMI Compact are founded upon respect for human rights
 8 and fundamental freedoms for all. The Secretary of State
 9 shall include in the annual reports on the status of inter-
 10 nationally recognized human rights in foreign countries,
 11 which are submitted to the Congress pursuant to sections
 12 116 and 502B of the Foreign Assistance Act of 1961 (22
 13 U.S.C. 2151n, 2304), a full and complete report regarding
 14 the status of internationally recognized human rights in
 15 the Federated States of Micronesia and the Republic of
 16 the Marshall Islands.

17 (b) IMMIGRATION AND PASSPORT SECURITY.—

18 (1) NATURALIZED CITIZENS.—The rights of a
 19 bona fide naturalized citizen of the Federated States
 20 of Micronesia or the Republic of the Marshall Is-
 21 lands to enter the United States, to lawfully engage
 22 therein in occupations, and to establish residence
 23 therein as a nonimmigrant, to the extent such rights
 24 are provided under section 141 of the U.S.-FSM
 25 Compact and U.S.-RMI Compact, shall not be

1 deemed to extend to any such naturalized citizen
2 with respect to whom circumstances associated with
3 the acquisition of the status of a naturalized citizen
4 are such as to allow a reasonable inference, on the
5 part of appropriate officials of the United States and
6 subject to United States procedural requirements,
7 that such naturalized status was acquired primarily
8 in order to obtain such rights.

9 (2) PASSPORTS.—It is the intent of Congress
10 that up to \$250,000 of the grant assistance provided
11 to the Federated States of Micronesia pursuant to
12 section 211(a)(4) of the U.S.-FSM Compact, and up
13 to \$250,000 of the grant assistance provided to the
14 Republic of the Marshall Islands pursuant to section
15 211(a)(4) of the U.S.-RMI Compact (or a greater
16 amount of the section 211(a)(4) grant, if mutually
17 agreed between the Government of the United States
18 and the government of the Federated States of Mi-
19 cronesia or the government of the Republic of the
20 Marshall Islands), be used for the purpose of in-
21 creasing the machine-readability and security of
22 passports issued by such jurisdictions. It is the in-
23 tent of Congress that funds be obligated by Sep-
24 tember 30, 2004 and in the amount and manner
25 specified by the Secretary of State in consultation

1 with the Secretary of Homeland Security and, re-
2 spectively, with the government of the Federated
3 States of Micronesia and the government of the Re-
4 public of the Marshall Islands. The United States
5 Government is authorized to require that passports
6 used for the purpose of seeking admission under sec-
7 tion 141 of the U.S.-FSM Compact and the U.S.-
8 RMI Compact contain appropriate security enhance-
9 ments.

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

21 (4) TRANSITION; CONSTRUCTION OF SECTIONS
22 141(A)(3) AND 141(A)(4) OF THE U.S.-FSM COMPACT
23 AND U.S.-RMI COMPACT.—The words “the effective
24 date of this Compact, as amended” in sections
25 141(a)(3) and 141(a)(4) of the U.S.-FSM Compact

1 and the U.S.-RMI Compact shall be construed to
2 read, “on the day prior to the enactment by the
3 United States Congress of the Amended Compact
4 Act.”.

5 (c) NONALIENATION OF LANDS.—The Congress en-
6 dorses and encourages the maintenance of the policies of
7 the Government of the Federated States of Micronesia and
8 the Government of the Republic of the Marshall Islands
9 to regulate, in accordance with their Constitutions and
10 laws, the alienation of permanent interests in real property
11 so as to restrict the acquisition of such interests to persons
12 of Federated States of Micronesia citizenship and the Re-
13 public of the Marshall Islands citizenship, respectively.

14 (d) NUCLEAR WASTE DISPOSAL.—In approving the
15 U.S.-FSM Compact and the U.S.-RMI Compact, the Con-
16 gress understands that the Government of the Federated
17 States of Micronesia and the Government of the Republic
18 of the Marshall Islands will not permit any other govern-
19 ment or any nongovernmental party to conduct, in the Re-
20 public of the Marshall Islands or in the Federated States
21 of Micronesia, any of the activities specified in subsection
22 (a) of section 314 of the U.S.-FSM Compact and the U.S.-
23 RMI Compact.

24 (e) IMPACT OF COMPACTS ON GUAM, THE STATE OF
25 HAWAII, THE COMMONWEALTH OF THE NORTHERN MAR-

1 IANA ISLANDS, AND AMERICAN SAMOA; RELATED AU-
2 THORIZATION AND CONTINUING APPROPRIATION.—

3 (1) RECONCILIATION OF UNREIMBURSED IM-
4 PACT EXPENSES.—

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

18 (B) TERMS AND CONDITIONS.—

19 (i) SUBSTANTIATION OF IMPACT
20 COSTS.—Not later than 120 days after the
21 date of the enactment of this resolution,
22 the Governor of Guam and the Governor of
23 the Commonwealth of the Northern Mar-
24 iana Islands shall each submit to the Sec-
25 retary of the Interior a report, prepared in

1 consultation with an independent account-
2 ing firm, substantiating unreimbursed im-
3 pact expenses claimed for the period from
4 January 14, 1986, through September 30,
5 2003. Upon request of the Secretary of the
6 Interior, the Governor of Guam and the
7 Governor of the Commonwealth of the
8 Northern Mariana Islands shall each sub-
9 mit to the Secretary of the Interior copies
10 of all documents upon which the report
11 submitted by that Governor under this
12 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
23 of the Commonwealth of the Northern
24 Mariana Islands. In exercising his author-
25 ity under this section and in determining

1 whether to give final approval to a request,
2 the President shall take into consideration
3 comments he may receive after Congres-
4 sional review.

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

8 (2) STATEMENT OF CONGRESSIONAL INTENT.—

9 In approving the Compacts, it is not the intent of
10 the Congress to cause any adverse consequences for
11 Guam, the State of Hawaii, the Commonwealth of
12 the Northern Mariana Islands, and American
13 Samoa.

14 (3) ANNUAL REPORTS AND RECOMMENDA-

15 TIONS.—One year after the date of enactment of
16 this joint resolution, and at one year intervals there-
17 after, the Governors of Guam, the State of Hawaii,
18 the Commonwealth of the Northern Mariana Is-
19 lands, and American Samoa may provide to the Sec-
20 retary of the Interior by February 1 of each year
21 their comments with respect to the impacts of the
22 Compacts on their respective jurisdiction. The Sec-
23 retary of the Interior, upon receipt of any such com-
24 ments, shall report to the Congress not later than
25 May 1 of each year to include the following:

1 (A) The Governor's comments on the im-
2 pacts of the Compacts as well as the Adminis-
3 tration's analysis of such impact.

4 (B) Any adverse consequences resulting
5 from the Compacts and recommendations for
6 corrective action to eliminate those con-
7 sequences.

8 (C) Matters relating to trade, taxation, im-
9 migration, labor laws, minimum wages, health,
10 educational, social, and public safety services
11 and infrastructure, and environmental regula-
12 tion.

13 (D) With regard to immigration, statistics
14 concerning the number of persons availing
15 themselves of the rights described in section
16 141(a) of the Compact during the year covered
17 by each report.

18 (E) With regard to trade, the reports shall
19 include an analysis of the impact on the econ-
20 omy of American Samoa resulting from imports
21 of canned tuna into the United States from the
22 Federated States of Micronesia, and the Repub-
23 lic of the Marshall Islands.

24 (4) COMMITMENT OF CONGRESS TO REDRESS
25 ADVERSE CONSEQUENCES.—The Congress hereby

declares that, if any adverse consequences to Guam, the State of Hawaii, the Commonwealth of the Northern Mariana Islands, or American Samoa result from implementation of the Compacts, the Congress will act sympathetically and expeditiously to redress those adverse consequences.

(5) QUALIFIED NONIMMIGRANT.—For the purposes of this section, the term “qualified non-immigrant” means person admitted to the United States pursuant to:

(A) section 141 of the Compact of Free Association between the United States and the Government of the Federated States of Micronesia set forth in Title I;

(B) section 141 of the Compact of Free Association between the United States and the Government of the Republic of the Marshall Islands set forth in Title I; or

(C) section 141 of the Compact of Free Association between the United States and the Government of the Republic of Palau.

(6) AUTHORIZATION AND CONTINUING APPROPRIATION.—There are hereby authorized and appropriated to the Secretary of the Interior, for each fiscal year beginning after September 30, 2003

1 through 2023, \$30,000,000 for grants to the govern-
2 ments of Guam, the State of Hawaii, the Common-
3 wealth of the Northern Mariana Islands, and Amer-
4 ican Samoa as a result of increased demands placed
5 on educational, social, or public safety services or in-
6 frastructure related to such services due to the pres-
7 ence in Guam, the State of Hawaii, the Common-
8 wealth of the Northern Mariana Islands, or Amer-
9 ican Samoa of qualified nonimmigrants from the
10 Federated States of Micronesia, the Republic of the
11 Marshall Islands, or the Republic of Palau.

12 (A) AWARDING.—The grants shall be—

13 (i) awarded and administered by the
14 Department of the Interior, Office of Insu-
15 lar Affairs, or any successor thereto, in ac-
16 cordance with regulations, policies and pro-
17 cedures applicable to grants so awarded
18 and administered; and

19 (ii) used only for health, educational,
20 social, or public safety services, or infra-
21 structure related to such services, specifi-
22 cally affected by qualified nonimmigrants.

23 (B) ENUMERATION.—For purposes of car-
24 rying out this section, the Secretary of the Inte-
25 rior shall provide for a periodic census of quali-

1 fied nonimmigrants in Guam, the State of Ha-
 2 waii, the Commonwealth of the Northern Mar-
 3 iana Islands, and American Samoa. The
 4 enumeration—

5 (i) shall be provided by the Secretary
 6 of the Interior beginning in fiscal year
 7 2004 and thereafter in calendar years
 8 2005, 2010, 2015, and 2020;

9 (ii) shall be supervised by the United
 10 States Bureau of the Census and any other
 11 supporting organization(s) as the Secretary
 12 of the Interior may select; and

13 (iii) after fiscal year 2003, shall be
 14 funded by the Secretary of the Interior by
 15 deducting such sums as are necessary from
 16 funds appropriated pursuant to the author-
 17 ization contained in paragraph (6) of this
 18 subsection.

19 (C) ALLOCATION.—The Secretary of the
 20 Interior shall allocate to each of the govern-
 21 ments of Guam, the State of Hawaii, the Com-
 22 monwealth of the Northern Mariana Islands,
 23 and American Samoa, on the basis of the re-
 24 sults of the most recent enumeration, grants in
 25 an aggregate amount equal to the total amount

1 of funds appropriated under paragraph (6) of
2 this subsection, as reduced by any deductions
3 authorized by subparagraph (iii) of subpara-
4 graph (B) of paragraph (6) of this subsection,
5 multiplied by a ratio derived by dividing the
6 number of qualified nonimmigrants in such af-
7 fected jurisdiction by the total number of quali-
8 fied nonimmigrants in the governments of
9 Guam, the Commonwealth of the Northern
10 Mariana Islands, and American Samoa.

11 (7) AUTHORIZATION OF APPROPRIATIONS FOR
12 GRANTS.—There are hereby authorized to the Sec-
13 retary of the Interior for each of fiscal years 2004
14 through 2023 such sums as may be necessary for
15 grants to the governments of Guam, the State of
16 Hawaii, the Commonwealth of the Northern Mar-
17 iana Islands, and American Samoa, as a result of in-
18 creased demands placed on educational, social, or
19 public safety services or infrastructure related to
20 service due to the presence in Guam, Hawaii, the
21 Commonwealth of the Northern Mariana Islands,
22 and American Samoa of qualified nonimmigrants
23 from the Federated States of Micronesia, the Repub-
24 lic of the Marshall Islands, and the Republic of
25 Palau.

1 (8) AUTHORIZATION OF APPROPRIATIONS FOR
2 THE REIMBURSEMENT OF HEALTH CARE SERV-
3 ICES.—

4 (A) AUTHORIZATION.—In addition to
5 amounts appropriated pursuant to the author-
6 ization provided in section 221(b) of Article II
7 of Title Two of the U.S.-FSM Compact and the
8 U.S.-RMI Compact, there are hereby authorized
9 to be appropriated to the Secretary of the Inte-
10 rior such sums as may be necessary to reim-
11 burse designated health care providers for
12 qualifying health care costs for medical debt re-
13 ferral claims for health care services furnished
14 before October 1, 2003.

15 (B) DESIGNATED HEALTH CARE PRO-
16 VIDERS.—For purposes of subparagraph (A),
17 the term “designated health care provider”
18 means an institutional provider of health care
19 services (such as a public or private hospital)
20 located in Hawaii, Guam, the Commonwealth of
21 the Northern Mariana Islands, or American
22 Samoa.

23 (C) QUALIFYING HEALTH CARE COSTS.—
24 For purposes of subparagraph (A), the term
25 “qualifying health care costs” means costs that

1 the Secretary determines are incurred by a des-
2 ignated health care provider for health care
3 services furnished in Hawaii, Guam, the Com-
4 monwealth of the Northern Mariana Islands,
5 and American Samoa (as the case may be) to
6 a citizen of the Republic of the Marshall Is-
7 lands, the Federated States of Micronesia, or
8 the Republic of Palau pursuant to medical re-
9 ferral programs in the Federated States of Mi-
10 cronesia and the Republic of the Marshall Is-
11 lands.

12 (9) USE OF DOD MEDICAL FACILITIES AND
13 NATIONAL HEALTH SERVICE CORPS.—

14 (A) DOD MEDICAL FACILITIES.—The Sec-
15 retary of Defense shall make available, on a
16 space available and reimbursable basis, the
17 medical facilities of the Department of Defense
18 for use by citizens of the Federated States of
19 Micronesia, the Republic of the Marshall Is-
20 lands, and the Republic of Palau who are prop-
21 erly referred to the facilities by government au-
22 thorities responsible for provision of medical
23 services in the Federated States of Micronesia,
24 the Republic of the Marshall Islands, and the
25 Republic of Palau.

1 (B) NATIONAL HEALTH SERVICE CORPS.—

2 The Secretary of Health and Human Services
3 shall continue to make the services of the Na-
4 tional Health Service Corps available to the
5 residents of the Federated States of Micronesia
6 and the Republic of the Marshall Islands to the
7 same extent and for so long as such services are
8 authorized to be provided to persons residing in
9 any other areas within or outside the United
10 States.

11 (C) AUTHORIZATION OF APPROPRIA-

12 TIONS.—There are authorized to be appro-
13 priated to carry out this paragraph such sums
14 as are necessary for each fiscal year.

15 (f) SENSE OF CONGRESS CONCERNING FUNDING OF

16 PUBLIC INFRASTRUCTURE.—It is the sense of Congress
17 that—

18 (1) not less than 30 percent of the United
19 States annual grant assistance provided under sec-
20 tion 211 of the Compact of Free Association, as
21 amended, between the Government of the United
22 States of America and the Government of the Fed-
23 erated States of Micronesia, and not less than 30
24 percent of the total amount of section 211 funds al-
25 located to each of the states of the Federated States

1 of Micronesia, shall be invested in infrastructure im-
 2 provements in accordance with the list of specific
 3 projects included in the plan described in section
 4 211(a)(6)(i) and for maintenance in accordance with
 5 section 211(a)(6)(ii); and

6 (2) not less than 30 percent of the United
 7 States annual grant assistance provided under sec-
 8 tion 211 of the Compact of Free Association, as
 9 amended, between the Government of the United
 10 States of America and the Government of the Re-
 11 public of the Marshall Islands, shall be used for in-
 12 frastructure improvement and maintenance in ac-
 13 cordance with section 211(d).

14 (g) FOREIGN LOANS.—The Congress hereby reaf-
 15 firms the United States position that the United States
 16 Government is not responsible for foreign loans or debt
 17 obtained by the Governments of the Federated States of
 18 Micronesia and the Republic of the Marshall Islands.

19 (h) REPORTS AND REVIEWS.—

20 (1) REPORT BY THE PRESIDENT.—Not later
 21 than the end of the first full calendar year following
 22 enactment of this resolution, and not later than De-
 23 cember 31 of each year thereafter, the President
 24 shall submit a report to Congress regarding the Fed-
 25 erated States of Micronesia and the Republic of the

1 Marshall Islands. The report shall include, at a min-
2 imum, the following with regard 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 and program assistance.

8 (C) The status of economic policy reforms
9 in the Federated States of Micronesia and the
10 Republic of the Marshall Islands.

11 (D) The status of the efforts by the Fed-
12 erated States of Micronesia and the Republic of
13 the Marshall Islands to attract foreign invest-
14 ment and to increase indigenous business activ-
15 ity.

16 (E) Recommendations on ways to increase
17 the effectiveness of United States assistance.

18 (2) REVIEW.—During the year of the fifth and
19 fifteenth anniversaries of the date of enactment of
20 this resolution, the Government of the United States
21 shall review the terms of the respective Compacts
22 and shall consider the overall nature and develop-
23 ment of the U.S.-FSM and U.S.-RMI relationships.
24 In these reviews, the Government of the United
25 States shall consider the operating requirements of

1 the Government of the Federated States of Micro-
2 nesia and the Government of the Republic of the
3 Marshall Islands and their progress in meeting the
4 development objectives set forth in their respective
5 development plans. The President shall include the
6 findings resulting from the reviews, and any rec-
7 ommendations for actions to respond to such find-
8 ings, in the annual reports to Congress for the years
9 following the reviews.

10 (3) BY THE COMPTROLLER GENERAL.—Not
11 later than the date that is 3 years after the date of
12 enactment of this joint resolution, and every 5 years
13 thereafter, the Comptroller General of the United
14 States shall submit to Congress a report on the Fed-
15 erated States of Micronesia and the Republic of the
16 Marshall Islands, including the topics set forth in
17 paragraph (1) and the effectiveness of administra-
18 tive oversight by the United States.

19 (i) CONSTRUCTION OF SECTION 141(F).—Section
20 141(f)(2) of the Compact of Free Association between the
21 Government of the United States of America and the Gov-
22 ernment of the Federated States of Micronesia and of the
23 Compact of Free Association between the Government of
24 the United States of America and the Government of the
25 Republic of the Marshall Islands, shall be construed as

1 though “, except that any such regulations that would
2 have a significant effect on the admission, stay and em-
3 ployment privileges provided under this section shall not
4 become effective until 90 days after the date of trans-
5 mission of the regulations to the Committee on Energy
6 and Natural Resources and the Committee on the Judici-
7 ary of the Senate and the Committee on Resources, the
8 Committee on International Relations, and the Committee
9 on the Judiciary of the House of Representatives” was in-
10 serted after “may by regulations prescribe”.

11 **SEC. 105. SUPPLEMENTAL PROVISIONS.**

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

22 (b) RELATIONS WITH THE FEDERATED STATES OF
23 MICRONESIA AND THE REPUBLIC OF THE MARSHALL IS-
24 LANDS.—

1 (1) Appropriations made pursuant to Article I
2 of Title Two and subsection (a)(2) of section 221 of
3 Article II of Title Two of the U.S.-FSM Compact
4 and the U.S.-RMI Compact shall be made to the
5 Secretary of the Interior, who shall have the author-
6 ity necessary to fulfill his responsibilities for moni-
7 toring and managing the funds so appropriated con-
8 sistent with the U.S.-FSM Compact and the U.S.-
9 RMI Compact, including the agreements referred to
10 in section 462(b)(4) of the U.S.-FSM Compact and
11 U.S.-RMI Compact (relating to Fiscal Procedures)
12 and the agreements referred to in section 462(b)(5)
13 of the U.S.-FSM Compact and the U.S.-RMI Com-
14 pact (regarding the Trust Fund).

15 (2) Appropriations made pursuant to sub-
16 sections (a)(1) and (a)(3) through (6) of section 221
17 of Article II of Title Two of the U.S.-FSM Compact
18 and subsection (a)(1) and (a)(3) through (5) of the
19 U.S.-RMI Compact shall be made directly to the
20 agencies named in those subsections.

21 (3) Appropriations for services and programs
22 referred to in subsection (b) of section 221 of Article
23 II of Title Two of the U.S.-FSM Compact or U.S.-
24 RMI Compact and appropriations for services and
25 programs referred to in sections 105(f) and 108(a)

1 of this joint resolution shall be made to the relevant
2 agencies in accordance with the terms of the appro-
3 priations for such services and programs.

4 (4) Federal agencies providing programs and
5 services to the Federated States of Micronesia and
6 the Republic of the Marshall Islands shall coordinate
7 with the Secretaries of the Interior and State re-
8 garding provision of such programs and services.
9 The Secretaries of the Interior and State shall con-
10 sult with appropriate officials of the Asian Develop-
11 ment Bank and with the Secretary of the Treasury
12 regarding overall economic conditions in the Fed-
13 erated States of Micronesia and the Republic of the
14 Marshall Islands and regarding the activities of
15 other donors of assistance to the Federated States
16 of Micronesia and the Republic of the Marshall Is-
17 lands.

18 (5) United States Government employees in ei-
19 ther the Federated States of Micronesia or the Re-
20 public of the Marshall Islands are subject to the au-
21 thority of the United States Chief of Mission, includ-
22 ing as elaborated in section 207 of the Foreign Serv-
23 ice Act and the President's Letter of Instruction to
24 the United States Chief of Mission and any order or

1 directive of the President in effect from time to
2 time.

3 (6)(A) The President is hereby authorized to
4 appoint an Interagency Group on Freely Associated
5 States' Affairs to provide policy guidance and rec-
6 ommendations on implementation of the U.S.-FSM
7 Compact and the U.S.-RMI Compact to Federal de-
8 partments and agencies.

9 (B) It is the sense of Congress that the Sec-
10 retary of State and the Secretary of the Interior
11 should be represented on the Interagency Group.

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

20 (ii) It is the sense of Congress that at least one
21 appointee each should be designated from both the
22 Department of State and the Department of the In-
23 terior.

24 (iii) Section 213 of the U.S.-FSM Compact
25 shall be construed to read as though the phrase,

1 “and on the implementation of economic policy re-
2 forms designed to encourage private sector invest-
3 ment,” were inserted after “with particular focus on
4 those parts of the plan dealing with the sectors iden-
5 tified in subsection (a) of section 211”.

6 (B)(i) The three United States appointees
7 (United States chair plus two members) to the
8 Joint Economic Management and Financial Ac-
9 countability Committee provided for in section
10 214 of the U.S.-RMI Compact and Article III
11 of the U.S.-RMI Fiscal Procedures Agreement
12 referred to in section 462(b)(4) of the U.S.-
13 RMI Compact shall be United States Govern-
14 ment officers or employees.

15 (ii) It is the sense of Congress that at least
16 one appointee each should be designated from
17 both the Department of State and the Depart-
18 ment of the Interior.

19 (iii) Section 214 of the U.S.-RMI Compact
20 shall be construed to read as though the phrase,
21 “and on the implementation of economic policy
22 reforms designed to encourage private sector in-
23 vestment,” were inserted after “with particular
24 focus on those parts of the framework dealing

1 with the sectors and areas identified in sub-
2 section (a) of section 211”.

3 (8) It is the sense of Congress that the Sec-
4 retary of State and the Secretary of the Interior
5 shall assure that there are personnel resources com-
6 mitted in the appropriate numbers and locations to
7 ensure effective oversight of United States financial
8 and program assistance.

9 (9) The United States voting members (United
10 States chair plus two or more members) of the
11 Trust Fund Committee appointed by the Govern-
12 ment of the United States pursuant to Article 7 of
13 the Trust Fund Agreement implementing section
14 215 of the U.S.-FSM Compact and referred to in
15 section 462(b)(5) of the U.S.-FSM Compact and
16 any alternates designated by the Government of the
17 United States shall be United States Government of-
18 ficers or employees. The United States voting mem-
19 bers (United States chair plus two or more mem-
20 bers) of the Trust Fund Committee appointed by the
21 Government of the United States pursuant to Article
22 7 of the Trust Fund Agreement implementing sec-
23 tion 216 of the U.S.-RMI Compact and referred to
24 in section 462(b)(5) of the U.S.-RMI Compact and
25 any alternates designated by the Government of the

1 United States shall be United States Government of-
2 ficers or employees. It is the sense of Congress that
3 at least one appointee each should be designated
4 from both the Department of State and the Depart-
5 ment of the Interior.

6 (10) The Trust Fund Committee provided for
7 in Article 7 of the U.S.-FSM Trust Fund Agreement
8 implementing section 215 of the U.S.-FSM Compact
9 shall be a non-profit corporation incorporated under
10 the laws of the District of Columbia. To the extent
11 that any law, rule, regulation or ordinance of the
12 District of Columbia, or of any State or political
13 subdivision thereof in which the Trust Fund Com-
14 mittee is incorporated or doing business, impedes or
15 otherwise interferes with the performance of the
16 functions of the Trust Fund Committee pursuant to
17 this joint resolution, such law, rule, regulation, or
18 ordinance shall be deemed to be preempted by this
19 joint resolution. The Trust Fund Committee pro-
20 vided for in Article 7 of the U.S.-RMI Trust Fund
21 Agreement implementing section 216 of the U.S.-
22 RMI Compact shall be a non-profit corporation in-
23 corporated under the laws of the District of Colum-
24 bia. To the extent that any law, rule, regulation or
25 ordinance of the District of Columbia, or of any

1 State or political subdivision thereof in which the
2 Trust Fund Committee is incorporated or doing
3 business, impedes or otherwise interferes with the
4 performance of the functions of the Trust Fund
5 Committee pursuant to this joint resolution, such
6 law, rule, regulation, or ordinance shall be deemed
7 to be preempted by this joint resolution.

8 (c) JUDICIAL TRAINING.—(1) In addition to amounts
9 provided under section 211(a)(4) of the U.S.-FSM Com-
10 pact and the U.S.-RMI Compact, the President shall an-
11 nually provide \$200,000 to the Government of the Fed-
12 erated States of Micronesia and \$100,000 to the Govern-
13 ment of the Republic of the Marshall Islands to provide
14 training for judges and officials of the judiciary.

15 (2) There is hereby authorized and appropriated to
16 the Secretary of the Interior, out of any funds in the
17 Treasury not otherwise appropriated, to remain available
18 until expended, for each fiscal year from 2004 through
19 2023, \$300,000, as adjusted for inflation under section
20 217 of the U.S.-FSM Compact and section 218 of the
21 U.S.-RMI Compact, to carry out the purposes of this sec-
22 tion.

23 (d) CONTINUING TRUST TERRITORY AUTHORIZA-
24 TION.—The authorization provided by the Act of June 30,
25 1954, as amended (68 Stat. 330) shall remain available

1 after the effective date of the Compact with respect to the
2 Federated States of Micronesia and the Republic of the
3 Marshall Islands for the following purposes:

4 (1) Prior to October 1, 1986, for any purpose
5 authorized by the Compact or the joint resolution of
6 January 14, 1986 (Public Law 99–239).

7 (2) Transition purposes, including but not lim-
8 ited to, completion of projects and fulfillment of
9 commitments or obligations; termination of the
10 Trust Territory Government and termination of the
11 High Court; health and education as a result of ex-
12 ceptional circumstances; ex gratia contributions for
13 the populations of Bikini, Enewetak, Rongelap, and
14 Utrik; and technical assistance and training in fi-
15 nancial management, program administration, and
16 maintenance of infrastructure, except that, for pur-
17 poses of an orderly reduction of United States pro-
18 grams and services in the Federated States of Mi-
19 cronesia, the Marshall Islands, and the Republic of
20 Palau, United States programs or services not spe-
21 cifically authorized by the Compact of Free Associa-
22 tion or by other provisions of law may continue but,
23 unless reimbursed by the respective freely associated
24 state, not in excess of the following amounts:

1 (A) For fiscal year 1987, an amount not to
2 exceed 75 per centum of the total amount ap-
3 propriated for such programs for fiscal year
4 1986.

5 (B) For fiscal year 1988, an amount not
6 to exceed 50 per centum of the total amount
7 appropriated for such programs for fiscal year
8 1986.

9 (C) For fiscal year 1989, an amount not to
10 exceed 25 per centum of the total amount ap-
11 propriated for such programs for fiscal year
12 1986.

13 (e) SURVIVABILITY.—In furtherance of the provisions
14 of Title Four, Article V, sections 452 and 453 of the U.S.-
15 FSM Compact and the U.S.-RMI Compact, any provisions
16 of the U.S.-FSM Compact or the U.S.-RMI Compact
17 which remain effective after the termination of the U.S.-
18 FSM Compact or U.S.-RMI Compact by the act of any
19 party thereto and which are affected in any manner by
20 provisions of this title shall remain subject to such provi-
21 sions.

22 (f) NONCOMPLIANCE SANCTIONS; ACTIONS INCOM-
23 PATIBLE WITH UNITED STATES AUTHORITY.—The Con-
24 gress expresses its understanding that the Governments
25 of the Federated States of Micronesia and the Republic

1 of the Marshall Islands will not act in a manner incompat-
 2 ible with the authority and responsibility of the United
 3 States for security and defense matters in or related to
 4 the Federated States of Micronesia or the Republic of the
 5 Marshall Islands pursuant to the U.S.-FSM Compact or
 6 the U.S.-RMI Compact, including the agreements referred
 7 to in sections 462(a)(2) of the U.S.-FSM Compact and
 8 462(a)(5) of the U.S.-RMI Compact. The Congress fur-
 9 ther expresses its intention that any such act on the part
 10 of either such Government will be viewed by the United
 11 States as a material breach of the U.S.-FSM Compact or
 12 U.S.-RMI Compact. The Government of the United States
 13 reserves the right in the event of such a material breach
 14 of the U.S.-FSM Compact by the Government of the Fed-
 15 erated States of Micronesia or the U.S.-RMI Compact by
 16 the Government of the Republic of the Marshall Islands
 17 to take action, including (but not limited to) the suspen-
 18 sion in whole or in part of the obligations of the Govern-
 19 ment of the United States to that Government.

20 (g) CONTINUING PROGRAMS AND LAWS.—

21 (1) FEDERATED STATES OF MICRONESIA AND
 22 REPUBLIC OF THE MARSHALL ISLANDS.—In addi-
 23 tion to the programs and services set forth in section
 24 221 of the Compact, and pursuant to section 222 of
 25 the Compact, the programs and services of the fol-

1 lowing agencies shall be made available to the Fed-
2 erated States of Micronesia and to the Republic of
3 the Marshall Islands:

4 (A) The Government of the United States
5 shall continue to make available to eligible insti-
6 tutions in the Federated States of Micronesia
7 and the Republic of the Marshall Islands, and
8 to students enrolled in such eligible institutions
9 and in institutions in the United States and its
10 territories, for fiscal years 2004 through 2023,
11 grants under subpart 1 of part A of title IV of
12 the Higher Education Act of 1965 (20 U.S.C.
13 1070a et seq.) on the same basis that such
14 grants continue to be available to institutions
15 and students in the United States.

16 (B) SUPPLEMENTAL EDUCATION
17 GRANTS.—

18 (i) IN GENERAL.—In lieu of eligibility
19 for appropriations under part A of title I
20 of the Elementary and Secondary Edu-
21 cation Act of 1965 (20 U.S.C. 6311 et
22 seq.), part B of the Individuals with Dis-
23 abilities Education Act (20 U.S.C. 1411 et
24 seq.), title I of the Workforce Investment
25 Act of 1998 (29 U.S.C. 2801 et seq.), title

1 II of the Workforce Investment Act of
2 1998 (20 U.S.C. 9201 et seq.; commonly
3 known as the Adult Education and Family
4 Literacy Act), title I of the Carl D. Per-
5 kins Vocational and Technical Education
6 Act of 1998 (20 U.S.C. 2321 et seq.), and
7 the Head Start Act (42 U.S.C. 9831 et
8 seq.), there are authorized to be appro-
9 priated to the Secretary of Education for
10 supplemental education grants to the Fed-
11 erated States of Micronesia and the Re-
12 public of the Marshall Islands the following
13 amounts:

14 (I) \$13,994,592 for the Fed-
15 erated States of Micronesia for fiscal
16 year 2005 and an equivalent amount,
17 as adjusted for inflation under section
18 217 of the U.S.-FSM Compact, for
19 each of fiscal years 2006 through
20 2023.

21 (II) \$6,705,408 for the Republic
22 of the Marshall Islands for fiscal year
23 2005 and an equivalent amount, as
24 adjusted for inflation under section
25 218 of the U.S.-RMI Compact, for

1 each of fiscal years 2006 through
2 2023.

3 (ii) FISCAL PROCEDURES.—Assistance
4 pursuant to this subparagraph shall be dis-
5 bursed and monitored in accordance with
6 the respective Fiscal Procedures Agree-
7 ment referred to in section 462(b)(4) of
8 the U.S.-FSM Compact and section
9 462(b)(4) of the U.S.-RMI Compact.

10 (iii) FORMULA EDUCATION GRANTS.—
11 For fiscal years 2005 through 2023, except
12 as provided in clause (i), the Governments
13 of the Federated States of Micronesia and
14 the Republic of the Marshall Islands shall
15 not receive any grant under any formula-
16 grant program administered by the Sec-
17 retary of Education or the Secretary of
18 Labor, nor any grant provided through the
19 Head Start Act (42 U.S.C. 9831 et seq.)
20 administered by the Secretary of Health
21 and Human Services.

22 (iv) TRANSITION.—For fiscal year
23 2004, the Governments of the Federated
24 States of Micronesia and the Republic of
25 the Marshall Islands shall continue to be

1 eligible for appropriations under the provi-
2 sions of law specified in clause (i) and to
3 receive grants under the programs de-
4 scribed in clause (iii).

5 (C) COMPETITIVE EDUCATION GRANTS.—

6 The Governments of the Federated States of
7 Micronesia and the Republic of the Marshall Is-
8 lands shall continue to be eligible for competi-
9 tive grants administered by the Secretary of
10 Education to the extent that such grants con-
11 tinue to be available to State and local govern-
12 ments in the United States.

13 (D) The Federal Emergency Management
14 Agency, in the following manner: Paragraph (6)
15 of section 221(a) of the U.S.-FSM Compact
16 and paragraph (5) of section 221(a) of the
17 U.S.-RMI Compact shall each be construed and
18 applied as if each provision reads as follows:
19 “The Department of Homeland Security, Fed-
20 eral Emergency Management Agency disaster
21 assistance programs and public assistance pro-
22 grams for public and private non-profit infra-
23 structure and programs provided by the United
24 States Agency for International Development,
25 Office of Foreign Disaster Assistance, at levels

1 equivalent to those available on the day pre-
2 ceding the effective date of the Compacts, to re-
3 main available until the later of—

4 (i) the 10-year period beginning on
5 the date of enactment of the Compacts; or

6 (ii) the date on which the Disaster As-
7 sistance Emergency Fund referred to in
8 section 211(d) of the U.S.-FSM Compact
9 and section 211(e) of the U.S.-RMI Com-
10 pact attains a balance of \$4,000,000.

11 (E) The Legal Services Corporation.

12 (F) The Public Health Service.

13 (G) The Rural Housing Service (formerly,
14 the Farmers Home Administration) in the Mar-
15 shall Islands and each of the four States of the
16 Federated States of Micronesia. In lieu of con-
17 tinuation of the program in the Federated
18 States of Micronesia, the President may agree
19 to transfer to the Government of the Federated
20 States of Micronesia without cost, the portfolio
21 of the Rural Housing Service applicable to the
22 Federated States of Micronesia and provide
23 such technical assistance in management of the
24 portfolio as may be requested by the Federated
25 States of Micronesia.

1 (2) TORT CLAIMS.—The provisions of section
2 178 of the U.S.-FSM Compact and the U.S.-RMI
3 Compact regarding settlement and payment of tort
4 claims shall apply to employees of any Federal agen-
5 cy of the Government of the United States (and to
6 any other person employed on behalf of any Federal
7 agency of the Government of the United States on
8 the basis of a contractual, cooperative, or similar
9 agreement) which provides any service or carries out
10 any other function pursuant to or in furtherance of
11 any provisions of the U.S.-FSM Compact or the
12 U.S.-RMI Compact or this joint resolution, except
13 for provisions of Title Three of the Compact and of
14 the subsidiary agreements related to such Title, in
15 such area to which such Agreement formerly ap-
16 plied.

17 (3) PCB CLEANUP.—The programs and serv-
18 ices of the Environmental Protection Agency regard-
19 ing PCBs shall, to the extent applicable, as appro-
20 priate, and in accordance with applicable law, be
21 construed to be made available to such islands.

22 (h) COLLEGE OF MICRONESIA.—Until otherwise pro-
23 vided by Act of Congress, or until termination of the U.S.-
24 FSM Compact and the U.S.-RMI Compact, the College
25 of Micronesia shall retain its status as a land-grant insti-

1 tution and its eligibility for all benefits and programs
 2 available to such land-grant institutions.

3 (i) TRUST TERRITORY DEBTS TO U.S. FEDERAL
 4 AGENCIES.—Neither the Government of the Federated
 5 States of Micronesia nor the Government of the Marshall
 6 Islands shall be required to pay to any department, agen-
 7 cy, independent agency, office, or instrumentality of the
 8 United States any amounts owed to such department,
 9 agency, independent agency, office, or instrumentality by
 10 the Government of the Trust Territory of the Pacific Is-
 11 lands as of the effective date of the Compact. There is
 12 authorized to be appropriated such sums as may be nec-
 13 essary to carry out the purposes of this subsection.

14 (j) TECHNICAL ASSISTANCE.—Technical assistance
 15 may be provided pursuant to section 224 of the U.S.-FSM
 16 Compact or the U.S.-RMI Compact by Federal agencies
 17 and institutions of the Government of the United States
 18 to the extent such assistance may be provided to States,
 19 territories, or units of local government. Such assistance
 20 by the Forest Service, the Natural Resources Conservation
 21 Service, the USDA Resource Conservation and Develop-
 22 ment Program, the Fish and Wildlife Service, the National
 23 Marine Fisheries Service, the United States Coast Guard,
 24 and the Advisory Council on Historic Preservation, the
 25 Department of the Interior, and other agencies providing

1 assistance under the National Historic Preservation Act
2 (80 Stat. 915; 16 U.S.C. 470–470t), shall be on a non-
3 reimbursable basis. During the period the U.S.-FSM Com-
4 pact and the U.S.-RMI Compact are in effect, the grant
5 programs under the National Historic Preservation Act
6 shall continue to apply to the Federated States of Micro-
7 nesia and the Republic of the Marshall Islands in the same
8 manner and to the same extent as prior to the approval
9 of the Compact. Any funds provided pursuant to sections
10 102(a), 103(a), 103(b), 103(f), 103(g), 103(h), 103(j),
11 105(c), 105(g), 105(h), 105(i), 105(j), 105(k), 105(l), and
12 105(m) of this joint resolution shall be in addition to and
13 not charged against any amounts to be paid to either the
14 Federated States of Micronesia or the Republic of the
15 Marshall Islands pursuant to the U.S.-FSM Compact, the
16 U.S.-RMI Compact, or their related subsidiary agree-
17 ments.

18 (k) PRIOR SERVICE BENEFITS PROGRAM.—Notwith-
19 standing any other provision of law, persons who on Janu-
20 ary 1, 1985, were eligible to receive payment under the
21 Prior Service Benefits Program established within the So-
22 cial Security System of the Trust Territory of the Pacific
23 Islands because of their services performed for the United
24 States Navy or the Government of the Trust Territory of
25 the Pacific Islands prior to July 1, 1968, shall continue

1 to receive such payments on and after the effective date
2 of the Compact.

3 (l) INDEFINITE LAND USE PAYMENTS.—There are
4 authorized to be appropriated such sums as may be nec-
5 essary to complete repayment by the United States of any
6 debts owed for the use of various lands in the Federated
7 States of Micronesia and the Marshall Islands prior to
8 January 1, 1985.

9 (m) COMMUNICABLE DISEASE CONTROL PRO-
10 GRAM.—There are authorized to be appropriated for
11 grants to the Government of the Federated States of Mi-
12 cronesia and the Government of the Republic of the Mar-
13 shall Islands, such sums as may be necessary for purposes
14 of establishing or continuing programs for the control and
15 prevention of communicable diseases, including (but not
16 limited to) cholera and Hansen's Disease. The Secretary
17 of the Interior shall assist the Government of the Fed-
18 erated States of Micronesia and the Government of the
19 Republic of the Marshall Islands in designing and imple-
20 menting such a program.

21 (n) USER FEES.—Any person in the Federated
22 States of Micronesia or the Republic of the Marshall Is-
23 lands shall be liable for user fees, if any, for services pro-
24 vided in the Federated States of Micronesia or the Repub-
25 lic of the Marshall Islands by the Government of the

1 United States to the same extent as any person in the
 2 United States would be liable for fees, if any, for such
 3 services in the United States.

4 (o) TREATMENT OF JUDGMENTS OF COURTS OF THE
 5 FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF
 6 THE MARSHALL ISLANDS, AND THE REPUBLIC OF
 7 PALAU.—No judgment, whenever issued, of a court of the
 8 Federated States of Micronesia, the Republic of the Mar-
 9 shall Islands, or the Republic of Palau, against the United
 10 States, its departments and agencies, or officials of the
 11 United States or any other individuals acting on behalf
 12 of the United States within the scope of their official duty,
 13 shall be honored by the United States, or be subject to
 14 recognition or enforcement in a court in the United States,
 15 unless the judgment is consistent with the interpretation
 16 by the United States of international agreements relevant
 17 to the judgment. In determining the consistency of a judg-
 18 ment with an international agreement, due regard shall
 19 be given to assurances made by the Executive Branch to
 20 the Congress of the United States regarding the proper
 21 interpretation of the international agreement.

22 (p) INFLATION ADJUSTMENT.—As of Fiscal Year
 23 2015, if United States Gross Domestic Product Implicit
 24 Price Deflator average for Fiscal Years 2009 through
 25 2014 is greater than the United States Gross Domestic

1 Product Implicit Price Deflator average for Fiscal Years
 2 2004 through 2008 (as reported in the Survey of Current
 3 Business or subsequent publication and compiled by the
 4 Department of Interior), then section 217 of the U.S.–
 5 FSM Compact and paragraph 5 of Article II of the U.S.–
 6 FSM Fiscal Procedures Agreement and section 218 of the
 7 U.S.–RMI Compact and paragraph 5 of Article II of the
 8 U.S.–RMI Fiscal Procedures Agreement shall be con-
 9 strued as if “the full” appeared in place of “two-thirds
 10 of the” each place those words appear.

11 (q) ARMED SERVICES VOCATIONAL APTITUDE BAT-
 12 TERY TESTING.—In furtherance of the provisions of Title
 13 Three, Article IV, section 341 of the U.S.-FSM and the
 14 U.S.-RMI Compacts, the purpose of which is to establish
 15 the privilege to volunteer for service in the United States
 16 Armed Forces, it is the sense of Congress that, to facili-
 17 tate eligibility of Federated States of Micronesia and Re-
 18 public of the Marshall Islands secondary school students
 19 to qualify for such service, the Department of Defense
 20 may extend the Armed Services Vocational Aptitude Bat-
 21 tery (ASVAB) Student Testing Program (STP) and the
 22 ASVAB Career Exploration Program to selected sec-
 23 ondary schools in the Federated States of Micronesia and
 24 the Republic of the Marshall Islands to the extent such

1 programs are available to Department of Defense Depend-
2 ent Schools located in foreign jurisdictions.

3 (r) ESTABLISHMENT OF TRUST FUNDS; EXPEDITION
4 OF PROCESS.—The Trust Fund Agreement executed pur-
5 suant to the U.S.-FSM Compact and the Trust Fund
6 Agreement executed pursuant to the U.S.-RMI Compact
7 each provide for the establishment of a trust fund. Such
8 trust fund may be established by (1) creating a new legal
9 entity to constitute the trust fund or (2) assuming control
10 of an existing legal entity including, without limitation, a
11 trust fund or other legal entity that was established by
12 or at the direction of the Government of the United
13 States, the Government of the Federated States of Micro-
14 nesia, the Government of the Republic of the Marshall Is-
15 lands, or otherwise, for the purpose of facilitating or expe-
16 diting the establishment of the trust fund pursuant to the
17 applicable Trust Fund Agreement. For the purpose of ex-
18 pediting the commencement of operations of a trust fund
19 under either Trust Fund Agreement, such trust fund may,
20 but shall not be obligated to, assume any obligations of
21 an existing legal entity and take assignment of any con-
22 tract or other agreement to which such existing legal enti-
23 ty is party. Without limiting the authority that the United
24 States Government may otherwise have under applicable
25 law, the United States Government may, but shall not be

1 obligated to, provide financial, technical, or other assist-
2 ance directly or indirectly to the Government of the Fed-
3 erated States of Micronesia or the Government of the Re-
4 public of the Marshall Islands for the purpose of estab-
5 lishing and operating trust funds or other legal entities
6 that will solicit bids from, and enter into contracts with,
7 parties willing to serve in such capacities as trustee, depos-
8 itary, money manager, or investment advisor, with the in-
9 tention that such contracts will ultimately be assumed by
10 and assigned to trust funds established pursuant to a
11 Trust Fund Agreement.

12 **SEC. 106. CONSTRUCTION CONTRACT ASSISTANCE.**

13 (a) ASSISTANCE TO U.S. FIRMS.—In order to assist
14 the Governments of the Federated States of Micronesia
15 and of the Republic of the Marshall Islands through pri-
16 vate sector firms which may be awarded contracts for con-
17 struction or major repair of capital infrastructure within
18 the Federated States of Micronesia or the Republic of the
19 Marshall Islands, the United States shall consult with the
20 Governments of the Federated States of Micronesia and
21 the Republic of the Marshall Islands with respect to any
22 such contracts, and the United States shall enter into
23 agreements with such firms whereby such firms will, con-
24 sistent with applicable requirements of such
25 Governments—

1 (1) to the maximum extent possible, employ
2 citizens of the Federated States of Micronesia and
3 the Republic of the Marshall Islands;

4 (2) to the extent that necessary skills are not
5 possessed by citizens of the Federated States of Mi-
6 cronesia and the Republic of the Marshall Islands,
7 provide on the job training, with particular emphasis
8 on the development of skills relating to operation of
9 machinery and routine and preventative maintenance
10 of machinery and other facilities; and

11 (3) provide specific training or other assistance
12 in order to enable the Government to engage in
13 long-term maintenance of infrastructure.

14 Assistance by such firms pursuant to this section may not
15 exceed 20 percent of the amount of the contract and shall
16 be made available only to such firms which meet the defi-
17 nition of United States firm under the nationality rule for
18 suppliers of services of the Agency for International Devel-
19 opment (hereafter in this section referred to as “United
20 States firms”). There are authorized to be appropriated
21 such sums as may be necessary for the purposes of this
22 subsection.

23 (b) AUTHORIZATION OF APPROPRIATIONS.—There
24 are authorized to be appropriated such sums as may be
25 necessary to cover any additional costs incurred by the

1 Government of the Federated States of Micronesia or the
 2 Republic of the Marshall Islands if such Governments,
 3 pursuant to an agreement entered into with the United
 4 States, apply a preference on the award of contracts to
 5 United States firms, provided that the amount of such
 6 preference does not exceed 10 percent of the amount of
 7 the lowest qualified bid from a non-United States firm for
 8 such contract.

9 **SEC. 107. PROHIBITION.**

10 The provisions of chapter 11 of title 18, United
 11 States Code, shall apply in full to any individual who has
 12 served as the United States negotiator of amendments to
 13 the Compact or its subsidiary agreements or of related
 14 agreements or who is or was an officer or employee of
 15 the Office in the Department of State responsible for ne-
 16 gotiating amendments to the Compact or its subsidiary
 17 agreements or who is or was assigned or detailed to that
 18 Office or who served on the interagency group coordi-
 19 nating United States policy on the Compact negotiations.

20 **SEC. 108. COMPENSATORY ADJUSTMENTS.**

21 (a) **ADDITIONAL PROGRAMS AND SERVICES.**—In ad-
 22 dition to the programs and services set forth in section
 23 221 of the U.S.–FSM Compact and the U.S.–RMI Com-
 24 pact, and pursuant to section 222 of the U.S.–FSM Com-
 25 pact and the U.S.–RMI Compact, the services and pro-

1 grams of the following United States agencies shall be
2 made available to the Federated States of Micronesia and
3 the Republic of the Marshall Islands: the Small Business
4 Administration, Economic Development Administration,
5 and the Rural Utilities Services (formerly Rural Elec-
6 trification Administration) and the programs and services
7 of the Department of Commerce relating to tourism and
8 to marine resource development.

9 (b) FURTHER AMOUNTS.—

10 (1) The joint resolution of January 14, 1986
11 (Public Law 99–239) provided that the governments
12 of the Federated States of Micronesia and the Mar-
13 shall Islands may submit to Congress reports con-
14 cerning the overall financial and economic impacts
15 on such areas resulting from the effect of Title IV
16 of that joint resolution upon Title Two of the Com-
17 pact. There were authorized to be appropriated for
18 fiscal years beginning after September 30, 1990,
19 such amounts as necessary, but not to exceed \$40
20 million for the Federated States of Micronesia and
21 \$20 million for the Marshall Islands, as provided in
22 appropriation acts, to further compensate the gov-
23 ernments of such islands (in addition to the com-
24 pensation provided in subsections (a) and (b) of sec-
25 tion 111 of the joint resolution of January 14, 1986

1 (Public Law 99–239) for adverse impacts, if any, on
2 the finances and economies of such areas resulting
3 from the effect of Title IV of that joint resolution
4 upon Title Two of the Compact. The joint resolution
5 of January 14, 1986 (Public Law 99–239) further
6 provided that at the end of the initial fifteen-year
7 term of the Compact, should any portion of the total
8 amount of funds authorized in subsection 111 of
9 that resolution not have been appropriated, such
10 amount not yet appropriated may be appropriated,
11 without regard to divisions between amounts author-
12 ized in subsection 111 for the Federated States of
13 Micronesia and for the Marshall Islands, based on
14 either or both such government’s showing of such
15 adverse impact, if any, as provided in that sub-
16 section.

17 (2) The governments of the Federated States of
18 Micronesia and the Republic of the Marshall Islands
19 may each submit no more than one report or request
20 for further compensation under section 111 of the
21 joint resolution of January 14, 1986 (Public Law
22 99–239) and any such report or request must be
23 submitted by September 30, 2009. Only adverse eco-
24 nomic effect occurring during the initial fifteen-year
25 term of the Compact may be considered for com-

1 pensation under section 111 of the joint resolution
2 of January 14, 1986 (Public Law 99–239).

3 **SEC. 109. AUTHORIZATION AND CONTINUING APPROPRIA-**
4 **TION.**

5 (a) There are authorized and appropriated to the De-
6 partment of the Interior, out of any money in the Treas-
7 ury not otherwise appropriated, to remain available until
8 expended, such sums as are necessary to carry out the
9 purposes of sections 211, 212(b), 215, and 217 of the
10 U.S.-FSM Compact and sections 211, 212, 213(b), 216,
11 and 218 of the U.S.-RMI Compact, in this and subsequent
12 years.

13 (b) There are authorized to be appropriated to the
14 Departments, agencies, and instrumentalities named in
15 paragraphs (1) and (3) through (6) of section 221(a) of
16 the U.S.-FSM Compact and paragraphs (1) and (3)
17 through (5) of section 221(a) of the U.S.-RMI Compact,
18 such sums as are necessary to carry out the purposes of
19 sections 221(a) of the U.S.-FSM Compact and the U.S.-
20 RMI Compact, to remain available until expended.

1 **SEC. 110. PAYMENT OF CITIZENS OF THE FEDERATED**
2 **STATES OF MICRONESIA, THE REPUBLIC OF**
3 **THE MARSHALL ISLANDS, AND THE REPUB-**
4 **LIC OF PALAU EMPLOYED BY THE GOVERN-**
5 **MENT OF THE UNITED STATES IN THE CONTI-**
6 **NENTAL UNITED STATES.**

7 Section 605 of Public Law 107–67 (the Treasury and
8 General Government Appropriations Act, 2002; 5 U.S.C.
9 3101 note) is amended by striking “or the Republic of
10 the Philippines,” in the last sentence and inserting the fol-
11 lowing: “the Republic of the Philippines, the Federated
12 States of Micronesia, the Republic of the Marshall Islands,
13 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**
8 **UNITED STATES OF AMERICA AND THE GOV-**
9 **ERNMENT OF THE FEDERATED STATES OF**
10 **MICRONESIA AND BETWEEN THE GOVERN-**
11 **MENT OF THE UNITED STATES OF AMERICA**
12 **AND THE GOVERNMENT OF THE REPUBLIC**
13 **OF THE MARSHALL ISLANDS.**

14 (a) COMPACT OF FREE ASSOCIATION, AS AMENDED,
15 BETWEEN THE GOVERNMENT OF THE UNITED STATES
16 OF AMERICA AND THE GOVERNMENT OF THE FED-
17 ERATED STATES OF MICRONESIA.—

18 PREAMBLE
19 THE GOVERNMENT OF THE UNITED STATES OF
20 AMERICA AND THE GOVERNMENT OF THE
21 FEDERATED STATES OF MICRONESIA

22 Affirming that their Governments and their relation-
23 ship as Governments are founded upon respect for human
24 rights and fundamental freedoms for all, and that the peo-

1 ple of the Federated States of Micronesia have the right
2 to enjoy self-government; and

3 Affirming the common interests of the United States
4 of America and the Federated States of Micronesia in cre-
5 ating and maintaining their close and mutually beneficial
6 relationship through the free and voluntary association of
7 their respective Governments; and

8 Affirming the interest of the Government of the
9 United States in promoting the economic advancement
10 and budgetary self-reliance of the Federated States of Mi-
11 cronesia; and

12 Recognizing that their relationship until the entry
13 into force on November 3, 1986 of the Compact was based
14 upon the International Trusteeship System of the United
15 Nations Charter, and in particular Article 76 of the Char-
16 ter; and that pursuant to Article 76 of the Charter, the
17 people of the Federated States of Micronesia have progres-
18 sively developed their institutions of self-government, and
19 that in the exercise of their sovereign right to self-deter-
20 mination they, through their freely-expressed wishes, have
21 adopted a Constitution appropriate to their particular cir-
22 cumstances; and

23 Recognizing that the Compact reflected their common
24 desire to terminate the Trusteeship and establish a gov-
25 ernment-to-government relationship which was in accord-

1 ance with the new political status based on the freely ex-
 2 pressed wishes of the people of the Federated States of
 3 Micronesia and appropriate to their particular cir-
 4 cumstances; and

5 Recognizing that the people of the Federated States
 6 of Micronesia have and retain their sovereignty and their
 7 sovereign right to self-determination and the inherent
 8 right to adopt and amend their own Constitution and form
 9 of government and that the approval of the entry of the
 10 Government of the Federated States of Micronesia into
 11 the Compact by the people of the Federated States of Mi-
 12 cronesia constituted an exercise of their sovereign right
 13 to self-determination; and

14 Recognizing the common desire of the people of the
 15 United States and the people of the Federated States of
 16 Micronesia to maintain their close government-to-govern-
 17 ment relationship, the United States and the Federated
 18 States of Micronesia:

19 NOW, THEREFORE, MUTUALLY AGREE to
 20 continue and strengthen their relationship of free associa-
 21 tion by amending the Compact, which continues to provide
 22 a full measure of self-government for the people of the
 23 Federated States of Micronesia; and

24 FURTHER AGREE that the relationship of free as-
 25 sociation derives from and is as set forth in this Compact,

1 as amended, by the Governments of the United States and
2 the Federated States of Micronesia; and that, during such
3 relationship of free association, the respective rights and
4 responsibilities of the Government of the United States
5 and the Government of the Federated States of Micronesia
6 in regard to this relationship of free association derive
7 from and are as set forth in this Compact, as amended.

8 TITLE ONE

9 GOVERNMENTAL RELATIONS

10 Article I

11 Self-Government

12 Section 111

13 The people of the Federated States of Micronesia,
14 acting through the Government established under their
15 Constitution, are self-governing.

16 Article II

17 Foreign Affairs

18 Section 121

19 (a) The Government of the Federated States of Mi-
20 cronesia has the capacity to conduct foreign affairs and
21 shall do so in its own name and right, except as otherwise
22 provided in this Compact, as amended.

23 (b) The foreign affairs capacity of the Government
24 of the Federated States of Micronesia includes:

1 (1) the conduct of foreign affairs relating to law
2 of the sea and marine resources matters, including
3 the harvesting, conservation, exploration or exploi-
4 tation of living and non-living resources from the
5 sea, seabed or subsoil to the full extent recognized
6 under international law;

7 (2) the conduct of its commercial, diplomatic,
8 consular, economic, trade, banking, postal, civil avia-
9 tion, communications, and cultural relations, includ-
10 ing negotiations for the receipt of developmental
11 loans and grants and the conclusion of arrangements
12 with other governments and international and inter-
13 governmental organizations, including any matters
14 specially benefiting its individual citizens.

15 (c) The Government of the United States recognizes
16 that the Government of the Federated States of Micro-
17 nesia has the capacity to enter into, in its own name and
18 right, treaties and other international agreements with
19 governments and regional and international organizations.

20 (d) In the conduct of its foreign affairs, the Govern-
21 ment of the Federated States of Micronesia confirms that
22 it shall act in accordance with principles of international
23 law and shall settle its international disputes by peaceful
24 means.

25 Section 122

1 The Government of the United States shall support
2 applications by the Government of the Federated States
3 of Micronesia for membership or other participation in re-
4 gional or international organizations as may be mutually
5 agreed.

6 Section 123

7 (a) In recognition of the authority and responsibility
8 of the Government of the United States under Title Three,
9 the Government of the Federated States of Micronesia
10 shall consult, in the conduct of its foreign affairs, with
11 the Government of the United States.

12 (b) In recognition of the foreign affairs capacity of
13 the Government of the Federated States of Micronesia,
14 the Government of the United States, in the conduct of
15 its foreign affairs, shall consult with the Government of
16 the Federated States of Micronesia on matters that the
17 Government of the United States regards as relating to
18 or affecting the Government of the Federated States of
19 Micronesia.

20 Section 124

21 The Government of the United States may assist or
22 act on behalf of the Government of the Federated States
23 of Micronesia in the area of foreign affairs as may be re-
24 quested and mutually agreed from time to time. The Gov-
25 ernment of the United States shall not be responsible to

1 third parties for the actions of the Government of the Fed-
2 erated States of Micronesia undertaken with the assist-
3 ance or through the agency of the Government of the
4 United States pursuant to this section unless expressly
5 agreed.

6 Section 125

7 The Government of the United States shall not be
8 responsible for nor obligated by any actions taken by the
9 Government of the Federated States of Micronesia in the
10 area of foreign affairs, except as may from time to time
11 be expressly agreed.

12 Section 126

13 At the request of the Government of the Federated
14 States of Micronesia and subject to the consent of the re-
15 ceiving state, the Government of the United States shall
16 extend consular assistance on the same basis as for citi-
17 zens of the United States to citizens of the Federated
18 States of Micronesia for travel outside the Federated
19 States of Micronesia, the United States and its territories
20 and possessions.

21 Section 127

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

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

6 Article III

7 Communications

8 Section 131

9 (a) The Government of the Federated States of Mi-
10 cronesia has full authority and responsibility to regulate
11 its domestic and foreign communications, and the Govern-
12 ment of the United States shall provide communications
13 assistance as mutually agreed.

14 (b) On May 24, 1993, the Government of the Fed-
15 erated States of Micronesia elected to undertake all func-
16 tions previously performed by the Government of the
17 United States with respect to domestic and foreign com-
18 munications, except for those functions set forth in a sepa-
19 rate agreement entered into pursuant to this section of
20 the Compact, as amended.

21 Section 132

22 The Government of the Federated States of Micro-
23 nesia shall permit the Government of the United States
24 to operate telecommunications services in the Federated
25 States of Micronesia to the extent necessary to fulfill the

1 obligations of the Government of the United States under
 2 this Compact, as amended, in accordance with the terms
 3 of separate agreements entered into pursuant to this sec-
 4 tion of the Compact, 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 Fed-
 10 erated States of Micronesia, under the Compact, as
 11 amended, any person in the following categories may be
 12 admitted to, lawfully engage in occupations in, and estab-
 13 lish residence as a nonimmigrant in the United States and
 14 its territories and possessions (the “United States”) with-
 15 out regard to paragraph (5) or (7)(B)(i)(II) of section
 16 212(a) of the Immigration and Nationality Act, as amend-
 17 ed, 8 U.S.C. 1182(a)(5) 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
 21 in force on January 1, 1979, and has become and
 22 remains a citizen of the Federated States of Micro-
 23 nesia;

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

1 the effective date of the Constitution of the Fed-
2 erated States of Micronesia;

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

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

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

11 (5) an immediate relative of a citizen of the
12 Federated States of Micronesia, regardless of the
13 immediate relative's country of citizenship or period
14 of residence in the Federated States of Micronesia,
15 if the citizen of the Federated States of Micronesia
16 is serving on active duty in any branch of the United
17 States Armed Forces, or in the active reserves.

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

1 removal proceedings (including appellate proceedings) on
2 or after March 1, 2003, regardless of the date such pro-
3 ceedings were commenced. This subsection shall have no
4 effect on the ability of the Government of the United
5 States or any United States State or local government to
6 commence or otherwise take any action against any person
7 or entity who has violated any law relating to the adoption
8 of any person.

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

16 (d) A person admitted to the United States under the
17 Compact, or the Compact, as amended, shall be considered
18 to have the permission of the Government of the United
19 States to accept employment in the United States. An un-
20 expired Federated States of Micronesia passport with un-
21 expired documentation issued by the Government of the
22 United States evidencing admission under the Compact or
23 the Compact, as amended, shall be considered to be docu-
24 mentation establishing identity and employment author-
25 ization under section 274A(b)(1)(B) of the Immigration

1 and Nationality Act, as amended, 8 U.S.C.
2 1324a(b)(1)(B). The Government of the United States
3 will take reasonable and appropriate steps to implement
4 and publicize this provision, and the Government of the
5 Federated States of Micronesia will also take reasonable
6 and appropriate steps to publicize this provision.

7 (e) For purposes of the Compact and the Compact,
8 as amended:

9 (1) the term “residence” with respect to a per-
10 son means the person’s principal, actual dwelling
11 place in fact, without regard to intent, as provided
12 in section 101(a)(33) of the Immigration and Na-
13 tionality Act, as amended, 8 U.S.C. 1101(a)(33),
14 and variations of the term “residence,” including
15 “resident” and “reside,” shall be similarly con-
16 strued;

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

21 (3) the term “certificate of actual residence”
22 means a certificate issued to a naturalized citizen by
23 the Government of the Federated States of Micro-
24 nesia 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
8 less than 21 years of age.

9 (f) The Immigration and Nationality Act, as amend-
10 ed, shall apply to any person admitted or seeking admis-
11 sion to the United States (other than a United States pos-
12 session or territory where such Act does not apply) under
13 the Compact or the Compact, as amended, and nothing
14 in the Compact or the Compact, as amended, shall be con-
15 strued to limit, preclude, or modify the applicability of,
16 with respect to such person:

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

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

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

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 sec-
12 tion of the Compact, as amended, any requirement
13 under section 274A, including but not limited to sec-
14 tion 274A(b)(1)(E);

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

19 (5) the authority of the Government of the
20 United States otherwise to administer and enforce
21 the Immigration and Nationality Act, as amended,
22 or 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
25 Compact, as amended, may also be exercised by the Gov-

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

7 (h) Subsection (a) of this section does not confer on
8 a citizen of the Federated States of Micronesia the right
9 to establish the residence necessary for naturalization
10 under the Immigration and Nationality Act, as amended,
11 or to petition for benefits for alien relatives under that
12 Act. Subsection (a) of this section, however, shall not pre-
13 vent a citizen of the Federated States of Micronesia from
14 otherwise acquiring such rights or lawful permanent resi-
15 dent alien status in the United States.

16 Section 142

17 (a) Any citizen or national of the United States may
18 be admitted, to lawfully engage in occupations, and reside
19 in the Federated States of Micronesia, subject to the
20 rights of the Government of the Federated States of Mi-
21 cronesia to deny entry to or deport any such citizen or
22 national as an undesirable alien. Any determination of in-
23 admissibility or deportability shall be based on reasonable
24 statutory grounds and shall be subject to appropriate ad-
25 ministrative and judicial review within the Federated

1 States of Micronesia. If a citizen or national of the United
2 States is a spouse of a citizen of the Federated States
3 of Micronesia, the Government of the Federated States of
4 Micronesia shall allow the United States citizen spouse to
5 establish residence. Should the Federated States of Micro-
6 nesia citizen spouse predecease the United States citizen
7 spouse during the marriage, the Government of the Fed-
8 erated States of Micronesia shall allow the United States
9 citizen spouse to continue to reside in the Federated
10 States of Micronesia.

11 (b) In enacting any laws or imposing any require-
12 ments with respect to citizens and nationals of the United
13 States entering the Federated States of Micronesia under
14 subsection (a) of this section, including any grounds of
15 inadmissibility or deportability, the Government of the
16 Federated States of Micronesia shall accord to such citi-
17 zens and nationals of the United States treatment no less
18 favorable than that accorded to citizens of other countries.

19 (c) Consistent with subsection (a) of this section, with
20 respect to citizens and nationals of the United States seek-
21 ing to engage in employment or invest in the Federated
22 States of Micronesia, the Government of the Federated
23 States of Micronesia shall adopt immigration-related pro-
24 cedures no less favorable than those adopted by the Gov-
25 ernment of the United States with respect to citizens of

1 the Federated States of Micronesia seeking employment
2 in the United States.

3 Section 143

4 Any person who relinquishes, or otherwise loses, his
5 United States nationality or citizenship, or his Federated
6 States of Micronesia 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 Federated States of Micronesia, as the case may
10 be, in accordance with any other applicable laws of the
11 United States or the Federated States of Micronesia relat-
12 ing to immigration of aliens from other countries. The
13 laws of the Federated States of Micronesia or the United
14 States, as the case may be, shall dictate the terms and
15 conditions of any such person's stay.

16 Article V

17 Representation

18 Section 151

19 Relations between the Government of the United
20 States and the Government of the Federated States of Mi-
21 cronesia shall be conducted in accordance with the Vienna
22 Convention on Diplomatic Relations. In addition to diplo-
23 matic missions and representation, the Governments may
24 establish and maintain other offices and designate other

1 representatives on terms and in locations as may be mutu-
2 ally 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 Federated States of Micronesia
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
12 shall subject such citizen or national to the same penalties
13 and provisions of law as apply in the case of the failure
14 of such an agent of a foreign principal to comply with such
15 requirements. For purposes of the Foreign Agents Reg-
16 istration Act of 1938, the Federated States of Micronesia
17 shall be considered 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 Federated States of Micronesia with
21 respect to whom the Government of the Federated States
22 of Micronesia from time to time certifies to the Govern-
23 ment of the United States that such citizen or national
24 is an employee of the Federated States of Micronesia
25 whose principal duties are other than those matters speci-

1 filed in the Foreign Agents Registration Act of 1938, as
2 amended, that apply with respect to an agent of a foreign
3 principal. The agency or officer of the United States re-
4 ceiving such certifications shall cause them to be filed with
5 the Attorney General, who shall maintain a publicly avail-
6 able list of the persons so certified.

7 Article VI

8 Environmental Protection

9 Section 161

10 The Governments of the United States and the Fed-
11 erated States of Micronesia 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
14 of the natural resources of the Federated States of Micro-
15 nesia. In order to carry out this policy, the Government
16 of the United States and the Government of the Federated
17 States of Micronesia agree to the following mutual and
18 reciprocal undertakings.

19 (a) The Government of the United States:

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

1 (2) shall apply the National Environmental Pol-
2 icy Act of 1969, 83 Stat. 852, 42 U.S.C. 4321 et
3 seq., to its activities under the Compact, as amend-
4 ed, and its related agreements as if the Federated
5 States of Micronesia were the United States;

6 (3) shall comply also, in the conduct of any ac-
7 tivity requiring the preparation of an Environmental
8 Impact Statement under section 161(a)(2), with
9 standards substantively similar to those required by
10 the following laws of the United States, taking into
11 account the particular environment of the Federated
12 States of Micronesia: the Endangered Species Act of
13 1973, as amended, 87 Stat. 884, 16 U.S.C. 1531 et
14 seq.; the Clean Air Act, as amended, 77 Stat. 392,
15 42 U.S.C. Supp. 7401 et seq.; the Clean Water Act
16 (Federal Water Pollution Control Act), as amended,
17 86 Stat. 896, 33 U.S.C. 1251 et seq.; Title I of the
18 Marine Protection, Research and Sanctuaries Act of
19 1972 (the Ocean Dumping Act), 33 U.S.C. 1411 et
20 seq.; the Toxic Substances Control Act, as amended,
21 15 U.S.C. 2601 et seq.; the Solid Waste Disposal
22 Act, as amended, 42 U.S.C. 6901 et seq.; and such
23 other environmental protection laws of the United
24 States and of the Federated States of Micronesia, as
25 may be mutually agreed from time to time with the

1 Government of the Federated States of Micronesia;
2 and

3 (4) shall develop, prior to conducting any activ-
4 ity requiring the preparation of an Environmental
5 Impact Statement under section 161(a)(2), written
6 standards and procedures, as agreed with the Gov-
7 ernment of the Federated States of Micronesia, to
8 implement the substantive provisions of the laws
9 made applicable to U.S. Government activities in the
10 Federated States of Micronesia, pursuant to section
11 161(a)(3).

12 (b) The Government of the Federated States of Mi-
13 cronesia shall continue to develop and implement stand-
14 ards and procedures to protect its environment. As a re-
15 ciprocal obligation to the undertakings of the Government
16 of the United States under this Article, the Federated
17 States of Micronesia, taking into account its particular en-
18 vironment, shall continue to develop and implement stand-
19 ards for environmental protection substantively similar to
20 those required of the Government of the United States by
21 section 161(a)(3) prior to its conducting activities in the
22 Federated States of Micronesia, substantively equivalent
23 to activities conducted there by the Government of the
24 United States and, as a further reciprocal obligation, shall
25 enforce those standards.

1 (c) Section 161(a), including any standard or proce-
2 dure applicable thereunder, and section 161(b) may be
3 modified or superseded in whole or in part by agreement
4 of the Government of the United States and the Govern-
5 ment of the Federated States of Micronesia.

6 (d) In the event that an Environmental Impact State-
7 ment is no longer required under the laws of the United
8 States for major Federal actions significantly affecting the
9 quality of the human environment, the regulatory regime
10 established under sections 161(a)(3) and 161(a)(4) shall
11 continue to apply to such activities of the Government of
12 the United States until amended by mutual agreement.

13 (e) The President of the United States may exempt
14 any of the activities of the Government of the United
15 States under this Compact, as amended, and its related
16 agreements from any environmental standard or proce-
17 dure which may be applicable under sections 161(a)(3)
18 and 161(a)(4) if the President determines it to be in the
19 paramount interest of the Government of the United
20 States to do so, consistent with Title Three of this Com-
21 pact, as amended, and the obligations of the Government
22 of the United States under international law. Prior to any
23 decision pursuant to this subsection, the views of the Gov-
24 ernment of the Federated States of Micronesia shall be
25 sought and considered to the extent practicable. If the

1 President grants such an exemption, to the extent prac-
2 ticable, a report with his reasons for granting such exemp-
3 tion shall be given promptly to the Government of the Fed-
4 erated States of Micronesia.

5 (f) The laws of the United States referred to in sec-
6 tion 161(a)(3) shall apply to the activities of the Govern-
7 ment of the United States under this Compact, as amend-
8 ed, and its related agreements only to the extent provided
9 for in this section.

10 Section 162

11 The Government of the Federated States of Micro-
12 nesia may bring an action for judicial review of any admin-
13 istrative agency action or any activity of the Government
14 of the United States pursuant to section 161(a) for en-
15 forcement of the obligations of the Government of the
16 United States arising thereunder. The United States Dis-
17 trict Court for the District of Hawaii and the United
18 States District Court for the District of Columbia shall
19 have jurisdiction over such action or activity, and over ac-
20 tions brought under section 172(b) which relate to the ac-
21 tivities of the Government of the United States and its
22 officers and employees, governed by section 161, provided
23 that:

24 (a) Such actions may only be civil actions for
25 any appropriate civil relief other than punitive dam-

1 ages against the Government of the United States
2 or, where required by law, its officers in their official
3 capacity; no criminal actions may arise under this
4 section.

5 (b) Actions brought pursuant to this section
6 may be initiated only by the Government of the Fed-
7 erated States of Micronesia.

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

11 (d) The United States District Court for the
12 District of Hawaii and the United States District
13 Court for the District of Columbia shall have juris-
14 diction to issue all necessary processes, and the Gov-
15 ernment of the United States agrees to submit itself
16 to the jurisdiction of the court; decisions of the
17 United States District Court shall be reviewable in
18 the United States Court of Appeals for the Ninth
19 Circuit or the United States Court of Appeals for
20 the District of Columbia, respectively, or in the
21 United States Supreme Court as provided by the
22 laws of the United States.

23 (e) The judicial remedy provided for in this sec-
24 tion shall be the exclusive remedy for the judicial re-
25 view or enforcement of the obligations of the Gov-

1 ernment of the United States under this Article and
2 actions brought under section 172(b) which relate to
3 the activities of the Government of the United
4 States and its officers and employees governed by
5 section 161.

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

9 Section 163

10 (a) For the purpose of gathering data necessary to
11 study the environmental effects of activities of the Govern-
12 ment of the United States subject to the requirements of
13 this Article, the Government of the Federated States of
14 Micronesia shall be granted access to facilities operated
15 by the Government of the United States in the Federated
16 States of Micronesia, to the extent necessary for this pur-
17 pose, except to the extent such access would unreasonably
18 interfere with the exercise of the authority and responsi-
19 bility of the Government of the United States under Title
20 Three.

21 (b) The Government of the United States, in turn,
22 shall be granted access to the Federated States of Micro-
23 nesia for the purpose of gathering data necessary to dis-
24 charge its obligations under this Article, except to the ex-
25 tent such access would unreasonably interfere with the ex-

1 exercise of the authority and responsibility of the Govern-
2 ment of the Federated States of Micronesia under Title
3 One, and to the extent necessary for this purpose shall
4 be granted access to documents and other information to
5 the same extent similar access is provided the Government
6 of the Federated States of Micronesia under the Freedom
7 of Information Act, 5 U.S.C. 552.

8 (c) The Government of the Federated States of Mi-
9 cronesia shall not impede efforts by the Government of
10 the United States to comply with applicable standards and
11 procedures.

12 Article VII

13 General Legal Provisions

14 Section 171

15 Except as provided in this Compact, as amended, or
16 its related agreements, the application of the laws of the
17 United States to the Trust Territory of the Pacific Islands
18 by virtue of the Trusteeship Agreement ceased with re-
19 spect to the Federated States of Micronesia on November
20 3, 1986, the date the Compact went into effect.

21 Section 172

22 (a) Every citizen of the Federated States of Micro-
23 nesia who is not a resident of the United States shall enjoy
24 the rights and remedies under the laws of the United
25 States enjoyed by any non-resident alien.

1 (b) The Government of the Federated States of Mi-
2 cronesia and every citizen of the Federated States of Mi-
3 cronesia shall be considered to be a “person” within the
4 meaning of the Freedom of Information Act, 5 U.S.C.
5 552, and of the judicial review provisions of the Adminis-
6 trative Procedure Act, 5 U.S.C. 701–706, except that only
7 the Government of the Federated States of Micronesia
8 may seek judicial review under the Administrative Proce-
9 dure Act or judicial enforcement under the Freedom of
10 Information Act when such judicial review or enforcement
11 relates to the activities of the Government of the United
12 States governed by sections 161 and 162.

13 Section 173

14 The Governments of the United States and the Fed-
15 erated States of Micronesia agree to adopt and enforce
16 such measures, consistent with this Compact, as amended,
17 and its related agreements, as may be necessary to protect
18 the personnel, property, installations, services, programs
19 and official archives and documents maintained by the
20 Government of the United States in the Federated States
21 of Micronesia pursuant to this Compact, as amended, and
22 its related agreements and by the Government of the Fed-
23 erated States of Micronesia in the United States pursuant
24 to this Compact, as amended, and its related agreements.

25 Section 174

1 Except as otherwise provided in this Compact, as
2 amended, and its related agreements:

3 (a) The Government of the Federated States of
4 Micronesia, and its agencies and officials, shall be
5 immune from the jurisdiction of the courts of the
6 United States, and the Government of the United
7 States, and its agencies and officials, shall be im-
8 mune from the jurisdiction of the courts of the Fed-
9 erated States of Micronesia.

10 (b) The Government of the United States ac-
11 cepts responsibility for and shall pay:

12 (1) any unpaid money judgment rendered
13 by the High Court of the Trust Territory of the
14 Pacific Islands against the Government of the
15 United States with regard to any cause of ac-
16 tion arising as a result of acts or omissions of
17 the Government of the Trust Territory of the
18 Pacific Islands or the Government of the
19 United States prior to November 3, 1986;

20 (2) any claim settled by the claimant and
21 the Government of the Trust Territory of the
22 Pacific Islands but not paid as of the November
23 3, 1986; and

24 (3) settlement of any administrative claim
25 or of any action before a court of the Trust

1 Territory of the Pacific Islands or the Govern-
2 ment of the United States, arising as a result
3 of acts or omissions of the Government of the
4 Trust Territory of the Pacific Islands or the
5 Government of the United States.

6 (c) Any claim not referred to in section 174(b)
7 and arising from an act or omission of the Govern-
8 ment of the Trust Territory of the Pacific Islands or
9 the Government of the United States prior to the ef-
10 fective date of the Compact shall be adjudicated in
11 the same manner as a claim adjudicated according
12 to section 174(d). In any claim against the Govern-
13 ment of the Trust Territory of the Pacific Islands,
14 the Government of the United States shall stand in
15 the place of the Government of the Trust Territory
16 of the Pacific Islands. A judgment on any claim re-
17 ferred to in section 174(b) or this subsection, not
18 otherwise satisfied by the Government of the United
19 States, may be presented for certification to the
20 United States Court of Appeals for the Federal Cir-
21 cuit, or its successor courts, which shall have juris-
22 diction therefore, notwithstanding the provisions of
23 28 U.S.C. 1502, and which court's decisions shall be
24 reviewable as provided by the laws of the United
25 States. The United States Court of Appeals for the

1 Federal Circuit shall certify such judgment, and
2 order payment thereof, unless it finds, after a hear-
3 ing, that such judgment is manifestly erroneous as
4 to law or fact, or manifestly excessive. In either of
5 such cases the United States Court of Appeals for
6 the Federal Circuit shall have jurisdiction to modify
7 such judgment.

8 (d) The Government of the Federated States of
9 Micronesia shall not be immune from the jurisdic-
10 tion of the courts of the United States, and the Gov-
11 ernment of the United States shall not be immune
12 from the jurisdiction of the courts of the Federated
13 States of Micronesia in any civil case in which an ex-
14 ception to foreign state immunity is set forth in the
15 Foreign Sovereign Immunities Act (28 U.S.C. 1602
16 et seq.) or its successor statutes.

17 Section 175

18 (a) A separate agreement, which shall come into ef-
19 fect simultaneously with this Compact, as amended, and
20 shall have the force of law, shall govern mutual assistance
21 and cooperation in law enforcement matters, including the
22 pursuit, capture, imprisonment and extradition of fugi-
23 tives from justice and the transfer of prisoners, as well
24 as other law enforcement matters. In the United States,
25 the laws of the United States governing international ex-

1 tradition, including 18 U.S.C. 3184, 3186 and 3188–95,
2 shall be applicable to the extradition of fugitives under the
3 separate agreement, and the laws of the United States
4 governing the transfer of prisoners, including 18 U.S.C.
5 4100–15, shall be applicable to the transfer of prisoners
6 under the separate agreement; and

7 (b) A separate agreement, which shall come into ef-
8 fect simultaneously with this Compact, as amended, and
9 shall have the force of law, shall govern requirements re-
10 lating to labor recruitment practices, including registra-
11 tion, reporting, suspension or revocation of authorization
12 to recruit persons for employment in the United States,
13 and enforcement for violations of such requirements.

14 Section 176

15 The Government of the Federated States of Micro-
16 nesia confirms that final judgments in civil cases rendered
17 by any court of the Trust Territory of the Pacific Islands
18 shall continue in full force and effect, subject to the con-
19 stitutional power of the courts of the Federated States of
20 Micronesia to grant relief from judgments in appropriate
21 cases.

22 Section 177

23 Section 177 of the Compact entered into force with
24 respect to the Federated States of Micronesia on Novem-
25 ber 3, 1986 as follows:

1 “(a) The Government of the United States ac-
2 cepts the responsibility for compensation owing to
3 citizens of the Marshall Islands, or the Federated
4 States of Micronesia, or Palau for loss or damage to
5 property and person of the citizens of the Marshall
6 Islands, or the Federated States of Micronesia, re-
7 sulting from the nuclear testing program which the
8 Government of the United States conducted in the
9 Northern Marshall Islands between June 30, 1946,
10 and August 18, 1958.

11 “(b) The Government of the United States and
12 the Government of the Marshall Islands shall set
13 forth in a separate agreement provisions for the just
14 and adequate settlement of all such claims which
15 have arisen in regard to the Marshall Islands and its
16 citizens and which have not as yet been compensated
17 or which in the future may arise, for the continued
18 administration by the Government of the United
19 States of direct radiation related medical surveil-
20 lance and treatment programs and radiological mon-
21 itoring activities and for such additional programs
22 and activities as may be mutually agreed, and for
23 the assumption by the Government of the Marshall
24 Islands of responsibility for enforcement of limita-
25 tions on the utilization of affected areas developed in

1 cooperation with the Government of the United
2 States and for the assistance by the Government of
3 the United States in the exercise of such responsi-
4 bility as may be mutually agreed. This separate
5 agreement shall come into effect simultaneously with
6 this Compact and shall remain in effect in accord-
7 ance with its own terms.

8 “(c) The Government of the United States shall
9 provide to the Government of the Marshall Islands,
10 on a grant basis, the amount of \$150 million to be
11 paid and distributed in accordance with the separate
12 agreement referred to in this Section, and shall pro-
13 vide the services and programs set forth in this sep-
14 arate agreement, the language of which is incor-
15 porated into this Compact.”

16 The Compact, as amended, makes no changes to, and
17 has no effect upon, Section 177 of the Compact, nor does
18 the Compact, as amended, change or affect the separate
19 agreement referred to in Section 177 of the Compact in-
20 cluding Articles IX and X of that separate agreement, and
21 measures taken by the parties thereunder.

22 Section 178

23 (a) The Federal agencies of the Government of the
24 United States that provide the services and related pro-
25 grams in the Federated States of Micronesia pursuant to

1 Title Two are authorized to settle and pay tort claims arising in the Federated States of Micronesia from the activities of such agencies or from the acts or omissions of the employees of such agencies. Except as provided in section 178(b), the provisions of 28 U.S.C. 2672 and 31 U.S.C. 1304 shall apply exclusively to such administrative settlements and payments.

8 (b) Claims under section 178(a) that cannot be settled under section 178(a) shall be disposed of exclusively in accordance with Article II of Title Four. Arbitration awards rendered pursuant to this subsection shall be paid out of funds under 31 U.S.C. 1304.

13 (c) The Government of the United States and the Government of the Federated States of Micronesia shall, in the separate agreement referred to in section 231, provide for:

17 (1) the administrative settlement of claims referred to in section 178(a), including designation of local agents in each State of the Federated States of Micronesia; such agents to be empowered to accept, investigate and settle such claims, in a timely manner, as provided in such separate agreements; and

24 (2) arbitration, referred to in section 178(b), in a timely manner, at a site convenient to the claim-

1 ant, in the event a claim is not otherwise settled
2 pursuant to section 178(a).

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

5 (e) Except as otherwise explicitly provided by law of
6 the United States, neither the Government of the United
7 States, its instrumentalities, nor any person acting on be-
8 half of the Government of the United States, shall be
9 named a party in any action based on, or arising out of,
10 the activity or activities of a recipient of any grant or other
11 assistance provided by the Government of the United
12 States (or the activity or activities of the recipient's agen-
13 cy or any other person or entity acting on behalf of the
14 recipient).

15 Section 179

16 (a) The courts of the Federated States of Micronesia
17 shall not exercise criminal jurisdiction over the Govern-
18 ment of the United States, or its instrumentalities.

19 (b) The courts of the Federated States of Micronesia
20 shall not exercise criminal jurisdiction over any person if
21 the Government of the United States provides notification
22 to the Government of the Federated States of Micronesia
23 that such person was acting on behalf of the Government
24 of the United States, for actions taken in furtherance of
25 section 221 or 224 of this amended Compact, or any other

1 provision of law authorizing financial, program, or service
2 assistance to the Federated States of Micronesia.

3 TITLE TWO

4 ECONOMIC RELATIONS

5 Article I

6 Grant Assistance

7 Section 211 - Sector Grants

8 (a) In order to assist the Government of the Fed-
9 erated States of Micronesia in its efforts to promote the
10 economic advancement, budgetary self-reliance, and eco-
11 nomic self-sufficiency of its people, and in recognition of
12 the special relationship that exists between the Federated
13 States of Micronesia and the United States, the Govern-
14 ment of the United States shall provide assistance on a
15 sector grant basis for a period of twenty years in the
16 amounts set forth in section 216, commencing on the ef-
17 fective date of this Compact, as amended. Such grants
18 shall be used for assistance in the sectors of education,
19 health care, private sector development, the environment,
20 public sector capacity building, and public infrastructure,
21 or for other sectors as mutually agreed, with priorities in
22 the education and health care sectors. For each year such
23 sector grant assistance is made available, the proposed di-
24 vision of this amount among these sectors shall be certified
25 to the Government of the United States by the Govern-

1 ment of the Federated States of Micronesia and shall be
 2 subject to the concurrence of the Government of the
 3 United States. In such case, the Government of the United
 4 States shall disburse the agreed upon amounts and mon-
 5 itor the use of such sector grants in accordance with the
 6 provisions of this Article and the Agreement Concerning
 7 Procedures for the Implementation of United States Eco-
 8 nomic Assistance Provided in the Compact, as Amended,
 9 of Free Association Between the Government of the
 10 United States of America and the Government of the Fed-
 11 erated States of Micronesia (“Fiscal Procedures Agree-
 12 ment”) which shall come into effect simultaneously with
 13 this Compact, as amended. The provision of any United
 14 States assistance under the Compact, as amended, the
 15 Fiscal Procedures Agreement, the Trust Fund Agreement,
 16 or any other subsidiary agreement to the Compact, as
 17 amended, shall constitute “a particular distribution . . .
 18 required by the terms or special nature of the assistance”
 19 for purposes of Article XII, section 1(b) of the Constitu-
 20 tion of the Federated States of Micronesia.

21 (1) EDUCATION.—United States grant assist-
 22 ance shall be made available in accordance with the
 23 plan described in subsection (c) of this section to
 24 support and improve the educational system of the
 25 Federated States of Micronesia and develop the

1 human, financial, and material resources necessary
2 for the Government of the Federated States of Mi-
3 cronesia to perform these services. Emphasis should
4 be placed on advancing a quality basic education
5 system.

6 (2) HEALTH.—United States grant assistance
7 shall be made available in accordance with the plan
8 described in subsection (c) of this section to support
9 and improve the delivery of preventive, curative and
10 environmental care and develop the human, finan-
11 cial, and material resources necessary for the Gov-
12 ernment of the Federated States of Micronesia to
13 perform these services.

14 (3) PRIVATE SECTOR DEVELOPMENT.—United
15 States grant assistance shall be made available in
16 accordance with the plan described in subsection (c)
17 of this section to support the efforts of the Govern-
18 ment of the Federated States of Micronesia to at-
19 tract foreign investment and increase indigenous
20 business activity by vitalizing the commercial envi-
21 ronment, ensuring fair and equitable application of
22 the law, promoting adherence to core labor stand-
23 ards, and maintaining progress toward privatization
24 of state-owned and partially state-owned enterprises,
25 and engaging in other reforms.

1 (4) CAPACITY BUILDING IN THE PUBLIC SEC-
 2 TOR.—United States grant assistance shall be made
 3 available in accordance with the plan described in
 4 subsection (c) of this section to support the efforts
 5 of the Government of the Federated States of Micro-
 6 nesia to build effective, accountable and transparent
 7 national, state, and local government and other pub-
 8 lic sector institutions and systems.

9 (5) ENVIRONMENT.—United States grant as-
 10 sistance shall be made available in accordance with
 11 the plan described in subsection (c) of this section
 12 to increase environmental protection; conserve and
 13 achieve sustainable use of natural resources; and en-
 14 gage in environmental infrastructure planning, de-
 15 sign construction and operation.

16 (6) PUBLIC INFRASTRUCTURE.—

17 (i) U.S. annual grant assistance shall be
 18 made available in accordance with a list of spe-
 19 cific projects included in the plan described in
 20 subsection (c) of this section to assist the Gov-
 21 ernment of the Federated States of Micronesia
 22 in its efforts to provide adequate public infra-
 23 structure.

24 (ii) INFRASTRUCTURE AND MAINTENANCE
 25 FUND.—Five percent of the annual public in-

1 frastructure grant made available under para-
2 graph (i) of this subsection shall be set aside,
3 with an equal contribution from the Govern-
4 ment of the Federated States of Micronesia, as
5 a contribution to an Infrastructure Maintenance
6 Fund (IMF). Administration of the Infrastruc-
7 ture Maintenance Fund shall be governed by
8 the Fiscal Procedures Agreement.

9 (b) HUMANITARIAN ASSISTANCE.—Federated States
10 of Micronesia Program. In recognition of the special devel-
11 opment needs of the Federated States of Micronesia, the
12 Government of the United States shall make available to
13 the Government of the Federated States of Micronesia, on
14 its request and to be deducted from the grant amount
15 made available under subsection (a) of this section, a Hu-
16 manitarian Assistance - Federated States of Micronesia
17 (“HAFSM”) Program with emphasis on health, edu-
18 cation, and infrastructure (including transportation),
19 projects. The terms and conditions of the HAFSM shall
20 be set forth in the Agreement Regarding the Military Use
21 and Operating Rights of the Government of the United
22 States in the Government of the Federated States of Mi-
23 cronesia Concluded Pursuant to Sections 321 and 323 of
24 the Compact of Free Association, as Amended which shall

1 come into effect simultaneously with the amendments to
2 this Compact.

3 (c) DEVELOPMENT PLAN.—The Government of the
4 Federated States of Micronesia shall prepare and main-
5 tain an official overall development plan. The plan shall
6 be strategic in nature, shall be continuously reviewed and
7 updated through the annual budget process, and shall
8 make projections on a multi-year rolling basis. Each of
9 the sectors named in subsection (a) of this section, or
10 other sectors as mutually agreed, shall be accorded specific
11 treatment in the plan. Insofar as grants funds are in-
12 volved, the plan shall be subject to the concurrence of the
13 Government of the United States.

14 (d) DISASTER ASSISTANCE EMERGENCY FUND.—An
15 amount of two hundred thousand dollars (\$200,000) shall
16 be provided annually, with an equal contribution from the
17 Government of the Federated States of Micronesia, as a
18 contribution to a “Disaster Assistance Emergency Fund
19 (DAEF).” Any funds from the DAEF may be used only
20 for assistance and rehabilitation resulting from disasters
21 and emergencies. The funds will be accessed upon declara-
22 tion by the Government of the Federated States of Micro-
23 nesia, with the concurrence of the United States Chief of
24 Mission to the Federated States of Micronesia. The Ad-

1 ministration of the DAEF shall be governed by the Fiscal
2 Procedures Agreement.

3 Section 212 - Accountability.

4 (a) Regulations and policies normally applicable to
5 United States financial assistance to its state and local
6 governments, as reflected in the Fiscal Procedures Agree-
7 ment, shall apply to each sector grant described in section
8 211, and to grants administered under section 221 below,
9 except as modified in the separate agreements referred to
10 in section 231 of this Compact, as amended, or by United
11 States law. The Government of the United States, after
12 annual consultations with the Federated States of Micro-
13 nesia, may attach reasonable terms and conditions, includ-
14 ing annual performance indicators that are necessary to
15 ensure effective use of United States assistance and rea-
16 sonable progress toward achieving program objectives. The
17 Government of the United States may seek appropriate
18 remedies for noncompliance with the terms and conditions
19 attached to the assistance, or for failure to comply with
20 section 234, including withholding assistance.

21 (b) The Government of the United States shall, for
22 each fiscal year of the twenty years during which assist-
23 ance is to be provided on a sector grant basis under sec-
24 tion 211, grant the Government of the Federated States
25 of Micronesia an amount equal to the lesser of (i) one half

1 of the reasonable, properly documented cost incurred dur-
2 ing each fiscal year to conduct the annual audit required
3 under Article VIII (2) of the Fiscal Procedures Agreement
4 or (ii) \$500,000. Such amount will not be adjusted for
5 inflation under section 217 or otherwise.

6 Section 213 - Joint Economic Management Committee

7 The Governments of the United States and the Fed-
8 erated States of Micronesia shall establish a Joint Eco-
9 nomic Management Committee, composed of a U.S. chair,
10 two other members from the Government of the United
11 States and two members from the Government of the Fed-
12 erated States of Micronesia. The Joint Economic Manage-
13 ment Committee shall meet at least once each year to re-
14 view the audits and reports required under this Title,
15 evaluate the progress made by the Federated States of Mi-
16 cronesia in meeting the objectives identified in its plan de-
17 scribed in subsection (c) of section 211, with particular
18 focus on those parts of the plan dealing with the sectors
19 identified in subsection (a) of section 211, identify prob-
20 lems encountered, and recommend ways to increase the
21 effectiveness of U.S. assistance made available under this
22 Title. The establishment and operations of the Joint Eco-
23 nomic Management Committee shall be governed by the
24 Fiscal Procedures Agreement.

25 Section 214 - Annual Report

1 The Government of the Federated States of Micro-
2 nesia shall report annually to the President of the United
3 States on the use of United States sector grant assistance
4 and other assistance and progress in meeting mutually
5 agreed program and economic goals. The Joint Economic
6 Management Committee shall review and comment on the
7 report and make appropriate recommendations based
8 thereon.

9 Section 215 - Trust Fund

10 (a) The United States shall contribute annually for
11 twenty years from the effective date of this Compact, as
12 amended, in the amounts set forth in section 216 into a
13 Trust Fund established in accordance with the Agreement
14 Between the Government of the United States of America
15 and the Government of the Federated States of Micronesia
16 Implementing Section 215 and Section 216 of the Com-
17 pact, as Amended, Regarding a Trust Fund (“Trust Fund
18 Agreement”). Upon termination of the annual financial
19 assistance under section 211, the proceeds of the fund
20 shall thereafter be used for the purposes described in sec-
21 tion 211 or as otherwise mutually agreed.

22 (b) The United States contribution into the Trust
23 Fund described in subsection(a) of this section is condi-
24 tioned on the Government of the Federated States of Mi-
25 cronesia contributing to the Trust Fund at least \$30 mil-

1 lion, prior to September 30, 2004. Any funds received by
2 the Federated States of Micronesia under section 111 (d)
3 of Public Law 99–239 (January 14, 1986), or successor
4 provisions, would be contributed to the Trust Fund as a
5 Federated States of Micronesia contribution.

6 (c) The terms regarding the investment and manage-
7 ment of funds and use of the income of the Trust Fund
8 shall be set forth in the separate Trust Fund Agreement
9 described in subsection (a) of this section. Funds derived
10 from United States investment shall not be subject to Fed-
11 eral or state taxes in the United States or the Federated
12 States of Micronesia. The Trust Fund Agreement shall
13 also provide for annual reports to the Government of the
14 United States and to the Government of the Federated
15 States of Micronesia. The Trust Fund Agreement shall
16 provide for appropriate distributions of trust fund pro-
17 ceeds to the Federated States of Micronesia and for appro-
18 priate remedies for the failure of the Federated States of
19 Micronesia to use income of the Trust Fund for the an-
20 nual grant purposes set forth in section 211. These rem-
21 edies may include the return to the United States of the
22 present market value of its contributions to the Trust
23 Fund and the present market value of any undistributed
24 income on the contributions of the United States. If this
25 Compact, as amended, is terminated, the provisions of sec-

tions 451 through 453 of this Compact, as amended, shall govern treatment of any U.S. contributions to the Trust Fund or accrued interest thereon.

Section 216 - Sector Grant Funding and Trust Fund Contributions

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

[In millions of dollars]

Fiscal year	Annual Grants Section 211	Audit Grant Section 212(b) (amount up to)	Trust Fund Section 215	Total
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

Section 217 - Inflation Adjustment

Except for the amounts provided for audits under section 212(b), the amounts stated in this Title shall be adjusted for each United States Fiscal Year by the percent that equals two-thirds of the percent change in the United States Gross Domestic Product Implicit Price Deflator, or 5 percent, whichever is less in any one year, using the beginning of Fiscal Year 2004 as a base.

Section 218 - Carry-Over of Unused Funds

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1 (6) the Department of Homeland Security, and
2 the United States Agency for International Develop-
3 ment, Office of Foreign Disaster Assistance.

4 Upon the effective date of this Compact, as amended, the
5 United States Departments and Agencies named or having
6 responsibility to provide these services and related pro-
7 grams shall have the authority to implement the relevant
8 provisions of the Federal Programs and Services Agree-
9 ment referred to in section 231.

10 (b) PROGRAMS.—

11 (1) With the exception of the services and pro-
12 grams covered by subsection (a) of this section, and
13 unless the Congress of the United States provides
14 otherwise, the Government of the United States
15 shall make available to the Federated States of Mi-
16 cronesia the services and programs that were avail-
17 able to the Federated States of Micronesia on the ef-
18 fective date of this Compact, as amended, to the ex-
19 tent that such services and programs continue to be
20 available to State and local governments of the
21 United States. As set forth in the Fiscal Procedures
22 Agreement, funds provided under subsection (a) of
23 section 211 will be considered to be local revenues
24 of the Government of the Federated States of Micro-

1 nesia when used as the local share required to obtain
2 Federal programs and services.

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

8 (c) The Government of the United States shall have
9 and exercise such authority as is necessary to carry out
10 its responsibilities under this Title and the separate agree-
11 ments referred to in amended section 231, including the
12 authority to monitor and administer all service and pro-
13 gram assistance provided by the United States to the Fed-
14 erated States of Micronesia. The Federal Programs and
15 Services Agreement referred to in amended section 231
16 shall also set forth the extent to which services and pro-
17 grams shall be provided to the Federated States of Micro-
18 nesia.

19 (d) Except as provided elsewhere in this Compact, as
20 amended, under any separate agreement entered into
21 under this Compact, as amended, or otherwise under U.S.
22 law, all Federal domestic programs extended to or oper-
23 ating in the Federated States of Micronesia shall be sub-
24 ject to all applicable criteria, standards, reporting require-
25 ments, auditing procedures, and other rules and regula-

1 tions applicable to such programs and services when oper-
2 ating in the United States.

3 (e) The Government of the United States shall make
4 available to the Federated States of Micronesia alternate
5 energy development projects, studies, and conservation
6 measures to the extent provided for the Freely Associated
7 States in the laws of the United States.

8 Section 222

9 The Government of the United States and the Gov-
10 ernment of the Federated States of Micronesia may agree
11 from time to time to extend to the Federated States of
12 Micronesia additional United States grant assistance,
13 services and programs, as provided under the laws of the
14 United States. Unless inconsistent with such laws, or oth-
15 erwise specifically precluded by the Government of the
16 United States at the time such additional grant assistance,
17 services, or programs are extended, the Federal Programs
18 and Services Agreement referred to section 231 shall apply
19 to any such assistance, services or programs.

20 Section 223

21 The Government of the Federated States of Micro-
22 nesia shall make available to the Government of the
23 United States at no cost such land as may be necessary
24 for the operations of the services and programs provided
25 pursuant to this Article, and such facilities as are provided

6 The Government of the Federated States of Micro-
7 nesia may request, from time to time, technical assistance
8 from the Federal agencies and institutions of the Govern-
9 ment of the United States, which are authorized to grant
10 such technical assistance in accordance with its laws. If
11 technical assistance is granted pursuant to such a request,
12 the Government of the United States shall provide the
13 technical assistance in a manner which gives priority con-
14 sideration to the Federated States of Micronesia over
15 other recipients not a part of the United States, its terri-
16 tories or possessions, and equivalent consideration to the
17 Federated States of Micronesia with respect to other
18 states in Free Association with the United States. Such
19 assistance shall be made available on a reimbursable or
20 non-reimbursable basis to the extent provided by United
21 States law.

Article III

Administrative Provisions

•HJ 63 EH

1 The specific nature, extent and contractual arrange-
2 ments of the services and programs provided for in section
3 221 of this Compact, as amended, as well as the legal sta-
4 tus of agencies of the Government of the United States,
5 their civilian employees and contractors, and the depend-
6 ents of such personnel while present in the Federated
7 States of Micronesia, and other arrangements in connec-
8 tion with the assistance, services, or programs furnished
9 by the Government of the United States, are set forth in
10 a Federal Programs and Services Agreement which shall
11 come into effect simultaneously with this Compact, as
12 amended.

13 Section 232

14 The Government of the United States, in consultation
15 with the Government of the Federated States of Micro-
16 nesia, shall determine and implement procedures for the
17 periodic audit of all grants and other assistance made
18 under Article I of this Title and of all funds expended for
19 the services and programs provided under Article II of this
20 Title. Further, in accordance with the Fiscal Procedures
21 Agreement described in subsection (a) of section 211, the
22 Comptroller General of the United States shall have such
23 powers and authorities as described in sections 102 (c)
24 and 110 (c) of Public Law 99-239, 99 Stat. 1777-78,
25 and 99 Stat. 1799 (January 14, 1986).

1 Section 233

2 Approval of this Compact, as amended, by the Gov-
3 ernment of the United States, in accordance with its con-
4 stitutional processes, shall constitute a pledge by the
5 United States that the sums and amounts specified as sec-
6 tor grants in section 211 of this Compact, as amended,
7 shall be appropriated and paid to the Federated States
8 of Micronesia for such period as those provisions of this
9 Compact, as amended, remain in force, subject to the
10 terms and conditions of this Title and related subsidiary
11 agreements.

12 Section 234

13 The Government of the Federated States of Micro-
14 nesia pledges to cooperate with, permit, and assist if rea-
15 sonably requested, designated and authorized representa-
16 tives of the Government of the United States charged with
17 investigating whether Compact funds, or any other assist-
18 ance authorized under this Compact, as amended, have,
19 or are being, used for purposes other than those set forth
20 in this Compact, as amended, or its subsidiary agree-
21 ments. In carrying out this investigative authority, such
22 United States Government representatives may request
23 that the Government of the Federated States of Micro-
24 nesia subpoena documents and records and compel testi-
25 mony in accordance with the laws and Constitution of the

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

12 Article IV

13 Trade

14 Section 241

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

17 Section 242

18 The President shall proclaim the following tariff
19 treatment for articles imported from the Federated States
20 of Micronesia which shall apply during the period of effec-
21 tiveness of this title:

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

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

3 (b) Only tuna in airtight containers provided
4 for 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
13 duty-free treatment under this paragraph for any
14 calendar year shall be counted against the aggre-
15 gated quantity of tuna in airtight containers that is
16 dutiable under rate column numbered 1 of such
17 heading 1604.14.22 for that calendar year.

18 (c) The duty-free treatment provided under
19 subsection (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
7 goods, work gloves, and leather wearing apparel
8 which were not eligible articles for purposes of
9 title V of the Trade Act of 1974 (19 U.S.C.
10 2461, et seq.) on April 1, 1984.

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

21 Section 243

22 Articles imported from the Federated States of Mi-
23 cronesia which are not exempt from duty under sub-
24 sections (a), (b), (c), and (d) of section 242 shall be sub-
25 ject to the rates of duty set forth in column numbered

1 1-general of the Harmonized Tariff Schedule of the
2 United States (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 Au-
15 gust 18, 2001, to those governments listed in Article 26
16 of PICTA, as of the date the Compact, as amended, is
17 signed.

18 (c) Prior to entering into consultations on, or con-
19 cluding, a free trade agreement with governments not list-
20 ed in Article 26 of PICTA, the Federated States of Micro-
21 nesia shall consult with the United States regarding
22 whether or how subsection (a) of section 244 shall be ap-
23 plied.

1 Article V

2 Finance and Taxation

3 Section 251

4 The currency of the United States is the official cir-
5 culating legal tender of the Federated States of Micro-
6 nesia. Should the Government of the Federated States of
7 Micronesia act to institute another currency, the terms of
8 an appropriate currency transitional period shall be as
9 agreed with the Government of the United States.

10 Section 252

11 The Government of the Federated States of Micro-
12 nesia may, with respect to United States persons, tax in-
13 come derived from sources within its respective jurisdic-
14 tion, property situated therein, including transfers of such
15 property by gift or at death, and products consumed there-
16 in, in such manner as the Government of the Federated
17 States of Micronesia deems appropriate. The determina-
18 tion of the source of any income, or the situs of any prop-
19 erty, shall for purposes of this Compact be made according
20 to the United States Internal Revenue Code.

21 Section 253

22 A citizen of the Federated States of Micronesia, dom-
23 icated therein, shall be exempt from estate, gift, and gen-
24 eration-skipping transfer taxes imposed by the Govern-
25 ment of the United States, provided that such citizen of

1 the Federated States of Micronesia is neither a citizen nor
2 a resident of the United States.

3 Section 254

4 (a) In determining any income tax imposed by the
5 Government of the Federated States of Micronesia, the
6 Government of the Federated States of Micronesia shall
7 have authority to impose tax upon income derived by a
8 resident of the Federated States of Micronesia from
9 sources without the Federated States of Micronesia, in the
10 same manner and to the same extent as the Government
11 of the Federated States of Micronesia imposes tax upon
12 income derived from within its own jurisdiction. If the
13 Government of the Federated States of Micronesia exer-
14 cises such authority as provided in this subsection, any
15 individual resident of the Federated States of Micronesia
16 who is subject to tax by the Government of the United
17 States on income which is also taxed by the Government
18 of the Federated States of Micronesia shall be relieved of
19 liability to the Government of the United States for the
20 tax which, but for this subsection, would otherwise be im-
21 posed by the Government of the United States on such
22 income. However, the relief from liability to the United
23 States Government referred to in the preceding sentence
24 means only relief in the form of the foreign tax credit (or
25 deduction in lieu thereof) available with respect to the in-

1 come taxes of a possession of the United States, and relief
 2 in the form of the exclusion under section 911 of the Inter-
 3 nal Revenue Code of 1986. For purposes of this section,
 4 the term “resident of the Federated States of Micronesia”
 5 shall be deemed to include any person who was physically
 6 present in the Federated States of Micronesia for a period
 7 of 183 or more days during any taxable year.

8 (b) If the Government of the Federated States of Mi-
 9 cronesia subjects income to taxation substantially similar
 10 to that imposed by the Trust Territory Code in effect on
 11 January 1, 1980, such Government shall be deemed to
 12 have exercised the authority described in section 254(a).

13 Section 255

14 For purposes of section 274(h)(3)(A) of the United
 15 States Internal Revenue Code of 1986, the term “North
 16 American Area” shall include the Federated States of Mi-
 17 cronesia.

18 TITLE THREE

19 SECURITY AND DEFENSE RELATIONS

20 Article I

21 Authority and Responsibility

22 Section 311

23 (a) The Government of the United States has full au-
 24 thority and responsibility for security and defense matters
 25 in or relating to the Federated States of Micronesia.

1 (b) This authority and responsibility includes:

2 (1) the obligation to defend the Federated
3 States of Micronesia and its people from attack or
4 threats thereof as the United States and its citizens
5 are defended;

6 (2) the option to foreclose access to or use of
7 the Federated States of Micronesia by military per-
8 sonnel or for the military purposes of any third
9 country; and

10 (3) the option to establish and use military
11 areas and facilities in the Federated States of Micro-
12 nesia, subject to the terms of the separate agree-
13 ments referred to in sections 321 and 323.

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

18 Section 312

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

25 Section 313

1 (a) The Government of the Federated States of Mi-
2 cronesia shall refrain from actions that the Government
3 of the United States determines, after appropriate con-
4 sultation with that Government, to be incompatible with
5 its authority and responsibility for security and defense
6 matters in or relating to the Federated States of Micro-
7 nesia.

8 (b) The consultations referred to in this section shall
9 be conducted expeditiously at senior levels of the two Gov-
10 ernments, and the subsequent determination by the Gov-
11 ernment of the United States referred to in this section
12 shall be made only at senior interagency levels of the Gov-
13 ernment of the United States.

14 (c) The Government of the Federated States of Mi-
15 cronesia shall be afforded, on an expeditious basis, an op-
16 portunity to raise its concerns with the United States Sec-
17 retary of State personally and the United States Secretary
18 of Defense personally regarding any determination made
19 in accordance with this section.

20 Section 314

21 (a) Unless otherwise agreed, the Government of the
22 United States shall not, in the Federated States of Micro-
23 nesia:

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 ra-
5 dioactive, toxic chemical or biological materials in an
6 amount or manner which would be hazardous to
7 public health or safety.

8 (b) Unless otherwise agreed, other than for transit
9 or overflight purposes or during time of a national emer-
10 gency declared by the President of the United States, a
11 state of war declared by the Congress of the United States
12 or as necessary to defend against an actual or impending
13 armed attack on the United States, the Federated States
14 of Micronesia or the Republic of the Marshall Islands, the
15 Government of the United States shall not store in the
16 Federated States of Micronesia or the Republic of the
17 Marshall Islands any toxic chemical weapon, nor any ra-
18 dioactive materials nor any toxic chemical materials in-
19 tended for weapons use.

20 (c) Radioactive, toxic chemical, or biological materials
21 not intended for weapons use shall not be affected by sec-
22 tion 314(b).

23 (d) No material or substance referred to in this sec-
24 tion shall be stored in the Federated States of Micronesia
25 except in an amount and manner which would not be haz-

1 arduous to public health or safety. In determining what
2 shall be an amount or manner which would be hazardous
3 to public health or safety under this section, the Govern-
4 ment of the United States shall comply with any applicable
5 mutual agreement, international guidelines accepted by
6 the Government of the United States, and the laws of the
7 United States 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
10 of the Government of the United States under this section
11 or 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 Federated States
14 of Micronesia exercises jurisdiction over the living re-
15 sources of the seabed, subsoil or water column adjacent
16 to its coasts.

17 Section 315

18 The Government of the United States may invite
19 members of the armed forces of other countries to use
20 military areas and facilities in the Federated States of Mi-
21 cronesia, in conjunction with and under the control of
22 United States Armed Forces. Use by units of the armed
23 forces of other countries of such military areas and facili-
24 ties, other than for transit and overflight purposes, shall
25 be subject to consultation with and, in the case of major

1 units, approval of the Government of the Federated States
2 of Micronesia.

3 Section 316

4 The authority and responsibility of the Government
5 of the United States under this Title may not be trans-
6 ferred or otherwise assigned.

7 Article II

8 Defense Facilities and Operating Rights

9 Section 321

10 (a) Specific arrangements for the establishment and
11 use by the Government of the United States of military
12 areas and facilities in the Federated States of Micronesia
13 are set forth in separate agreements, which shall remain
14 in effect in accordance with the terms of such agreements.

15 (b) If, in the exercise of its authority and responsi-
16 bility under this Title, the Government of the United
17 States requires the use of areas within the Federated
18 States of Micronesia in addition to those for which specific
19 arrangements are concluded pursuant to section 321(a),
20 it may request the Government of the Federated States
21 of Micronesia to satisfy those requirements through leases
22 or other arrangements. The Government of the Federated
23 States of Micronesia shall sympathetically consider any
24 such request and shall establish suitable procedures to dis-

1 cuss it with and provide a prompt response to the Govern-
2 ment of the United States.

3 (c) The Government of the United States recognizes
4 and respects the scarcity and special importance of land
5 in the Federated States of Micronesia. In making any re-
6 quests pursuant to section 321(b), the Government of the
7 United States shall follow the policy of requesting the min-
8 imum area necessary to accomplish the required security
9 and defense purpose, of requesting only the minimum in-
10 terest in real property necessary to support such purpose,
11 and of requesting first to satisfy its requirement through
12 public real property, where available, rather than through
13 private real property.

14 Section 322

15 The Government of the United States shall provide
16 and maintain fixed and floating aids to navigation in the
17 Federated States of Micronesia at least to the extent nec-
18 essary for the exercise of its authority and responsibility
19 under this Title.

20 Section 323

21 The military operating rights of the Government of
22 the United States and the legal status and contractual ar-
23 rangements of the United States Armed Forces, their
24 members, and associated civilians, while present in the
25 Federated States of Micronesia are set forth in separate

1 agreements, which shall remain in effect in accordance
2 with the terms of such agreements.

3 Article III

4 Defense Treaties and International Security Agreements
5 Section 331

6 Subject to the terms of this Compact, as amended,
7 and its related agreements, the Government of the United
8 States, exclusively, has assumed and enjoys, as to the Fed-
9 erated States of Micronesia, all obligations, responsibil-
10 ities, rights and benefits of:

11 (a) Any defense treaty or other international security
12 agreement applied by the Government of the United
13 States as Administering Authority of the Trust Territory
14 of the Pacific Islands as of November 2, 1986.

15 (b) Any defense treaty or other international security
16 agreement to which the Government of the United States
17 is or may become a party which it determines to be appli-
18 cable in the Federated States of Micronesia. Such a deter-
19 mination by the Government of the United States shall
20 be preceded by appropriate consultation with the Govern-
21 ment of the Federated States of Micronesia.

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
3 section 141(a)(5) who is not a citizen of the Federated
4 States of Micronesia) shall be eligible to volunteer for serv-
5 ice in the Armed Forces of the United States, but shall
6 not be subject to involuntary induction into military serv-
7 ice of the United States as long as such person has resided
8 in the United States for a period of less than one year,
9 provided that no time shall count towards this one year
10 while a person admitted to the United States under the
11 Compact, or the Compact, as amended, is engaged in full-
12 time study in the United States. Any person described in
13 section 141(a)(5) who is not a citizen of the Federated
14 States of Micronesia shall be subject to United States laws
15 relating 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 Federated States of Micronesia, as may be nominated
20 by the Government of the Federated States of Micronesia,
21 in each of:

22 (a) The United States Coast Guard Academy pursu-
23 ant to 14 U.S.C. 195.

24 (b) The United States Merchant Marine Academy
25 pursuant to 46 U.S.C. 1295(b)(6), provided that the pro-

visions of 46 U.S.C. 1295b(b)(6)(C) shall not apply to the enrollment of students pursuant to section 342(b) of this Compact, as amended.

Article V

General Provisions

Section 351

(a) The Government of the United States and the Government of the Federated States of Micronesia shall continue to maintain a Joint Committee empowered to consider disputes arising under the implementation of this Title and its related agreements.

(b) The membership of the Joint Committee shall comprise selected senior officials of the two Governments. The senior United States military commander in the Pacific area shall be the senior United States member of the Joint Committee. For the meetings of the Joint Committee, each of the two Governments may designate additional or alternate representatives as appropriate for the subject matter under consideration.

(c) Unless otherwise mutually agreed, the Joint Committee shall meet annually at a time and place to be designated, after appropriate consultation, by the Government of the United States. The Joint Committee also shall meet promptly upon request of either of its members. The Joint Committee shall follow such procedures, including

1 the establishment of functional subcommittees, as the
2 members may from time to time agree. Upon notification
3 by the Government of the United States, the Joint Com-
4 mittee of the United States and the Federated States of
5 Micronesia shall meet promptly in a combined session with
6 the Joint Committee established and maintained by the
7 Government of the United States and the Republic of the
8 Marshall Islands to consider matters within the jurisdic-
9 tion of the two Joint Committees.

10 (d) Unresolved issues in the Joint Committee shall
11 be referred to the Governments for resolution, and the
12 Government of the Federated States of Micronesia shall
13 be afforded, on an expeditious basis, an opportunity to
14 raise its concerns with the United States Secretary of De-
15 fense personally regarding any unresolved issue which
16 threatens its continued association with the Government
17 of the United 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 Federated States of Micronesia
23 under Titles One, Two and Four and to the responsibility
24 of the Government of the Federated States of Micronesia
25 to assure the well-being of its people.

1 Section 353

2 (a) The Government of the United States shall not
 3 include the Government of the Federated States of Micro-
 4 nesia 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,
 7 is without prejudice, on the ground of belligerence or the
 8 existence of a state of war, to any claims for damages
 9 which are advanced by the citizens, nationals or Govern-
 10 ment of the Federated States of Micronesia, which arise
 11 out of armed conflict subsequent to November 3, 1986,
 12 and which 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
 22 Government of the Federated States of Micronesia are
 23 jointly committed to continue their security and defense
 24 relations, as set forth in this Title. Accordingly, it is the
 25 intention of the two countries that the provisions of this

1 Title shall remain binding as long as this Compact, as
2 amended, remains in effect, and thereafter as mutually
3 agreed, unless earlier terminated by mutual agreement
4 pursuant to section 441, or amended pursuant to Article
5 III of Title Four. If at any time the Government of the
6 United States, or the Government of the Federated States
7 of Micronesia, acting unilaterally, terminates this Title,
8 such unilateral termination shall be considered to be ter-
9 mination of the entire Compact, in which case the provi-
10 sions of section 442 and 452 (in the case of termination
11 by the Government of the United States) or sections 443
12 and 453 (in the case of termination by the Government
13 of the Federated States of Micronesia), with the exception
14 of paragraph (3) of subsection (a) of section 452 or para-
15 graph (3) of subsection (a) of section 453, as the case
16 may be, shall apply.

17 (b) The Government of the United States recognizes,
18 in view of the special relationship between the Government
19 of the United States and the Government of the Federated
20 States of Micronesia, and in view of the existence of the
21 separate agreement regarding mutual security concluded
22 with the Government of the Federated States of Micro-
23 nesia pursuant to sections 321 and 323, that, even if this
24 Title should terminate, any attack on the Federated
25 States of Micronesia during the period in which such sepa-

1 rate agreement is in effect, would constitute a threat to
 2 the peace and security of the entire region and a danger
 3 to the United States. In the event of such an attack, the
 4 Government of the United States would take action to
 5 meet the danger to the United States and to the Federated
 6 States of Micronesia in accordance with its constitutional
 7 processes.

8 (c) As reflected in Article 21(1)(b) of the Trust Fund
 9 Agreement, the Government of the United States and the
 10 Government of the Federated States of Micronesia further
 11 recognize, in view of the special relationship between their
 12 countries, that even if this Title should terminate, the
 13 Government of the Federated States of Micronesia shall
 14 refrain from actions which the Government of the United
 15 States determines, after appropriate consultation with
 16 that Government, to be incompatible with its authority
 17 and responsibility for security and defense matters in or
 18 relating to the Federated States of Micronesia or the Re-
 19 public of the Marshall Islands.

20 TITLE FOUR

21 GENERAL PROVISIONS

22 Article I

23 Approval and Effective Date

24 Section 411

1 Pursuant to section 432 of the Compact and subject
2 to subsection (e) of section 461 of the Compact, as amend-
3 ed, the Compact, as amended, shall come into effect upon
4 mutual agreement between the Government of the United
5 States and the Government of the Federated States of Mi-
6 cronesia subsequent to completion of the following:

7 (a) Approval by the Government of the Fed-
8 erated States of Micronesia in accordance with its
9 constitutional processes.

10 (b) Approval by the Government of the United
11 States in accordance with its constitutional proc-
12 esses.

13 Article II

14 Conference and Dispute Resolution

15 Section 421

16 The Government of the United States shall confer
17 promptly at the request of the Government of the Fed-
18 erated States of Micronesia and that Government shall
19 confer promptly at the request of the Government of the
20 United States on matters relating to the provisions of this
21 Compact, as amended, or of its related agreements.

22 Section 422

23 In the event the Government of the United States or
24 the Government of the Federated States of Micronesia,
25 after conferring pursuant to section 421, determines that

1 there is a dispute and gives written notice thereof, the two
2 Governments shall make a good faith effort to resolve the
3 dispute between themselves.

4 Section 423

5 If a dispute between the Government of the United
6 States and the Government of the Federated States of Mi-
7 cronesia cannot be resolved within 90 days of written noti-
8 fication in the manner provided in section 422, either
9 party to the dispute may refer it to arbitration in accord-
10 ance with section 424.

11 Section 424

12 Should a dispute be referred to arbitration as pro-
13 vided for in section 423, an Arbitration Board shall be
14 established for the purpose of hearing the dispute and ren-
15 dering a decision which shall be binding upon the two par-
16 ties to the dispute unless the two parties mutually agree
17 that the decision shall be advisory. Arbitration shall occur
18 according to the following terms:

19 (a) An Arbitration Board shall consist of a
20 Chairman and two other members, each of whom
21 shall be a citizen of a party to the dispute. Each of
22 the two Governments which is a party to the dispute
23 shall appoint one member to the Arbitration Board.
24 If either party to the dispute does not fulfill the ap-
25 pointment requirements of this section within 30

1 days of referral of the dispute to arbitration pursu-
2 ant to section 423, its member on the Arbitration
3 Board shall be selected from its own standing list by
4 the other party to the dispute. Each Government
5 shall maintain a standing list of 10 candidates. The
6 parties to the dispute shall jointly appoint a Chair-
7 man within 15 days after selection of the other
8 members of the Arbitration Board. Failing agree-
9 ment on a Chairman, the Chairman shall be chosen
10 by lot from the standing lists of the parties to the
11 dispute within 5 days after such failure.

12 (b) Unless otherwise provided in this Compact,
13 as amended, or its related agreements, the Arbitra-
14 tion Board shall have jurisdiction to hear and render
15 its final determination on all disputes arising exclu-
16 sively under Articles I, II, III, IV and V of Title
17 One, Title Two, Title Four, and their related agree-
18 ments.

19 (c) Each member of the Arbitration Board shall
20 have one vote. Each decision of the Arbitration
21 Board shall be reached by majority vote.

22 (d) In determining any legal issue, the Arbitration
23 Board may have reference to international law and, in
24 such reference, shall apply as guidelines the provisions set

1 forth in Article 38 of the Statute of the International
2 Court of Justice.

3 (e) The Arbitration Board shall adopt such rules for
4 its proceedings as it may deem appropriate and necessary,
5 but such rules shall not contravene the provisions of this
6 Compact, as amended. Unless the parties provide other-
7 wise by mutual agreement, the Arbitration Board shall en-
8 deavor to render its decision within 30 days after the con-
9 clusion of arguments. The Arbitration Board shall make
10 findings of fact and conclusions of law and its members
11 may issue dissenting or individual opinions. Except as may
12 be otherwise decided by the Arbitration Board, one-half
13 of all costs of the arbitration shall be borne by the Govern-
14 ment of the United States and the remainder shall be
15 borne by the Government of the Federated States of Mi-
16 cronesia.

17 Article III

18 Amendment

19 Section 431

20 The provisions of this Compact, as amended, may be
21 further amended by mutual agreement of the Government
22 of the United States and the Government of the Federated
23 States of Micronesia, in accordance with their respective
24 constitutional processes.

1 Article IV

2 Termination

3 Section 441

4 This Compact, as amended, may be terminated by
5 mutual agreement of the Government of the Federated
6 States of Micronesia and the Government of the United
7 States, in accordance with their respective constitutional
8 processes. Such mutual termination of this Compact, as
9 amended, shall be without prejudice to the continued ap-
10 plication of section 451 of this Compact, as amended, and
11 the provisions of the Compact, as amended, set forth
12 therein.

13 Section 442

14 Subject to section 452, this Compact, as amended,
15 may be terminated by the Government of the United
16 States in accordance with its constitutional processes.
17 Such termination shall be effective on the date specified
18 in the notice of termination by the Government of the
19 United States but not earlier than six months following
20 delivery of such notice. The time specified in the notice
21 of termination may be extended. Such termination of this
22 Compact, as amended, shall be without prejudice to the
23 continued application of section 452 of this Compact, as
24 amended, and the provisions of the Compact, as amended,
25 set forth therein.

1 Section 443

2 This Compact, as amended, shall be terminated by
3 the Government of the Federated States of Micronesia,
4 pursuant to its constitutional processes, subject to section
5 453 if the people represented by that Government vote in
6 a plebiscite to terminate the Compact, as amended, or by
7 another process permitted by the FSM constitution and
8 mutually agreed between the Governments of the United
9 States and the Federated States of Micronesia. The Gov-
10 ernment of the Federated States of Micronesia shall notify
11 the Government of the United States of its intention to
12 call such a plebiscite, or to pursue another mutually
13 agreed and constitutional process, which plebiscite or proc-
14 ess shall take place not earlier than three months after
15 delivery of such notice. The plebiscite or other process
16 shall be administered by the Government of the Federated
17 States of Micronesia in accordance with its constitutional
18 and legislative processes. If a majority of the valid ballots
19 cast in the plebiscite or other process favors termination,
20 the Government of the Federated States of Micronesia
21 shall, upon certification of the results of the plebiscite or
22 other process, give notice of termination to the Govern-
23 ment of the United States, such termination to be effective
24 on the date specified in such notice but not earlier than
25 three months following the date of delivery of such notice.

1 The time specified in the notice of termination may be
2 extended.

3 Article V

4 Survivability

5 Section 451

6 (a) Should termination occur pursuant to section
7 441, economic and other assistance by the Government of
8 the United States shall continue only if and as mutually
9 agreed by the Governments of the United States and the
10 Federated States of Micronesia, and in accordance with
11 the parties' respective constitutional processes.

12 (b) In view of the special relationship of the United
13 States and the Federated States of Micronesia, as re-
14 flected in subsections (b) and (c) of section 354 of this
15 Compact, as amended, and the separate agreement en-
16 tered into consistent with those subsections, if termination
17 occurs pursuant to section 441 prior to the twentieth anni-
18 versary of the effective date of this Compact, as amended,
19 the United States shall continue to make contributions to
20 the Trust Fund described in section 215 of this Compact,
21 as amended.

22 (c) In view of the special relationship of the United
23 States and the Federated States of Micronesia described
24 in subsection (b) of this section, if termination occurs pur-
25 suant to section 441 following the twentieth anniversary

1 of the effective date of this Compact, as amended, the
2 Federated States of Micronesia shall be entitled to receive
3 proceeds from the Trust Fund described in section 215
4 of this Compact, as amended, in the manner described in
5 those provisions and the Trust Fund Agreement governing
6 the distribution of such proceeds.

7 Section 452

8 (a) Should termination occur pursuant to section 442
9 prior to the twentieth anniversary of the effective date of
10 this Compact, as amended, the following provisions of this
11 Compact, as amended, shall remain in full force and effect
12 until the twentieth anniversary of the effective date of this
13 Compact, as amended, and thereafter as mutually agreed:

14 (1) Article VI and sections 172, 173, 176 and
15 177 of Title One;

16 (2) Sections 232 and 234 of Title Two;

17 (3) Title Three; and

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

19 (b) Should termination occur pursuant to section 442
20 before the twentieth anniversary of the effective date of
21 the Compact, as amended:

22 (1) Except as provided in paragraph (2) of this
23 subsection and subsection (c) of this section, eco-
24 nomic and other assistance by the United States
25 shall continue only if and as mutually agreed by the

1 Governments of the United States and the Fed-
2 erated States of Micronesia.

3 (2) In view of the special relationship of the
4 United States and the Federated States of Micro-
5 nesia, as reflected in subsections (b) and (c) of sec-
6 tion 354 of this Compact, as amended, and the sepa-
7 rate agreement regarding mutual security, and the
8 Trust Fund Agreement, the United States shall con-
9 tinue to make contributions to the Trust Fund de-
10 scribed in section 215 of this Compact, as amended,
11 in the manner described in the Trust Fund Agree-
12 ment.

13 (c) In view of the special relationship of the United
14 States and the Federated States of Micronesia, as re-
15 flected in subsections 354(b) and (c) of this Compact, as
16 amended, and the separate agreement regarding mutual
17 security, and the Trust Fund Agreement, if termination
18 occurs pursuant to section 442 following the twentieth an-
19 niversary of the effective date of this Compact, as amend-
20 ed, the Federated States of Micronesia shall continue to
21 be eligible to receive proceeds from the Trust Fund de-
22 scribed in section 215 of this Compact, as amended, in
23 the manner described in those provisions and the Trust
24 Fund Agreement.

25 Section 453

1 (a) Should termination occur pursuant to section 443
2 prior to the twentieth anniversary of the effective date of
3 this Compact, as amended, the following provisions of this
4 Compact, as amended, shall remain in full force and effect
5 until the twentieth anniversary of the effective date of this
6 Compact, as amended, and thereafter as mutually agreed:

7 (1) Article VI and sections 172, 173, 176 and
8 177 of Title One;

9 (2) Sections 232 and 234 of Title Two;

10 (3) Title Three; and

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

12 (b) Upon receipt of notice of termination pursuant
13 to section 443, the Government of the United States and
14 the Government of the Federated States of Micronesia
15 shall promptly consult with regard to their future relation-
16 ship. Except as provided in subsection (c) and (d) of this
17 section, these consultations shall determine the level of
18 economic and other assistance, if any, which the Govern-
19 ment of the United States shall provide to the Government
20 of the Federated States of Micronesia for the period end-
21 ing on the twentieth anniversary of the effective date of
22 this Compact, as amended, and for any period thereafter,
23 if mutually agreed.

24 (c) In view of the special relationship of the United
25 States and the Federated States of Micronesia, as re-

1 flected in subsections 354(b) and (c) of this Compact, as
2 amended, and the separate agreement regarding mutual
3 security, and the Trust Fund Agreement, if termination
4 occurs pursuant to section 443 prior to the twentieth anni-
5 versary of the effective date of this Compact, as amended,
6 the United States shall continue to make contributions to
7 the Trust Fund described in section 215 of this Compact,
8 as amended, in the manner described in the Trust Fund
9 Agreement.

10 (d) In view of the special relationship of the United
11 States and the Federated States of Micronesia, as re-
12 flected in subsections 354(b) and (c) of this Compact, as
13 amended, and the separate agreement regarding mutual
14 security, and the Trust Fund Agreement, if termination
15 occurs pursuant to section 443 following the twentieth an-
16 niversary of the effective date of this Compact, as amend-
17 ed, the Federated States of Micronesia shall continue to
18 be eligible to receive proceeds from the Trust Fund de-
19 scribed in section 215 of this Compact, as amended, in
20 the manner described in those provisions and the Trust
21 Fund Agreement.

22 Section 454

23 Notwithstanding any other provision of this Compact,
24 as amended:

1 (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.

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

8 Article VI

9 Definition of Terms

10 Section 461

11 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:

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

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

8 (c) “The Federated States of Micronesia” and
9 “the Republic of the Marshall Islands” are used in
10 a geographic sense and include the land and water
11 areas to the outer limits of the territorial sea and
12 the air space above such areas as now or hereafter
13 recognized by the Government of the United States.

14 (d) “Compact” means the Compact of Free As-
15 sociation Between the United States and the Fed-
16 erated States of Micronesia and the Marshall Is-
17 lands, that was approved by the United States Con-
18 gress in section 201 of Public Law 99–239 (Jan. 14,
19 1986) and went into effect with respect to the Fed-
20 erated States of Micronesia on November 3, 1986.

21 (e) “Compact, as amended” means the Com-
22 pact of Free Association Between the United States
23 and the Federated States of Micronesia, as amend-
24 ed. The effective date of the Compact, as amended,
25 shall be on a date to be determined by the President

1 of the United States, and agreed to by the Govern-
2 ment of the Federated States of Micronesia, fol-
3 lowing formal approval of the Compact, as amended,
4 in accordance with section 411 of this Compact, as
5 amended.

6 (f) “Government of the Federated States of Mi-
7 cronesia” means the Government established and or-
8 ganized by the Constitution of the Federated States
9 of Micronesia including all the political subdivisions
10 and entities comprising that Government.

11 (g) “Government of the Republic of the Mar-
12 shall Islands” means the Government established
13 and organized by the Constitution of the Republic of
14 the Marshall Islands including all the political sub-
15 divisions and entities comprising that Government.

16 (h) The following terms shall be defined con-
17 sistent with the 1998 Edition of the Radio Regula-
18 tions of the International Telecommunications Union
19 as follows:

20 (1) “Radiocommunication” means tele-
21 communication by means of radio waves.

22 (2) “Station” means one or more transmit-
23 ters or receivers or a combination of transmit-
24 ters and receivers, including the accessory
25 equipment, necessary at one location for car-

1 rying on a radiocommunication service, or the
2 radio astronomy service.

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

9 (4) “Broadcasting Station” means a sta-
10 tion in the broadcasting service.

11 (5) “Assignment (of a radio frequency or
12 radio frequency channel)” means an authoriza-
13 tion given by an administration for a radio sta-
14 tion to use a radio frequency or radio frequency
15 channel under specified conditions.

16 (6) “Telecommunication” means any
17 transmission, emission or reception of signs,
18 signals, writings, images and sounds or intel-
19 ligence of any nature by wire, radio, optical or
20 other electromagnetic systems.

21 (i) “Military Areas and Facilities” means those
22 areas and facilities in the Federated States of Micro-
23 nesia reserved or acquired by the Government of the
24 Federated States of Micronesia for use by the Gov-

1 ernment of the United States, as set forth in the
2 separate agreements referred to in section 321.

3 (j) “Tariff Schedules of the United States”
4 means the Tariff Schedules of the United States as
5 amended from time to time and as promulgated pur-
6 suant to United States law and includes the Tariff
7 Schedules of the United States Annotated (TSUSA),
8 as amended.

9 (k) “Vienna Convention on Diplomatic Rela-
10 tions” means the Vienna Convention on Diplomatic
11 Relations, done April 18, 1961, 23 U.S.T. 3227,
12 T.I.A.S. 7502, 500 U.N.T.S. 95.

13 Section 462

14 (a) The Government of the United States and the
15 Government of the Federated States of Micronesia pre-
16 viously have concluded agreements pursuant to the Com-
17 pact, which shall remain in effect and shall survive in ac-
18 cordance with their terms, as follows:

19 (1) Agreement Concluded Pursuant to Section
20 234 of the Compact;

21 (2) Agreement Between the Government of the
22 United States and the Government of the Federated
23 States of Micronesia Regarding Friendship, Co-
24 operation and Mutual Security Concluded Pursuant

1 to Sections 321 and 323 of the Compact of Free As-
2 sociation; and

3 (3) Agreement between the Government of the
4 United States of America and the Federated States
5 of Micronesia Regarding Aspects of the Marine Sov-
6 ereignty and Jurisdiction of the Federated States of
7 Micronesia.

8 (b) The Government of the United States and the
9 Government of the Federated States of Micronesia shall
10 conclude prior to the date of submission of this Compact,
11 as amended, to the legislatures of the two countries, the
12 following related agreements which shall come into effect
13 on the effective date of this Compact, as amended, and
14 shall survive in accordance with their terms, as follows:

15 (1) Federal Programs and Services Agreement
16 Between the Government of the United States of
17 America and the Government of the Federated
18 States of Micronesia Concluded Pursuant to Article
19 III of Title One, Article II of Title Two (including
20 Section 222), and Section 231 of the Compact of
21 Free Association, as amended which includes:

22 (i) Postal Services and Related Programs;
23 (ii) Weather Services and Related Pro-
24 grams;

1 (iii) Civil Aviation Safety Service and Re-
2 lated Programs;

3 (iv) Civil Aviation Economic Services and
4 Related Programs;

5 (v) United States Disaster Preparedness
6 and Response Services and Related Programs;

7 (vi) Federal Deposit Insurance Corporation
8 Services and Related Programs; and

9 (vii) Telecommunications Services and Re-
10 lated Programs.

11 (2) Agreement Between the Government of the
12 United States of America and the Government of
13 the Federated States of Micronesia on Extradition,
14 Mutual Assistance in Law Enforcement Matters and
15 Penal Sanctions Concluded Pursuant to Section
16 175(a) of the Compact of Free Association, as
17 amended;

18 (3) Agreement Between the Government of the
19 United States of America and the Government of
20 the Federated States of Micronesia on Labor Re-
21 cruitment Concluded Pursuant to Section 175(b) of
22 the Compact of Free Association, as amended;

23 (4) Agreement Concerning Procedures for the
24 Implementation of United States Economic Assist-
25 ance Provided in the Compact of Free Association,

1 as Amended, of Free Association Between the Gov-
2 ernment of the United States of America and Gov-
3 ernment of the Federated States of Micronesia;

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

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

15 (7) Status of Forces Agreement Between the
16 Government of the United States of America and
17 the Government of the Federated States of Micro-
18 nesia Concluded Pursuant to Section 323 of the
19 Compact of Free Association, as Amended.

20 Section 463

21 (a) Except as set forth in subsection (b) of this sec-
22 tion, any reference in this Compact, as amended, to a pro-
23 vision of the United States Code or the Statutes at Large
24 of the United States constitutes the incorporation of the
25 language of such provision into this Compact, as amended,

1 as such provision was in force on the effective date of this
2 Compact, as amended.

3 (b) Any reference in Articles IV and Article VI of
4 Title One and Sections 174, 175, 178 and 342 to a provi-
5 sion of the United States Code or the Statutes at Large
6 of the United States or to the Privacy Act, the Freedom
7 of Information Act, the Administrative Procedure Act or
8 the Immigration and Nationality Act constitutes the incor-
9 poration of the language of such provision into this Com-
10 pact, as amended, as such provision was in force on the
11 effective date of this Compact, as amended, or as it may
12 be amended thereafter on a non-discriminatory basis ac-
13 cording to the constitutional processes of the United
14 States.

15 Article VII

16 Concluding Provisions

17 Section 471

18 Both the Government of the United States and the
19 Government of the Federated States of Micronesia shall
20 take all necessary steps, of a general or particular char-
21 acter, to ensure, no later than the entry into force date
22 of this Compact, as amended, the conformity of its laws,
23 regulations and administrative procedures with the provi-
24 sions of this Compact, as amended, or in the case of sub-

1 section (d) of section 141, as soon as reasonably possible
2 thereafter.

3 Section 472

4 This Compact, as amended, may be accepted, by sig-
5 nature or otherwise, by the Government of the United
6 States and the Government of the Federated States of Mi-
7 cronesia.

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

16 DONE at Pohnpei, Federated States of Micronesia,
17 in duplicate, this fourteenth (14) day of May, 2003, each
18 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:

19 (b) COMPACT OF FREE ASSOCIATION, AS AMENDED,
20 BETWEEN THE GOVERNMENT OF THE UNITED STATES
21 OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC
22 OF THE MARSHALL ISLANDS

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 peo-
8 ple of the Republic of the Marshall Islands have the right
9 to enjoy self-government; and

10 Affirming the common interests of the United States
11 of America and the Republic of the Marshall Islands in
12 creating and maintaining their close and mutually bene-
13 ficial relationship through the free and voluntary associa-
14 tion of their respective Governments; and

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

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

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

5 Recognizing that the Compact reflected their common
6 desire to terminate the Trusteeship and establish a gov-
7 ernment-to-government relationship which was in accord-
8 ance with the new political status based on the freely ex-
9 pressed wishes of the people of the Republic of the Mar-
10 shall Islands and appropriate to their particular cir-
11 cumstances; and

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

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

1 NOW, THEREFORE, MUTUALLY AGREE to
 2 continue and strengthen their relationship of free associa-
 3 tion by amending the Compact, which continues to provide
 4 a full measure of self-government for the people of the
 5 Republic of the Marshall Islands; and

6 FURTHER AGREE that the relationship of free as-
 7 sociation derives from and is as set forth in this Compact,
 8 as amended, by the Governments of the United States and
 9 the Republic of the Marshall Islands; and that, during
 10 such relationship of free association, the respective rights
 11 and responsibilities of the Government of the United
 12 States and the Government of the Republic of the Mar-
 13 shall Islands in regard to this relationship of free associa-
 14 tion derive from and are as set forth in this Compact, as
 15 amended.

16 TITLE ONE

17 GOVERNMENTAL RELATIONS

18 Article I

19 Self-Government

20 Section 111

21 The people of the Republic of the Marshall Islands,
 22 acting through the Government established under their
 23 Constitution, are self-governing.

Article II

Foreign Affairs

Section 121

(a) The Government of the Republic of the Marshall Islands has the capacity to conduct foreign affairs and shall do so in its own name and right, except as otherwise provided in this Compact, as amended.

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

(1) the conduct of foreign affairs relating to law of the sea and marine resources matters, including the harvesting, conservation, exploration or exploitation of living and non-living resources from the sea, seabed or subsoil to the full extent recognized under international law;

(2) the conduct of its commercial, diplomatic, consular, economic, trade, banking, postal, civil aviation, communications, and cultural relations, including negotiations for the receipt of developmental loans and grants and the conclusion of arrangements with other governments and international and inter-governmental organizations, including any matters specially benefiting its individual citizens.

(c) The Government of the United States recognizes that the Government of the Republic of the Marshall Is-

1 lands has the capacity to enter into, in its own name and
2 right, treaties and other international agreements with
3 governments and regional and international organizations.

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

9 Section 122

10 The Government of the United States shall support
11 applications by the Government of the Republic of the
12 Marshall Islands for membership or other participation in
13 regional or international organizations as may be mutually
14 agreed.

15 Section 123

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

21 (b) In recognition of the foreign affairs capacity of
22 the Government of the Republic of the Marshall Islands,
23 the Government of the United States, in the conduct of
24 its foreign affairs, shall consult with the Government of
25 the Republic of the Marshall Islands on matters that the

1 Government of the United States regards as relating to
2 or affecting the Government of the Republic of the Mar-
3 shall Islands.

4 Section 124

5 The Government of the United States may assist or
6 act on behalf of the Government of the Republic of the
7 Marshall Islands in the area of foreign affairs as may be
8 requested and mutually agreed from time to time. The
9 Government of the United States shall not be responsible
10 to third parties for the actions of the Government of the
11 Republic of the Marshall Islands undertaken with the as-
12 sistance or through the agency of the Government of the
13 United States pursuant to this section unless expressly
14 agreed.

15 Section 125

16 The Government of the United States shall not be
17 responsible for nor obligated by any actions taken by the
18 Government of the Republic of the Marshall Islands in the
19 area of foreign affairs, except as may from time to time
20 be expressly agreed.

21 Section 126

22 At the request of the Government of the Republic of
23 the Marshall Islands and subject to the consent of the re-
24 ceiving state, the Government of the United States shall
25 extend consular assistance on the same basis as for citi-

1 zens of the United States to citizens of the Republic of
2 the Marshall Islands for travel outside the Republic of the
3 Marshall Islands, the United States and its territories and
4 possessions.

5 Section 127

6 Except as otherwise provided in this Compact, as
7 amended, or its related agreements, all obligations, re-
8 sponsibilities, rights and benefits of the Government of the
9 United States as Administering Authority which resulted
10 from the application pursuant to the Trusteeship Agree-
11 ment of any treaty or other international agreement to the
12 Trust Territory of the Pacific Islands on October 20,
13 1986, are, as of that date, no longer assumed and enjoyed
14 by the Government of the United States.

15 Article III

16 Communications

17 Section 131

18 (a) The Government of the Republic of the Marshall
19 Islands has full authority and responsibility to regulate its
20 domestic and foreign communications, and the Govern-
21 ment of the United States shall provide communications
22 assistance as mutually agreed.

23 (b) The Government of the Republic of the Marshall
24 Islands has elected to undertake all functions previously
25 performed by the Government of the United States with

6 The Government of the Republic of the Marshall Is-
7 lands shall permit the Government of the United States
8 to operate telecommunications services in the Republic of
9 the Marshall Islands to the extent necessary to fulfill the
10 obligations of the Government of the United States under
11 this Compact, as amended, in accordance with the terms
12 of separate agreements entered into pursuant to this sec-
13 tion of the Compact, as amended.

15 Immigration

(a) In furtherance of the special and unique relation-
ship that exists between the United States and the Repub-
lic of the Marshall Islands, under the Compact, as amend-
ed, any person in the following categories may be admitted
to, lawfully engage in occupations in, and establish resi-
dence as a nonimmigrant in the United States and its ter-
ritories and possessions (the “United States”) without re-
gard to paragraphs (5) or (7)(B)(i)(II) of section 212(a)

1 of the Immigration and Nationality Act, as amended, 8
2 U.S.C. 1182(a)(5) or (7)(B)(i)(II):

3 (1) a person who, on October 21, 1986, was a
4 citizen of the Trust Territory of the Pacific Islands,
5 as defined in Title 53 of the Trust Territory Code
6 in force on January 1, 1979, and has become and
7 remains a citizen of the Republic of the Marshall Is-
8 lands;

9 (2) a person who acquires the citizenship of the
10 Republic of the Marshall Islands at birth, on or after
11 the effective date of the Constitution of the Republic
12 of the Marshall Islands;

13 (3) an immediate relative of a person referred
14 to in paragraphs (1) or (2) of this section, provided
15 that such immediate relative is a naturalized citizen
16 of the Republic of the Marshall Islands who has
17 been an actual resident there for not less than five
18 years after attaining such naturalization and who
19 holds a certificate of actual residence, and further
20 provided, that, in the case of a spouse, such spouse
21 has been married to the person referred to in para-
22 graph (1) or (2) of this section for at least five
23 years, and further provided, that the Government of
24 the United States is satisfied that such naturalized
25 citizen meets the requirement of subsection (b) of

1 section 104 of Public Law 99–239 as it was in effect
2 on the day prior to the effective date of this Com-
3 pact, as amended;

4 (4) a naturalized citizen of the Republic of the
5 Marshall Islands who was an actual resident there
6 for not less than five years after attaining such nat-
7 uralization and who satisfied these requirements as
8 of April 30, 2003, who continues to be an actual
9 resident and holds a certificate of actual residence,
10 and whose name is included in a list furnished by
11 the Government of the Republic of the Marshall Is-
12 lands to the Government of the United States no
13 later than the effective date of the Compact, as
14 amended, in form and content acceptable to the Gov-
15 ernment of the United States, provided, that the
16 Government of the United States is satisfied that
17 such naturalized citizen meets the requirement of
18 subsection (b) of section 104 of Public Law 99–239
19 as it was in effect on the day prior to the effective
20 date of this Compact, as amended; or

21 (5) an immediate relative of a citizen of the Re-
22 public of the Marshall Islands, regardless of the im-
23 mediate relative’s country of citizenship or period of
24 residence in the Republic of the Marshall Islands, if
25 the citizen of the Republic of the Marshall Islands

1 is serving on active duty in any branch of the United
2 States Armed Forces, or in the active reserves.

3 (b) Notwithstanding subsection (a) of this section, a
4 person who is coming to the United States pursuant to
5 an adoption outside the United States, or for the purpose
6 of adoption in the United States, is ineligible for admission
7 under the Compact and the Compact, as amended. This
8 subsection shall apply to any person who is or was an ap-
9 plicant for admission to the United States on or after
10 March 1, 2003, including any applicant for admission in
11 removal proceedings (including appellate proceedings) on
12 or after March 1, 2003, regardless of the date such pro-
13 ceedings were commenced. This subsection shall have no
14 effect on the ability of the Government of the United
15 States or any United States State or local government to
16 commence or otherwise take any action against any person
17 or entity who has violated any law relating to the adoption
18 of any person.

19 (c) Notwithstanding subsection (a) of this section, no
20 person who has been or is granted citizenship in the Re-
21 public of the Marshall Islands, or has been or is issued
22 a Republic of the Marshall Islands passport pursuant to
23 any investment, passport sale, or similar program has
24 been or shall be eligible for admission to the United States
25 under the Compact or the Compact, as amended.

1 (d) A person admitted to the United States under the
2 Compact, or the Compact, as amended, shall be considered
3 to have the permission of the Government of the United
4 States to accept employment in the United States. An un-
5 expired Republic of the Marshall Islands passport with un-
6 expired documentation issued by the Government of the
7 United States evidencing admission under the Compact or
8 the Compact, as amended, shall be considered to be docu-
9 mentation establishing identity and employment author-
10 ization under section 274A(b)(1)(B) of the Immigration
11 and Nationality Act, as amended, 8 U.S.C.
12 1324a(b)(1)(B). The Government of the United States
13 will take reasonable and appropriate steps to implement
14 and publicize this provision, and the Government of the
15 Republic of the Marshall Islands will also take reasonable
16 and appropriate steps to publicize this provision.

17 (e) For purposes of the Compact and the Compact,
18 as amended,

19 (1) the term “residence” with respect to a per-
20 son means the person’s principal, actual dwelling
21 place in fact, without regard to intent, as provided
22 in section 101(a)(33) of the Immigration and Na-
23 tionality Act, as amended, 8 U.S.C. 1101(a)(33),
24 and variations of the term “residence,” including

1 “resident” and “reside,” shall be similarly con-
2 strued;

3 (2) the term “actual residence” means physical
4 presence in the Republic of the Marshall Islands
5 during eighty-five percent of the five-year period of
6 residency required by section 141(a)(3) and (4);

7 (3) the term “certificate of actual residence”
8 means a certificate issued to a naturalized citizen by
9 the Government of the Republic of the Marshall Is-
10 lands stating that the citizen has complied with the
11 actual residence requirement of section 141(a)(3) or
12 (4);

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

16 (5) the term “immediate relative” means a
17 spouse, or unmarried son or unmarried daughter
18 less than 21 years of age.

19 (f) The Immigration and Nationality Act, as amend-
20 ed, shall apply to any person admitted or seeking admis-
21 sion to the United States (other than a United States pos-
22 session or territory where such Act does not apply) under
23 the Compact or the Compact, as amended, and nothing
24 in the Compact or the Compact, as amended, shall be con-

1 strued to limit, preclude, or modify the applicability of,
2 with respect to such person:

3 (1) any ground of inadmissibility or deport-
4 ability under such Act (except sections 212(a)(5)
5 and 212(a)(7)(B)(i)(II) of such Act, as provided in
6 subsection (a) of this section), and any defense
7 thereto, provided that, section 237(a)(5) of such Act
8 shall be construed and applied as if it reads as fol-
9 lows: “any alien who has been admitted under the
10 Compact, or the Compact, as amended, who cannot
11 show that he or she has sufficient means of support
12 in the United States, is deportable;”

13 (2) the authority of the Government of the
14 United States under section 214(a)(1) of such Act
15 to provide that admission as a nonimmigrant shall
16 be for such time and under such conditions as the
17 Government of the United States may by regulations
18 prescribe;

19 (3) except for the treatment of certain docu-
20 mentation for purposes of section 274A(b)(1)(B) of
21 such Act as provided by subsection (d) of this sec-
22 tion of the Compact, as amended, any requirement
23 under section 274A, including but not limited to sec-
24 tion 274A(b)(1)(E);

1 (4) section 643 of the Illegal Immigration Re-
2 form and Immigrant Responsibility Act of 1996,
3 Public Law 104–208, and actions taken pursuant to
4 section 643; and

5 (5) the authority of the Government of the
6 United States otherwise to administer and enforce
7 the Immigration and Nationality Act, as amended,
8 or other United States law.

9 (g) Any authority possessed by the Government of the
10 United States under this section of the Compact or the
11 Compact, as amended, may also be exercised by the Gov-
12 ernment of a territory or possession of the United States
13 where the Immigration and Nationality Act, as amended,
14 does not apply, to the extent such exercise of authority
15 is lawful under a statute or regulation of such territory
16 or possession that is authorized by the laws of the United
17 States.

18 (h) Subsection (a) of this section does not confer on
19 a citizen of the Republic of the Marshall Islands the right
20 to establish the residence necessary for naturalization
21 under the Immigration and Nationality Act, as amended,
22 or to petition for benefits for alien relatives under that
23 Act. Subsection (a) of this section, however, shall not pre-
24 vent a citizen of the Republic of the Marshall Islands from

1 otherwise acquiring such rights or lawful permanent resi-
2 dent alien status in the United States.

3 Section 142

4 (a) Any citizen or national of the United States may
5 be admitted to lawfully engage in occupations, and reside
6 in the Republic of the Marshall Islands, subject to the
7 rights of the Government of the Republic of the Marshall
8 Islands to deny entry to or deport any such citizen or na-
9 tional as an undesirable alien. Any determination of inad-
10 missibility or deportability shall be based on reasonable
11 statutory grounds and shall be subject to appropriate ad-
12 ministrative and judicial review within the Republic of the
13 Marshall Islands. If a citizen or national of the United
14 States is a spouse of a citizen of the Republic of the Mar-
15 shall Islands, the Government of the Republic of the Mar-
16 shall Islands shall allow the United States citizen spouse
17 to establish residence. Should the Republic of the Marshall
18 Islands citizen spouse predecease the United States citizen
19 spouse during the marriage, the Government of the Re-
20 public of the Marshall Islands shall allow the United
21 States citizen spouse to continue to reside in the Republic
22 of the Marshall Islands.

23 (b) In enacting any laws or imposing any require-
24 ments with respect to citizens and nationals of the United
25 States entering the Republic of the Marshall Islands under

1 subsection (a) of this section, including any grounds of
2 inadmissibility or deportability, the Government of the Re-
3 public of the Marshall Islands shall accord to such citizens
4 and nationals of the United States treatment no less fa-
5 vorable than that accorded to citizens of other countries.

6 (c) Consistent with subsection (a) of this section, with
7 respect to citizens and nationals of the United States seek-
8 ing to engage in employment or invest in the Republic of
9 the Marshall Islands, the Government of the Republic of
10 the Marshall Islands shall adopt immigration-related pro-
11 cedures no less favorable than those adopted by the Gov-
12 ernment of the United States with respect to citizens of
13 the Republic of the Marshall Islands seeking employment
14 in the United States.

15 Section 143

16 Any person who relinquishes, or otherwise loses, his
17 United States nationality or citizenship, or his Republic
18 of the Marshall Islands citizenship, shall be ineligible to
19 receive the privileges set forth in sections 141 and 142.
20 Any such person may apply for admission to the United
21 States or the Republic of the Marshall Islands, as the case
22 may be, in accordance with any other applicable laws of
23 the United States or the Republic of the Marshall Islands
24 relating to immigration of aliens from other countries. The
25 laws of the Republic of the Marshall Islands or the United

1 States, as the case may be, shall dictate the terms and
2 conditions of any such person's stay.

3 Article V

4 Representation

5 Section 151

6 Relations between the Government of the United
7 States and the Government of the Republic of the Mar-
8 shall Islands shall be conducted in accordance with the
9 Vienna Convention on Diplomatic Relations. In addition
10 to diplomatic missions and representation, the Govern-
11 ments may establish and maintain other offices and des-
12 ignate other representatives on terms and in locations as
13 may be mutually agreed.

14 Section 152

15 (a) Any citizen or national of the United States who,
16 without authority of the United States, acts as the agent
17 of the Government of the Republic of the Marshall Islands
18 with regard to matters specified in the provisions of the
19 Foreign Agents Registration Act of 1938, as amended (22
20 U.S.C. 611 et seq.), that apply with respect to an agent
21 of a foreign principal shall be subject to the requirements
22 of such Act. Failure to comply with such requirements
23 shall subject such citizen or national to the same penalties
24 and provisions of law as apply in the case of the failure
25 of such an agent of a foreign principal to comply with such

1 requirements. For purposes of the Foreign Agents Reg-
2 istration Act of 1938, the Republic of the Marshall Islands
3 shall be considered to be a foreign country.

4 (b) Subsection (a) of this section shall not apply to
5 a citizen or national of the United States employed by the
6 Government of the Republic of the Marshall Islands with
7 respect to whom the Government of the Republic of the
8 Marshall Islands from time to time certifies to the Govern-
9 ment of the United States that such citizen or national
10 is an employee of the Republic of the Marshall Islands
11 whose principal duties are other than those matters speci-
12 fied in the Foreign Agents Registration Act of 1938, as
13 amended, that apply with respect to an agent of a foreign
14 principal. The agency or officer of the United States re-
15 ceiving such certifications shall cause them to be filed with
16 the Attorney General, who shall maintain a publicly avail-
17 able list of the persons so certified.

18 Article VI

19 Environmental Protection

20 Section 161

21 The Governments of the United States and the Re-
22 public of the Marshall Islands declare that it is their policy
23 to promote efforts to prevent or eliminate damage to the
24 environment and biosphere and to enrich understanding
25 of the natural resources of the Republic of the Marshall

1 Islands. In order to carry out this policy, the Government
2 of the United States and the Government of the Republic
3 of the Marshall Islands agree to the following mutual and
4 reciprocal undertakings:

5 (a) The Government of the United States:

6 (1) shall, for its activities controlled by the
7 U.S. Army at Kwajalein Atoll and in the Mid-
8 Atoll Corridor and for U.S. Army Kwajalein
9 Atoll activities in the Republic of the Marshall
10 Islands, continue to apply the Environmental
11 Standards and Procedures for United States
12 Army Kwajalein Atoll Activities in the Republic
13 of the Marshall Islands, unless and until those
14 Standards or Procedures are modified by mu-
15 tual agreement of the Governments of the
16 United States and the Republic of the Marshall
17 Islands;

18 (2) shall apply the National Environmental
19 Policy Act of 1969, 83 Stat. 852, 42 U.S.C.
20 4321 et seq., to its activities under the Com-
21 pact, as amended, and its related agreements as
22 if the Republic of the Marshall Islands were the
23 United States;

24 (3) in the conduct of any activity not de-
25 scribed in section 161(a)(1) requiring the prep-

1 aration of an Environmental Impact Statement
2 under section 161(a)(2), shall comply with
3 standards substantively similar to those re-
4 quired by the following laws of the United
5 States, taking into account the particular envi-
6 ronment of the Republic of the Marshall Is-
7 lands; the Endangered Species Act of 1973, as
8 amended, 16 U.S.C. 1531 et seq.; the Clean Air
9 Act, as amended, 42 U.S.C. 7401 et seq.; the
10 Clean Water Act (Federal Water Pollution Con-
11 trol Act), as amended, 33 U.S.C. 1251 et seq.;
12 Title I of the Marine Protection, Research and
13 Sanctuaries Act of 1972 (the Ocean Dumping
14 Act), 33 U.S.C. 1411 et seq.; the Toxic Sub-
15 stances Control Act, as amended, 15 U.S.C.
16 2601 et seq.; the Solid Waste Disposal Act, as
17 amended, 42 U.S.C. 6901 et seq.; and such
18 other environmental protection laws of the
19 United States and the Republic of the Marshall
20 Islands as may be agreed from time to time
21 with the Government of the Republic of the
22 Marshall Islands;

23 (4) shall, prior to conducting any activity
24 not described in section 161(a)(1) requiring the
25 preparation of an Environmental Impact State-

1 ment under section 161(a)(2), develop, as
2 agreed with the Government of the Republic of
3 the Marshall Islands, written environmental
4 standards and procedures to implement the
5 substantive provisions of the laws made applica-
6 ble to U.S. Government activities in the Repub-
7 lic of the Marshall Islands, pursuant to section
8 161(a)(3).

9 (b) The Government of the Republic of the
10 Marshall Islands shall continue to develop and im-
11 plement standards and procedures to protect its en-
12 vironment. As a reciprocal obligation to the under-
13 takings of the Government of the United States
14 under this Article, the Republic of the Marshall Is-
15 lands, taking into account its particular environ-
16 ment, shall continue to develop and implement
17 standards for environmental protection substantively
18 similar to those required of the Government of the
19 United States by section 161(a)(3) prior to its con-
20 ducting activities in the Republic of the Marshall Is-
21 lands, substantively equivalent to activities con-
22 ducted there by the Government of the United
23 States and, as a further reciprocal obligation, shall
24 enforce those standards.

1 (c) Section 161(a), including any standard or
2 procedure applicable thereunder, and section 161(b)
3 may be modified or superseded in whole or in part
4 by agreement of the Government of the United
5 States and the Government of the Republic of the
6 Marshall Islands.

7 (d) In the event that an Environmental Impact
8 Statement is no longer required under the laws of
9 the United States for major Federal actions signifi-
10 cantly affecting the quality of the human environ-
11 ment, the regulatory regime established under sec-
12 tions 161(a)(3) and 161(a)(4) shall continue to
13 apply to such activities of the Government of the
14 United States until amended by mutual agreement.

15 (e) The President of the United States may ex-
16 empt any of the activities of the Government of the
17 United States under this Compact, as amended, and
18 its related agreements from any environmental
19 standard or procedure which may be applicable
20 under sections 161(a)(3) and 161(a)(4) if the Presi-
21 dent determines it to be in the paramount interest
22 of the Government of the United States to do so,
23 consistent with Title Three of this Compact, as
24 amended, and the obligations of the Government of
25 the United States under international law. Prior to

1 any decision pursuant to this subsection, the views
2 of the Government of the Republic of the Marshall
3 Islands shall be sought and considered to the extent
4 practicable. If the President grants such an exemp-
5 tion, to the extent practicable, a report with his rea-
6 sons for granting such exemption shall be given
7 promptly to the Government of the Republic of the
8 Marshall Islands.

9 (f) The laws of the United States referred to in
10 section 161(a)(3) shall apply to the activities of the
11 Government of the United States under this Com-
12 pact, as amended, and its related agreements only to
13 the extent provided for in this section.

14 Section 162

15 The Government of the Republic of the Marshall Is-
16 lands may bring an action for judicial review of any ad-
17 ministrative agency action or any activity of the Govern-
18 ment of the United States pursuant to section 161(a) for
19 enforcement of the obligations of the Government of the
20 United States arising thereunder. The United States Dis-
21 trict Court for the District of Hawaii and the United
22 States District Court for the District of Columbia shall
23 have jurisdiction over such action or activity, and over ac-
24 tions brought under section 172(b) which relate to the ac-
25 tivities of the Government of the United States and its

1 officers and employees, governed by section 161, provided
2 that:

3 (a) Such actions may only be civil actions for
4 any appropriate civil relief other than punitive dam-
5 ages against the Government of the United States
6 or, where required by law, its officers in their official
7 capacity; no criminal actions may arise under this
8 section.

9 (b) Actions brought pursuant to this section
10 may be initiated only by the Government of the Re-
11 public of the Marshall Islands.

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

15 (d) The United States District Court for the
16 District of Hawaii and the United States District
17 Court for the District of Columbia shall have juris-
18 diction to issue all necessary processes, and the Gov-
19 ernment of the United States agrees to submit itself
20 to the jurisdiction of the court; decisions of the
21 United States District Court shall be reviewable in
22 the United States Court of Appeals for the Ninth
23 Circuit or the United States Court of Appeals for
24 the District of Columbia, respectively, or in the

1 United States Supreme Court as provided by the
2 laws of the United States.

3 (e) The judicial remedy provided for in this sec-
4 tion shall be the exclusive remedy for the judicial re-
5 view or enforcement of the obligations of the Gov-
6 ernment of the United States under this Article and
7 actions brought under section 172(b), which relate
8 to the activities of the Government of the United
9 States and its officers and employees governed by
10 section 161.

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

14 Section 163

15 (a) For the purpose of gathering data necessary to
16 study the environmental effects of activities of the Govern-
17 ment of the United States subject to the requirements of
18 this Article, the Government of the Republic of the Mar-
19 shall Islands shall be granted access to facilities operated
20 by the Government of the United States in the Republic
21 of the Marshall Islands, to the extent necessary for this
22 purpose, except to the extent such access would unreason-
23 ably interfere with the exercise of the authority and re-
24 sponsibility of the Government of the United States under
25 Title Three.

1 (b) The Government of the United States, in turn,
2 shall be granted access to the Republic of the Marshall
3 Islands for the purpose of gathering data necessary to dis-
4 charge its obligations under this Article, except to the ex-
5 tent such access would unreasonably interfere with the ex-
6 ercise of the authority and responsibility of the Govern-
7 ment of the Republic of the Marshall Islands under Title
8 One, and to the extent necessary for this purpose shall
9 be granted access to documents and other information to
10 the same extent similar access is provided the Government
11 of the Republic of the Marshall Islands under the Freedom
12 of Information Act, 5 U.S.C. 552.

13 (c) The Government of the Republic of the Marshall
14 Islands shall not impede efforts by the Government of the
15 United States to comply with applicable standards and
16 procedures.

17 Article VII

18 General Legal Provisions

19 Section 171

20 Except as provided in this Compact, as amended, or
21 its related agreements, the application of the laws of the
22 United States to the Trust Territory of the Pacific Islands
23 by virtue of the Trusteeship Agreement ceased with re-
24 spect to the Marshall Islands on October 21, 1986, the
25 date the Compact went into effect.

1 Section 172

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

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

18 Section 173

19 The Governments of the United States and the Re-
20 public of the Marshall Islands agree to adopt and enforce
21 such measures, consistent with this Compact, as amended,
22 and its related agreements, as may be necessary to protect
23 the personnel, property, installations, services, programs
24 and official archives and documents maintained by the
25 Government of the United States in the Republic of the

1 Marshall Islands pursuant to this Compact, as amended,
2 and its related agreements and by the Government of the
3 Republic of the Marshall Islands in the United States pur-
4 suant to this Compact, Compact, as amended, and its re-
5 lated agreements.

6 Section 174

7 Except as otherwise provided in this Compact, as
8 amended, and its related agreements:

9 (a) The Government of the Republic of the
10 Marshall Islands, and its agencies and officials, shall
11 be immune from the jurisdiction of the courts of the
12 United States, and the Government of the United
13 States, and its agencies and officials, shall be im-
14 mune from the jurisdiction of the courts of the Re-
15 public of the Marshall Islands.

16 (b) The Government of the United States ac-
17 cepts responsibility for and shall pay:

18 (1) any unpaid money judgment rendered
19 by the High Court of the Trust Territory of the
20 Pacific Islands against the Government of the
21 United States with regard to any cause of ac-
22 tion arising as a result of acts or omissions of
23 the Government of the Trust Territory of the
24 Pacific Islands or the Government of the
25 United States prior to October 21, 1986;

1 (2) any claim settled by the claimant and
2 the Government of the Trust Territory of the
3 Pacific Islands but not paid as of the October
4 21, 1986; and

5 (3) settlement of any administrative claim
6 or of any action before a court of the Trust
7 Territory of the Pacific Islands or the Govern-
8 ment of the United States, arising as a result
9 of acts or omissions of the Government of the
10 Trust Territory of the Pacific Islands or the
11 Government of the United States.

12 (c) Any claim not referred to in section 174(b)
13 and arising from an act or omission of the Govern-
14 ment of the Trust Territory of the Pacific Islands or
15 the Government of the United States prior to the ef-
16 fective date of the Compact shall be adjudicated in
17 the same manner as a claim adjudicated according
18 to section 174(d). In any claim against the Govern-
19 ment of the Trust Territory of the Pacific Islands,
20 the Government of the United States shall stand in
21 the place of the Government of the Trust Territory
22 of the Pacific Islands. A judgment on any claim re-
23 ferred to in section 174(b) or this subsection, not
24 otherwise satisfied by the Government of the United
25 States, may be presented for certification to the

1 United States Court of Appeals for the Federal Cir-
2 cuit, or its successor courts, which shall have juris-
3 diction therefore, notwithstanding the provisions of
4 28 U.S.C. 1502, and which court's decisions shall be
5 reviewable as provided by the laws of the United
6 States. The United States Court of Appeals for the
7 Federal Circuit shall certify such judgment, and
8 order payment thereof, unless it finds, after a hear-
9 ing, that such judgment is manifestly erroneous as
10 to law or fact, or manifestly excessive. In either of
11 such cases the United States Court of Appeals for
12 the Federal Circuit shall have jurisdiction to modify
13 such judgment.

14 (d) The Government of the Republic of the
15 Marshall Islands shall not be immune from the juris-
16 diction of the courts of the United States, and the
17 Government of the United States shall not be im-
18 mune from the jurisdiction of the courts of the Re-
19 public of the Marshall Islands in any civil case in
20 which an exception to foreign state immunity is set
21 forth in the Foreign Sovereign Immunities Act (28
22 U.S.C. 1602 et seq.) or its successor statutes.

23 Section 175

24 (a) A separate agreement, which shall come into ef-
25 fect simultaneously with this Compact, as amended, and

1 shall have the force of law, shall govern mutual assistance
2 and cooperation in law enforcement matters, including the
3 pursuit, capture, imprisonment and extradition of fugi-
4 tives from justice and the transfer of prisoners, as well
5 as other law enforcement matters. In the United States,
6 the laws of the United States governing international ex-
7 tradition, including 18 U.S.C. 3184, 3186, and 3188–95,
8 shall be applicable to the extradition of fugitives under the
9 separate agreement, and the laws of the United States
10 governing the transfer of prisoners, including 18 U.S.C.
11 4100–15, shall be applicable to the transfer of prisoners
12 under the separate agreement; and

13 (b) A separate agreement, which shall come into ef-
14 fect simultaneously with this Compact, as amended, and
15 shall have the force of law, shall govern requirements re-
16 lating to labor recruitment practices, including registra-
17 tion, reporting, suspension or revocation of authorization
18 to recruit persons for employment in the United States,
19 and enforcement for violations of such requirements.

20 Section 176

21 The Government of the Republic of the Marshall Is-
22 lands confirms that final judgments in civil cases rendered
23 by any court of the Trust Territory of the Pacific Islands
24 shall continue in full force and effect, subject to the con-
25 stitutional power of the courts of the Republic of the Mar-

1 shall Islands to grant relief from judgments in appropriate
2 cases.

3 Section 177

4 Section 177 of the Compact entered into force with
5 respect to the Marshall Islands on October 21, 1986 as
6 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 Mar-
12 shall Islands, or the Federated States of Micronesia,
13 resulting from the nuclear testing program which
14 the Government of the United States conducted in
15 the Northern Marshall Islands between June 30,
16 1946, and August 18, 1958.

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

1 lance and treatment programs and radiological mon-
2 itoring activities and for such additional programs
3 and activities as may be mutually agreed, and for
4 the assumption by the Government of the Marshall
5 Islands of responsibility for enforcement of limita-
6 tions on the utilization of affected areas developed in
7 cooperation with the Government of the United
8 States and for the assistance by the Government of
9 the United States in the exercise of such responsi-
10 bility as may be mutually agreed. This separate
11 agreement shall come into effect simultaneously with
12 this Compact and shall remain in effect in accord-
13 ance with its own terms.

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

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

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

Section 178

(a) The Federal agencies of the Government of the
United States that provide services and related programs
in the Republic of the Marshall Islands pursuant to Title
Two are authorized to settle and pay tort claims arising
in the Republic of the Marshall Islands from the activities
of such agencies or from the acts or omissions of the em-
ployees of such agencies. Except as provided in section
178(b), the provisions of 28 U.S.C. 2672 and 31 U.S.C.
1304 shall apply exclusively to such administrative settle-
ments and payments.

(b) Claims under section 178(a) that cannot be set-
tled under section 178(a) shall be disposed of exclusively
in accordance with Article II of Title Four. Arbitration
awards rendered pursuant to this subsection shall be paid
out of funds under 31 U.S.C. 1304.

(c) The Government of the United States and the
Government of the Republic of the Marshall Islands shall,
in the separate agreement referred to in section 231, pro-
vide for:

(1) the administrative settlement of claims re-
ferred to in section 178(a), including designation of
local agents in each State of the Republic of the

1 Marshall Islands; such agents to be empowered to
2 accept, investigate and settle such claims, in a timely
3 manner, as provided in such separate agreements;
4 and

5 (2) arbitration, referred to in section 178(b), in
6 a timely manner, at a site convenient to the claim-
7 ant, in the event a claim is not otherwise settled
8 pursuant to section 178(a).

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

11 (e) Except as otherwise explicitly provided by law of
12 the United States, this Compact, as amended, or its re-
13 lated agreements, neither the Government of the United
14 States, its instrumentalities, nor any person acting on be-
15 half of the Government of the United States, shall be
16 named a party in any action based on, or arising out of,
17 the activity or activities of a recipient of any grant or other
18 assistance provided by the Government of the United
19 States (or the activity or activities of the recipient's agen-
20 cy or any other person or entity acting on behalf of the
21 recipient).

22 Section 179

23 (a) The courts of the Republic of the Marshall Is-
24 lands shall not exercise criminal jurisdiction over the Gov-
25 ernment of the United States, or its instrumentalities.

1 (b) The courts of the Republic of the Marshall Is-
2 lands shall not exercise criminal jurisdiction over any per-
3 son if the Government of the United States provides notifi-
4 cation to the Government of the Republic of the Marshall
5 Islands that such person was acting on behalf of the Gov-
6 ernment of the United States, for actions taken in further-
7 ance of section 221 or 224 of this amended Compact, or
8 any other provision of law authorizing financial, program,
9 or service assistance to the Republic of the Marshall Is-
10 lands.

11 TITLE TWO

12 ECONOMIC RELATIONS

13 Article I

14 Grant Assistance

15 Section 211 - Annual Grant Assistance

16 (a) In order to assist the Government of the Republic
17 of the Marshall Islands in its efforts to promote the eco-
18 nomic advancement and budgetary self-reliance of its peo-
19 ple, and in recognition of the special relationship that ex-
20 ists between the Republic of the Marshall Islands and the
21 United States, the Government of the United States shall
22 provide assistance on a grant basis for a period of twenty
23 years in the amounts set forth in section 217, commencing
24 on the effective date of this Compact, as amended. Such
25 grants shall be used for assistance in education, health

1 care, the environment, public sector capacity building, and
2 private sector development, or for other areas as mutually
3 agreed, with priorities in the education and health care
4 sectors. Consistent with the medium-term budget and in-
5 vestment framework described in subsection (f) of this sec-
6 tion, the proposed division of this amount among the iden-
7 tified areas shall require the concurrence of both the Gov-
8 ernment of the United States and the Government of the
9 Republic of the Marshall Islands, through the Joint Eco-
10 nomic Management and Financial Accountability Com-
11 mittee described in section 214. The Government of the
12 United States shall disburse the grant assistance and
13 monitor the use of such grant assistance in accordance
14 with the provisions of this Article and an Agreement Con-
15 cerning Procedures for the Implementation of United
16 States Economic Assistance Provided in the Compact, as
17 Amended, of Free Association Between the Government
18 of the United States of America and the Government of
19 the Republic of the Marshall Islands (“Fiscal Procedures
20 Agreement”) which shall come into effect simultaneously
21 with this Compact, as amended.

22 (1) EDUCATION.—United States grant assist-
23 ance shall be made available in accordance with the
24 strategic framework described in subsection (f) of
25 this section to support and improve the educational

1 system of the Republic of the Marshall Islands and
2 develop the human, financial, and material resources
3 necessary for the Republic of the Marshall Islands to
4 perform these services. Emphasis should be placed
5 on advancing a quality basic education system.

6 (2) HEALTH.—United States grant assistance
7 shall be made available in accordance with the stra-
8 tegic framework described in subsection (f) of this
9 section to support and improve the delivery of pre-
10 ventive, curative and environmental care and develop
11 the human, financial, and material resources nec-
12 essary for the Republic of the Marshall Islands to
13 perform these services.

14 (3) PRIVATE SECTOR DEVELOPMENT.—United
15 States grant assistance shall be made available in
16 accordance with the strategic framework described
17 in subsection (f) of this section to support the ef-
18 forts of the Republic of the Marshall Islands to at-
19 tract foreign investment and increase indigenous
20 business activity by vitalizing the commercial envi-
21 ronment, ensuring fair and equitable application of
22 the law, promoting adherence to core labor stand-
23 ards, maintaining progress toward privatization of
24 state-owned and partially state-owned enterprises,
25 and engaging in other reforms.

1 (4) CAPACITY BUILDING IN THE PUBLIC SEC-
2 TOR.—United States grant assistance shall be made
3 available in accordance with the strategic framework
4 described in subsection (f) of this section to support
5 the efforts of the Republic of the Marshall Islands
6 to build effective, accountable and transparent na-
7 tional and local government and other public sector
8 institutions and systems.

9 (5) ENVIRONMENT.—United States grant as-
10 sistance shall be made available in accordance with
11 the strategic framework described in subsection (f)
12 of this section to increase environmental protection;
13 establish and manage conservation areas; engage in
14 environmental infrastructure planning, design con-
15 struction and operation; and to involve the citizens
16 of the Republic of the Marshall Islands in the proc-
17 ess of conserving their country's natural resources.

18 (b) KWAJALEIN ATOLL.—

19 (1) Of the total grant assistance made available
20 under subsection (a) of this section, the amount
21 specified herein shall be allocated annually from fis-
22 cal year 2004 through fiscal year 2023 (and there-
23 after in accordance with the Agreement between the
24 Government of the United States and the Govern-
25 ment of the Republic of the Marshall Islands Re-

1 garding Military Use and Operating Rights) to ad-
2 vance the objectives and specific priorities set forth
3 in subsections (a) and (d) of this section and the
4 Fiscal Procedures Agreement, to address the special
5 needs of the community at Ebeye, Kwajalein Atoll
6 and other Marshallese communities within Kwajalein
7 Atoll. This United States grant assistance shall be
8 made available, in accordance with the medium-term
9 budget and investment framework described in sub-
10 section (f) of this section, to support and improve
11 the infrastructure and delivery of services and de-
12 velop the human and material resources necessary
13 for the Republic of the Marshall Islands to carry out
14 its responsibility to maintain such infrastructure and
15 deliver such services. The amount of this assistance
16 shall be \$3,100,000, with an inflation adjustment as
17 provided in section 218, from fiscal year 2004
18 through fiscal year 2013 and the fiscal year 2013
19 level of funding, with an inflation adjustment as pro-
20 vided in section 218, will be increased by \$2 million
21 for fiscal year 2014. The fiscal year 2014 level of
22 funding, with an inflation adjustment as provided in
23 section 218, will be made available from fiscal year
24 2015 through fiscal year 2023 (and thereafter as
25 noted above).

1 (2) The Government of the United States shall
2 also provide to the Government of the Republic of
3 the Marshall Islands, in conjunction with section
4 321(a) of this Compact, as amended, an annual pay-
5 ment from fiscal year 2004 through fiscal year 2023
6 (and thereafter in accordance with the Agreement
7 between the Government of the United States and
8 the Government of the Republic of the Marshall Is-
9 lands Regarding Military Use and Operating Rights)
10 of \$1.9 million. This grant assistance will be subject
11 to the Fiscal Procedures Agreement and will be ad-
12 justed for inflation under section 218 and used to
13 address the special needs of the community at
14 Ebeye, Kwajalein Atoll and other Marshallese com-
15 munities within Kwajalein Atoll with emphasis on
16 the Kwajalein landowners, as described in the Fiscal
17 Procedures Agreement.

18 (3) Of the total grant assistance made available
19 under subsection (a) of this section, and in conjunc-
20 tion with section 321(a) of the Compact, as amend-
21 ed, \$200,000, with an inflation adjustment as pro-
22 vided in section 218, shall be allocated annually
23 from fiscal year 2004 through fiscal year 2023 (and
24 thereafter as provided in the Agreement between the
25 Government of the United States and the Govern-

1 ment of the Republic of the Marshall Islands Re-
2 garding Military Use and Operating Rights) for a
3 grant to support increased participation of the Gov-
4 ernment of the Republic of the Marshall Islands En-
5 vironmental Protection Authority in the annual U.S.
6 Army Kwajalein Atoll Environmental Standards
7 Survey and to promote a greater Government of the
8 Republic of the Marshall Islands capacity for inde-
9 pendent analysis of the Survey’s findings and con-
10 clusions.

11 (c) HUMANITARIAN ASSISTANCE-REPUBLIC OF THE
12 MARSHALL ISLANDS PROGRAM.—In recognition of the
13 special development needs of the Republic of the Marshall
14 Islands, the Government of the United States shall make
15 available to the Government of the Republic of the Mar-
16 shall Islands, on its request and to be deducted from the
17 grant amount made available under subsection (a) of this
18 section, a Humanitarian Assistance - Republic of the Mar-
19 shall Islands (“HARMI”) Program with emphasis on
20 health, education, and infrastructure (including transpor-
21 tation), projects and such other projects as mutually
22 agreed. The terms and conditions of the HARMI shall be
23 set forth in the Agreement Regarding the Military Use
24 and Operating Rights of the Government of the United
25 States in the Republic of the Marshall Islands Concluded

1 Pursuant to Sections 321 and 323 of the Compact of Free
2 Association, as Amended, which shall come into effect si-
3 multaneously with the amendments to this Compact.

4 (d) PUBLIC INFRASTRUCTURE.—

5 (1) Unless otherwise agreed, not less than 30
6 percent and not more than 50 percent of U.S. an-
7 nual grant assistance provided under this section
8 shall be made available in accordance with a list of
9 specific projects included in the infrastructure im-
10 provement and maintenance plan prepared by the
11 Government of the Republic of the Marshall Islands
12 as part of the strategic framework described in sub-
13 section (f) of this section.

14 (2) INFRASTRUCTURE MAINTENANCE FUND.—

15 Five percent of the annual public infrastructure
16 grant made available under paragraph (1) of this
17 subsection shall be set aside, with an equal contribu-
18 tion from the Government of the Republic of the
19 Marshall Islands, as a contribution to an Infrastruc-
20 ture Maintenance Fund. Administration of the In-
21 frastructure Maintenance Fund shall be governed by
22 the Fiscal Procedures Agreement.

23 (e) DISASTER ASSISTANCE EMERGENCY FUND.—Of
24 the total grant assistance made available under subsection
25 (a) of this section, an amount of two hundred thousand

1 dollars (\$200,000) shall be provided annually, with an
 2 equal contribution from the Government of the Republic
 3 of the Marshall Islands, as a contribution to a Disaster
 4 Assistance Emergency Fund (“DAEF”). Any funds from
 5 the DAEF may be used only for assistance and rehabilita-
 6 tion resulting from disasters and emergencies. The funds
 7 will be accessed upon declaration of a State of Emergency
 8 by the Government of the Republic of the Marshall Is-
 9 lands, with the concurrence of the United States Chief of
 10 Mission to the Republic of the Marshall Islands. Adminis-
 11 tration of the DAEF shall be governed by the Fiscal Pro-
 12 cedures Agreement.

13 (f) BUDGET AND INVESTMENT FRAMEWORK.—The
 14 Government of the Republic of the Marshall Islands shall
 15 prepare and maintain an official medium-term budget and
 16 investment framework. The framework shall be strategic
 17 in nature, shall be continuously reviewed and updated
 18 through the annual budget process, and shall make projec-
 19 tions on a multi-year rolling basis. Each of the sectors
 20 and areas named in subsections (a), (b), and (d) of this
 21 section, or other sectors and areas as mutually agreed,
 22 shall be accorded specific treatment in the framework.
 23 Those portions of the framework that contemplate the use
 24 of United States grant funds shall require the concurrence

1 of both the Government of the United States and the Gov-
2 ernment of the Republic of the Marshall Islands.

3 Section 212 - Kwajalein Impact and Use

4 The Government of the United States shall provide
5 to the Government of the Republic of the Marshall Islands
6 in conjunction with section 321(a) of the Compact, as
7 amended, and the agreement between the Government of
8 the United States and the Government of the Republic of
9 the Marshall Islands regarding military use and operating
10 rights, a payment in fiscal year 2004 of \$15,000,000, with
11 no adjustment for inflation. In fiscal year 2005 and
12 through fiscal year 2013, the annual payment will be the
13 fiscal year 2004 amount (\$15,000,000) with an inflation
14 adjustment as provided under section 218. In fiscal year
15 2014, the annual payment will be \$18,000,000 (with no
16 adjustment for inflation) or the fiscal year 2013 amount
17 with an inflation adjustment under section 218, whichever
18 is greater. For fiscal year 2015 through fiscal year 2023
19 (and thereafter in accordance with the Agreement between
20 the Government of the United States and the Government
21 of the Republic of the Marshall Islands Regarding Military
22 Use and Operating Rights) the annual payment will be
23 the fiscal year 2014 amount, with an inflation adjustment
24 as provided under section 218.

25 Section 213 - Accountability

1 (a) Regulations and policies normally applicable to
2 United States financial assistance to its state and local
3 governments, as set forth in the Fiscal Procedures Agree-
4 ment, shall apply to each grant described in section 211,
5 and to grants administered under section 221 below, ex-
6 cept as modified in the separate agreements referred to
7 in section 231 of this Compact, as amended, or by U.S.
8 law. As set forth in the Fiscal Procedures Agreement, rea-
9 sonable terms and conditions, including annual perform-
10 ance indicators that are necessary to ensure effective use
11 of United States assistance and reasonable progress to-
12 ward achieving program objectives may be attached. In ad-
13 dition, the United States may seek appropriate remedies
14 for noncompliance with the terms and conditions attached
15 to the assistance, or for failure to comply with section 234,
16 including withholding assistance.

17 (b) The Government of the United States shall, for
18 each fiscal year of the twenty years during which assist-
19 ance is to be provided on a sector grant basis under sec-
20 tion 211 (a), grant the Government of the Republic of the
21 Marshall Islands an amount equal to the lesser of (i) one
22 half of the reasonable, properly documented cost incurred
23 during such fiscal year to conduct the annual audit re-
24 quired under Article VIII (2) of the Fiscal Procedures

1 Agreement or (ii) \$500,000. Such amount will not be ad-
2 justed for inflation under section 218 or otherwise.

3 Section 214 - Joint Economic Management and Financial
4 Accountability Committee

5 The Governments of the United States and the Re-
6 public of the Marshall Islands shall establish a Joint Eco-
7 nomic Management and Financial Accountability Com-
8 mittee, composed of a U.S. chair, two other members from
9 the Government of the United States and two members
10 from the Government of the Republic of the Marshall Is-
11 lands. The Joint Economic Management and Financial
12 Accountability Committee shall meet at least once each
13 year to review the audits and reports required under this
14 Title and the Fiscal Procedures Agreement, evaluate the
15 progress made by the Republic of the Marshall Islands in
16 meeting the objectives identified in its framework de-
17 scribed in subsection (f) of section 211, with particular
18 focus on those parts of the framework dealing with the
19 sectors and areas identified in subsection (a) of section
20 211, identify problems encountered, and recommend ways
21 to increase the effectiveness of U.S. assistance made avail-
22 able under this Title. The establishment and operations
23 of the Joint Economic Management and Financial Ac-
24 countability Committee shall be governed by the Fiscal
25 Procedures Agreement.

1 Section 215 - Annual Report

2 The Government of the Republic of the Marshall Is-
3 lands shall report annually to the President of the United
4 States on the use of United States sector grant assistance
5 and other assistance and progress in meeting mutually
6 agreed program and economic goals. The Joint Economic
7 Management and Financial Accountability Committee
8 shall review and comment on the report and make appro-
9 priate recommendations based thereon.

10 Section 216 - Trust Fund

11 (a) The United States shall contribute annually for
12 twenty years from the effective date of the Compact, as
13 amended, in the amounts set forth in section 217 into a
14 trust fund established in accordance with the Agreement
15 Between the Government of the United States of America
16 and the Government of the Republic of the Marshall Is-
17 lands Implementing Section 216 and Section 217 of the
18 Compact, as Amended, Regarding a Trust Fund (“Trust
19 Fund Agreement”), which shall come into effect simulta-
20 neously with this Compact, as amended. Upon termination
21 of the annual grant assistance under section 211 (a), (d)
22 and (e), the earnings of the fund shall thereafter be used
23 for the purposes described in section 211 or as otherwise
24 mutually agreed.

1 (b) The United States contribution into the Trust
2 Fund described in subsection (a) of this section is condi-
3 tioned on the Government of the Republic of the Marshall
4 Islands contributing to the Trust Fund at least
5 \$25,000,000, on the effective date of the Trust Fund
6 Agreement or on October 1, 2003, whichever is later,
7 \$2,500,000 prior to October 1, 2004, and \$2,500,000
8 prior to October 1, 2005. Any funds received by the Re-
9 public of the Marshall Islands under section 111(d) of
10 Public Law 99–239 (January 14, 1986), or successor pro-
11 visions, would be contributed to the Trust Fund as a Re-
12 public of the Marshall Islands’ contribution.

13 (c) The terms regarding the investment and manage-
14 ment of funds and use of the income of the Trust Fund
15 shall be governed by the Trust Fund Agreement. Funds
16 derived from United States investment shall not be subject
17 to Federal or state taxes in the United States or any taxes
18 in the Republic of the Marshall Islands. The Trust Fund
19 Agreement shall also provide for annual reports to the
20 Government of the United States and to the Government
21 of the Republic of the Marshall Islands. The Trust Fund
22 Agreement shall provide for appropriate distributions of
23 trust fund proceeds to the Republic of the Marshall Is-
24 lands and for appropriate remedies for the failure of the
25 Republic of the Marshall Islands to use income of the

1 Trust Fund for the annual grant purposes set forth in
2 section 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 termi-
7 nated, the provisions of sections 451–453 of the Compact,
8 as amended, and the Trust Fund Agreement shall govern
9 treatment of any U.S. contributions to the Trust Fund
10 or accrued income thereon.

11 Section 217 - Annual Grant Funding and Trust Fund 12 Contributions

13 The funds described in sections 211, 212, 213(b),
14 and 216 shall be made available as follows:

[In millions of dollars]

Fiscal year	Annual Grants Section 211	Audit Grant Section 213(b)	Trust Fund Section 216 (a&c)	Kwajalein Impact Section 212	Total
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

15 Section 218 - Inflation Adjustment

1 Except as otherwise provided, the amounts stated in
2 this Title shall be adjusted for each United States Fiscal
3 Year by the percent that equals two-thirds of the percent
4 change in the United States Gross Domestic Product Im-
5 plicit Price Deflator, or 5 percent, whichever is less in any
6 one year, using the beginning of Fiscal Year 2004 as a
7 base.

8 Section 219 - Carry-Over of Unused Funds

9 If in any year the funds made available by the Gov-
10 ernment of the United States for that year pursuant to
11 this Article are not completely obligated by the Govern-
12 ment of the Republic of the Marshall Islands, the unobli-
13 gated balances shall remain available in addition to the
14 funds to be provided in subsequent years.

15 Article II

16 Services and Program Assistance

17 Section 221

18 (a) SERVICES.—The Government of the United
19 States shall make available to the Republic of the Marshall
20 Islands, in accordance with and to the extent provided in
21 the Federal Programs and Services Agreement referred to
22 in Section 231, the services and related programs of:

- 23 (1) the United States Weather Service;
- 24 (2) the United States Postal Service;

1 (3) the United States Federal Aviation Admin-
2 istration;

3 (4) the United States Department of Transpor-
4 tation; and

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

8 Upon the effective date of this Compact, as amended, the
9 United States Departments and Agencies named or having
10 responsibility to provide these services and related pro-
11 grams shall have the authority to implement the relevant
12 provisions of the Federal Programs and Services Agree-
13 ment referred to in section 231.

14 (b) PROGRAMS.—

15 (1) Other than the services and programs cov-
16 ered by subsection (a) of this section, and to the ex-
17 tent authorized by the Congress of the United
18 States, the Government of the United States shall
19 make available to the Republic of the Marshall Is-
20 lands the services and programs that were available
21 to the Republic of the Marshall Islands on the effec-
22 tive date of this Compact, as amended, to the extent
23 that such services and programs continue to be
24 available to State and local governments of the
25 United States. As set forth in the Fiscal Procedures

1 Agreement, funds provided under subsection (a) of
2 section 211 shall be considered to be local revenues
3 of the Government of the Republic of the Marshall
4 Islands when used as the local share required to ob-
5 tain Federal programs and services.

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

11 (c) The Government of the United States shall have
12 and exercise such authority as is necessary to carry out
13 its responsibilities under this Title and the Federal Pro-
14 grams and Services Agreement, including the authority to
15 monitor and administer all service and program assistance
16 provided by the United States to the Republic of the Mar-
17 shall Islands. The Federal Programs and Services Agree-
18 ment shall also set forth the extent to which services and
19 programs shall be provided to the Republic of the Marshall
20 Islands.

21 (d) Except as provided elsewhere in this Compact, as
22 amended, under any separate agreement entered into
23 under this Compact, as amended, or otherwise under U.S.
24 law, all Federal domestic programs extended to or oper-
25 ating in the Republic of the Marshall Islands shall be sub-

1 ject to all applicable criteria, standards, reporting require-
2 ments, auditing procedures, and other rules and regula-
3 tions applicable to such programs and services when oper-
4 ating in the United States.

5 (e) The Government of the United States shall make
6 available to the Republic of the Marshall Islands alternate
7 energy development projects, studies, and conservation
8 measures to the extent provided for the Freely Associated
9 States in the laws of the United States.

10 Section 222

11 The Government of the United States and the Gov-
12 ernment of the Republic of the Marshall Islands may agree
13 from time to time to extend to the Republic of the Mar-
14 shall Islands additional United States grant assistance,
15 services and programs, as provided under the laws of the
16 United States. Unless inconsistent with such laws, or oth-
17 erwise specifically precluded by the Government of the
18 United States at the time such additional grant assistance,
19 services, or programs are extended, the Federal Programs
20 and Services Agreement shall apply to any such assist-
21 ance, services or programs.

22 Section 223

23 The Government of the Republic of the Marshall Is-
24 lands shall make available to the Government of the
25 United States at no cost such land as may be necessary

1 for the operations of the services and programs provided
2 pursuant to this Article, and such facilities as are provided
3 by the Government of the Republic of the Marshall Islands
4 at no cost to the Government of the United States as of
5 the effective date of this Compact, as amended, or as may
6 be mutually agreed thereafter.

7 Section 224

8 The Government of the Republic of the Marshall Is-
9 lands may request, from the time to time, technical assist-
10 ance from the Federal agencies and institutions of the
11 Government of the United States, which are authorized
12 to grant such technical assistance in accordance with its
13 laws. If technical assistance is granted pursuant to such
14 a request, the Government of the United States shall pro-
15 vide the technical assistance in a manner which gives pri-
16 ority consideration to the Republic of the Marshall Islands
17 over other recipients not a part of the United States, its
18 territories or possessions, and equivalent consideration to
19 the Republic of the Marshall Islands with respect to other
20 states in Free Association with the United States. Such
21 assistance shall be made available on a reimbursable or
22 non-reimbursable basis to the extent provided by United
23 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 sta-
7 tus of agencies of the Government of the United States,
8 their civilian employees and contractors, and the depend-
9 ents of such personnel while present in the Republic of
10 the Marshall Islands, and other arrangements in connec-
11 tion with the assistance, services, or programs furnished
12 by the Government of the United States, are set forth in
13 a Federal Programs and Services Agreement which shall
14 come into effect simultaneously with this Compact, as
15 amended.

16 Section 232

17 The Government of the United States, in consultation
18 with the Government of the Republic of the Marshall Is-
19 lands, shall determine and implement procedures for the
20 periodic audit of all grants and other assistance made
21 under Article I of this Title and of all funds expended for
22 the services and programs provided under Article II of this
23 Title. Further, in accordance with the Fiscal Procedures
24 Agreement described in subsection (a) of section 211, the
25 Comptroller General of the United States shall have such

1 powers and authorities as described in sections 103(m)
2 and 110(c) of Public Law 99–239, 99 Stat. 1777–78, and
3 99 Stat. 1799 (January 14, 1986).

4 Section 233

5 Approval of this Compact, as amended, by the Gov-
6 ernment of the United States, in accordance with its con-
7 stitutional processes, shall constitute a pledge by the
8 United States that the sums and amounts specified as
9 grants in section 211 of this Compact, as amended, shall
10 be appropriated and paid to the Republic of the Marshall
11 Islands for such period as those provisions of this Com-
12 pact, as amended, remain in force, provided that the Re-
13 public of the Marshall Islands complies with the terms and
14 conditions of this Title and related subsidiary agreements.

15 Section 234

16 The Government of the Republic of the Marshall Is-
17 lands pledges to cooperate with, permit, and assist if rea-
18 sonably requested, designated and authorized representa-
19 tives of the Government of the United States charged with
20 investigating whether Compact funds, or any other assist-
21 ance authorized under this Compact, as amended, have,
22 or are being, used for purposes other than those set forth
23 in this Compact, as amended, or its subsidiary agree-
24 ments. In carrying out this investigative authority, such
25 United States Government representatives may request

1 that the Government of the Republic of the Marshall Is-
2 lands subpoena documents and records and compel testi-
3 mony in accordance with the laws and Constitution of the
4 Republic of the Marshall Islands. Such assistance by the
5 Government of the Republic of the Marshall Islands to the
6 Government of the United States shall not be unreason-
7 ably withheld. The obligation of the Government of the
8 Marshall Islands to fulfill its pledge herein is a condition
9 to its receiving payment of such funds or other assistance
10 authorized under this Compact, as amended. The Govern-
11 ment of the United States shall pay any reasonable costs
12 for extraordinary services executed by the Government of
13 the Marshall Islands in carrying out the provisions of this
14 section.

15 Article IV

16 Trade

17 Section 241

18 The Republic of the Marshall Islands is not included
19 in the customs territory of the United States.

20 Section 242

21 The President shall proclaim the following tariff
22 treatment for articles imported from the Republic of the
23 Marshall Islands which shall apply during the period of
24 effectiveness of this title:

1 (a) Unless otherwise excluded, articles imported
2 from the Republic of the Marshall Islands, subject to
3 the limitations imposed under section 503(b) of title
4 V of the Trade Act of 1974 (19 U.S.C. 2463(b)),
5 shall be exempt from duty.

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

21 (c) The duty-free treatment provided under
22 subsection (a) shall not apply to:

23 (1) watches, clocks, and timing apparatus
24 provided for in Chapter 91, excluding heading

1 9113, of the Harmonized Tariff Schedule of the
2 United States;

3 (2) buttons (whether finished or not fin-
4 ished) provided for in items 9606.21.40 and
5 9606.29.20 of such Schedule;

6 (3) textile and apparel articles which are
7 subject to textile agreements; and

8 (4) footwear, handbags, luggage, flat
9 goods, work gloves, and leather wearing apparel
10 which were not eligible articles for purposes of
11 title V of the Trade Act of 1974 (19 U.S.C.
12 2461, et seq.) on April 1, 1984.

13 (d) If the cost or value of materials produced
14 in the customs territory of the United States is in-
15 cluded with respect to an eligible article which is a
16 product of the Republic of the Marshall Islands, an
17 amount not to exceed 15 percent of the appraised
18 value of the article at the time it is entered that is
19 attributable to such United States cost or value may
20 be applied for duty assessment purposes toward de-
21 termining the percentage referred to in section
22 503(a)(2) of title V of the Trade Act of 1974.

23 Section 243

1 Articles imported from the Republic of the Marshall
2 Islands which are not exempt from duty under subsections
3 (a), (b), (c), and

4 (d) of section 242 shall be subject to the rates of duty
5 set forth in column numbered 1-general of the Har-
6 monized Tariff Schedule of the United States (HTSUS).

7 Section 244

8 (a) All products of the United States imported into
9 the Republic of the Marshall Islands shall receive treat-
10 ment no less favorable than that accorded like products
11 of any foreign country with respect to customs duties or
12 charges of a similar nature and with respect to laws and
13 regulations relating to importation, exportation, taxation,
14 sale, distribution, storage or use.

15 (b) The provisions of subsection (a) shall not apply
16 to advantages accorded by the Republic of the Marshall
17 Islands by virtue of their full membership in the Pacific
18 Island Countries Trade Agreement (PICTA), done on Au-
19 gust, 18, 2001, to those governments listed in Article 26
20 of PICTA, as of the date the Compact, as amended, is
21 signed.

22 (c) Prior to entering into consultations on, or con-
23 cluding, a free trade agreement with governments not list-
24 ed in Article 26 of PICTA, the Republic of the Marshall
25 Islands shall consult with the United States regarding

1 whether or how subsection (a) of section 244 shall be ap-
2 plied.

3 Article V

4 Finance and Taxation

5 Section 251

6 The currency of the United States is the official cir-
7 culating legal tender of the Republic of the Marshall Is-
8 lands. Should the Government of the Republic of the Mar-
9 shall Islands act to institute another currency, the terms
10 of an appropriate currency transitional period shall be as
11 agreed with the Government of the United States.

12 Section 252

13 The Government of the Republic of the Marshall Is-
14 lands may, with respect to United States persons, tax in-
15 come derived from sources within its respective jurisdic-
16 tion, property situated therein, including transfers of such
17 property by gift or at death, and products consumed there-
18 in, in such manner as the Government of the Republic of
19 the Marshall Islands deems appropriate. The determina-
20 tion of the source of any income, or the situs of any prop-
21 erty, shall for purposes of this Compact, as amended, be
22 made according to the United States Internal Revenue
23 Code.

24 Section 253

1 A citizen of the Republic of the Marshall Islands,
2 domiciled therein, shall be exempt from estate, gift, and
3 generation-skipping transfer taxes imposed by the Govern-
4 ment of the United States, provided that such citizen of
5 the Republic of the Marshall Islands is neither a citizen
6 nor a resident 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
12 resident of the Republic of the Marshall Islands from
13 sources without the Republic of the Marshall Islands, in
14 the same manner and to the same extent as the Govern-
15 ment of the Republic of the Marshall Islands imposes tax
16 upon income derived from within its own jurisdiction. If
17 the Government of the Republic of the Marshall Islands
18 exercises such authority as provided in this subsection,
19 any individual resident of the Republic of the Marshall Is-
20 lands who is subject to tax by the Government of the
21 United States on income which is also taxed by the Gov-
22 ernment of the Republic of the Marshall Islands shall be
23 relieved of liability to the Government of the United States
24 for the tax which, but for this subsection, would otherwise
25 be imposed by the Government of the United States on

1 such income. However, the relief from liability to the
2 United States Government referred to in the preceding
3 sentence means only relief in the form of the foreign tax
4 credit (or deduction in lieu thereof) available with respect
5 to the income taxes of a possession of the United States,
6 and relief in the form of the exclusion under section 911
7 of the Internal Revenue Code of 1986. For purposes of
8 this section, the term “resident of the Republic of the
9 Marshall Islands” shall be deemed to include any person
10 who was physically present in the Republic of the Marshall
11 Islands for a period of 183 or more days during any tax-
12 able year.

13 (b) If the Government of the Republic of the Marshall
14 Islands subjects income to taxation substantially similar
15 to that which was imposed by the Trust Territory Code
16 in effect on January 1, 1980, such Government shall be
17 deemed to have exercised the authority described in sec-
18 tion 254(a).

19 Section 255

20 For purposes of section 274(h)(3)(A) of the U.S. In-
21 ternal Revenue Code of 1986, the term “North American
22 Area” shall include the Republic of the Marshall Islands.

1 TITLE THREE
2 SECURITY AND DEFENSE RELATIONS
3 Article I
4 Authority and Responsibility
5 Section 311

6 (a) The Government of the United States has full au-
7 thority and responsibility for security and defense matters
8 in or relating to the Republic of the Marshall Islands.

9 (b) This authority and responsibility includes:

10 (1) the obligation to defend the Republic of the
11 Marshall Islands and its people from attack or
12 threats thereof as the United States and its citizens
13 are defended;

14 (2) the option to foreclose access to or use of
15 the Republic of the Marshall Islands by military per-
16 sonnel or for the military purposes of any third
17 country; and

18 (3) the option to establish and use military
19 areas and facilities in the Republic of the Marshall
20 Islands, subject to the terms of the separate agree-
21 ments referred to in sections 321 and 323.

22 (c) The Government of the United States confirms
23 that it shall act in accordance with the principles of inter-
24 national law and the Charter of the United Nations in the
25 exercise of this authority and responsibility.

1 Section 312

2 Subject to the terms of any agreements negotiated
3 in accordance with sections 321 and 323, the Government
4 of the United States may conduct within the lands, waters
5 and airspace of the Republic of the Marshall Islands the
6 activities and operations necessary for the exercise of its
7 authority and responsibility under this Title.

8 Section 313

9 (a) The Government of the Republic of the Marshall
10 Islands shall refrain from actions that the Government of
11 the United States determines, after appropriate consulta-
12 tion with that Government, to be incompatible with its au-
13 thority and responsibility for security and defense matters
14 in or relating to the Republic of the Marshall Islands.

15 (b) The consultations referred to in this section shall
16 be conducted expeditiously at senior levels of the two Gov-
17 ernments, and the subsequent determination by the Gov-
18 ernment of the United States referred to in this section
19 shall be made only at senior interagency levels of the Gov-
20 ernment of the United States.

21 (c) The Government of the Republic of the Marshall
22 Islands shall be afforded, on an expeditious basis, an op-
23 portunity to raise its concerns with the United States Sec-
24 retary of State personally and the United States Secretary

1 of Defense personally regarding any determination made
2 in accordance with this section.

3 Section 314

4 (a) Unless otherwise agreed, the Government of the
5 United States shall not, in the Republic of the Marshall
6 Islands:

7 (1) test by detonation or dispose of any nuclear
8 weapon, nor test, dispose of, or discharge any toxic
9 chemical or biological weapon; or

10 (2) test, dispose of, or discharge any other ra-
11 dioactive, toxic chemical or biological materials in an
12 amount or manner that would be hazardous to pub-
13 lic health or safety.

14 (b) Unless otherwise agreed, other than for transit
15 or overflight purposes or during time of a national emer-
16 gency declared by the President of the United States, a
17 state of war declared by the Congress of the United States
18 or as necessary to defend against an actual or impending
19 armed attack on the United States, the Republic of the
20 Marshall Islands or the Federated States of Micronesia,
21 the Government of the United States shall not store in
22 the Republic of the Marshall Islands or the Federated
23 States of Micronesia any toxic chemical weapon, nor any
24 radioactive materials nor any toxic chemical materials in-
25 tended for weapons use.

1 (c) Radioactive, toxic chemical, or biological materials
2 not intended for weapons use shall not be affected by sec-
3 tion 314(b).

4 (d) No material or substance referred to in this sec-
5 tion shall be stored in the Republic of the Marshall Islands
6 except in an amount and manner which would not be haz-
7 ardous to public health or safety. In determining what
8 shall be an amount or manner which would be hazardous
9 to public health or safety under this section, the Govern-
10 ment of the United States shall comply with any applicable
11 mutual agreement, international guidelines accepted by
12 the Government of the United States, and the laws of the
13 United States and their implementing regulations.

14 (e) Any exercise of the exemption authority set forth
15 in section 161(e) shall have no effect on the obligations
16 of the Government of the United States under this section
17 or on the application of this subsection.

18 (f) The provisions of this section shall apply in the
19 areas in which the Government of the Republic of the Mar-
20 shall Islands exercises jurisdiction over the living resources
21 of the seabed, subsoil or water column adjacent to its
22 coasts.

23 Section 315

24 The Government of the United States may invite
25 members of the armed forces of other countries to use

1 military areas and facilities in the Republic of the Mar-
2 shall Islands, in conjunction with and under the control
3 of United States Armed Forces. Use by units of the armed
4 forces of other countries of such military areas and facili-
5 ties, other than for transit and overflight purposes, shall
6 be subject to consultation with and, in the case of major
7 units, approval of the Government of the Republic of the
8 Marshall Islands.

9 Section 316

10 The authority and responsibility of the Government
11 of the United States under this Title may not be trans-
12 ferred or otherwise assigned.

13 Article II

14 Defense Facilities and Operating Rights

15 Section 321

16 (a) Specific arrangements for the establishment and
17 use by the Government of the United States of military
18 areas and facilities in the Republic of the Marshall Islands
19 are set forth in separate agreements, which shall remain
20 in effect in accordance with the terms of such agreements.

21 (b) If, in the exercise of its authority and responsi-
22 bility under this Title, the Government of the United
23 States requires the use of areas within the Republic of
24 the Marshall Islands in addition to those for which specific
25 arrangements are concluded pursuant to section 321(a),

1 it may request the Government of the Republic of the Mar-
2 shall Islands to satisfy those requirements through leases
3 or other arrangements. The Government of the Republic
4 of the Marshall Islands shall sympathetically consider any
5 such request and shall establish suitable procedures to dis-
6 cuss it with and provide a prompt response to the Govern-
7 ment of the United States.

8 (c) The Government of the United States recognizes
9 and respects the scarcity and special importance of land
10 in the Republic of the Marshall Islands. In making any
11 requests pursuant to section 321(b), the Government of
12 the United States shall follow the policy of requesting the
13 minimum area necessary to accomplish the required secu-
14 rity and defense purpose, of requesting only the minimum
15 interest in real property necessary to support such pur-
16 pose, and of requesting first to satisfy its requirement
17 through public real property, where available, rather than
18 through private real property.

19 Section 322

20 The Government of the United States shall provide
21 and maintain fixed and floating aids to navigation in the
22 Republic of the Marshall Islands at least to the extent nec-
23 essary for the exercise of its authority and responsibility
24 under this Title.

25 Section 323

1 The military operating rights of the Government of
2 the United States and the legal status and contractual ar-
3 rangements of the United States Armed Forces, their
4 members, and associated civilians, while present in the Re-
5 public of the Marshall Islands are set forth in separate
6 agreements, which shall remain in effect in accordance
7 with the terms of such agreements.

8 Article III

9 Defense Treaties and International Security Agreements
10 Section 331

11 Subject to the terms of this Compact, as amended,
12 and its related agreements, the Government of the United
13 States, exclusively, has assumed and enjoys, as to the Re-
14 public of the Marshall Islands, all obligations, responsibil-
15 ities, rights and benefits of:

16 (a) Any defense treaty or other international se-
17 curity agreement applied by the Government of the
18 United States as Administering Authority of the
19 Trust Territory of the Pacific Islands as of October
20 20, 1986.

21 (b) Any defense treaty or other international se-
22 curity agreement to which the Government of the
23 United States is or may become a party which it de-
24 termines to be applicable in the Republic of the Mar-
25 shall Islands. Such a determination by the Govern-

1 ment of the United States shall be preceded by ap-
2 propriate consultation with the Government of the
3 Republic of the Marshall Islands.

4 Article IV

5 Service in Armed Forces of the United States

6 Section 341

7 Any person entitled to the privileges set forth in Sec-
8 tion 141 (with the exception of any person described in
9 section 141(a)(5) who is not a citizen of the Republic of
10 the Marshall Islands) shall be eligible to volunteer for serv-
11 ice in the Armed Forces of the United States, but shall
12 not be subject to involuntary induction into military serv-
13 ice of the United States as long as such person has resided
14 in the United States for a period of less than one year,
15 provided that no time shall count towards this one year
16 while a person admitted to the United States under the
17 Compact, or the Compact, as amended, is engaged in full-
18 time study in the United States. Any person described in
19 section 141(a)(5) who is not a citizen of the Republic of
20 the Marshall Islands shall be subject to United States laws
21 relating to selective service.

22 Section 342

23 The Government of the United States shall have en-
24 rolled, at any one time, at least one qualified student from
25 the Republic of the Marshall Islands, as may be nominated

1 by the Government of the Republic of the Marshall Is-
2 lands, in each of:

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

5 (b) The United States Merchant Marine Acad-
6 emy pursuant to 46 U.S.C. 1295(b)(6), provided
7 that the provisions of 46 U.S.C. 1295b(b)(6)(C)
8 shall not apply to the enrollment of students pursu-
9 ant to section 342(b) of this Compact, as amended.

10 Article V

11 General Provisions

12 Section 351

13 (a) The Government of the United States and the
14 Government of the Republic of the Marshall Islands shall
15 continue to maintain a Joint Committee empowered to
16 consider disputes arising under the implementation of this
17 Title and its related agreements.

18 (b) The membership of the Joint Committee shall
19 comprise selected senior officials of the two Governments.
20 The senior United States military commander in the Pa-
21 cific area shall be the senior United States member of the
22 Joint Committee. For the meetings of the Joint Com-
23 mittee, each of the two Governments may designate addi-
24 tional or alternate representatives as appropriate for the
25 subject matter under consideration.

1 (c) Unless otherwise mutually agreed, the Joint Com-
2 mittee shall meet annually at a time and place to be des-
3 ignated, after appropriate consultation, by the Govern-
4 ment of the United States. The Joint Committee also shall
5 meet promptly upon request of either of its members. The
6 Joint Committee shall follow such procedures, including
7 the establishment of functional subcommittees, as the
8 members may from time to time agree. Upon notification
9 by the Government of the United States, the Joint Com-
10 mittee of the United States and the Republic of the Mar-
11 shall Islands shall meet promptly in a combined session
12 with the Joint Committee established and maintained by
13 the Government of the United States and the Government
14 of the Federated States of Micronesia to consider matters
15 within the jurisdiction of the two Joint Committees.

16 (d) Unresolved issues in the Joint Committee shall
17 be referred to the Governments for resolution, and the
18 Government of the Republic of the Marshall Islands shall
19 be afforded, on an expeditious basis, an opportunity to
20 raise its concerns with the United States Secretary of De-
21 fense personally regarding any unresolved issue which
22 threatens its continued association with the Government
23 of the United States.

24 Section 352

1 In the exercise of its authority and responsibility
2 under Title Three, the Government of the United States
3 shall accord due respect to the authority and responsibility
4 of the Government of the Republic of the Marshall Islands
5 under Titles One, Two and Four and to the responsibility
6 of the Government of the Republic of the Marshall Islands
7 to assure the well-being of its people.

8 Section 353

9 (a) The Government of the United States shall not
10 include the Government of the Republic of the Marshall
11 Islands as a named party to a formal declaration of war,
12 without that Government's consent.

13 (b) Absent such consent, this Compact, as amended,
14 is without prejudice, on the ground of belligerence or the
15 existence of a state of war, to any claims for damages
16 which are advanced by the citizens, nationals or Govern-
17 ment of the Republic of the Marshall Islands, which arise
18 out of armed conflict subsequent to October 21, 1986, and
19 which are:

20 (5) petitions to the Government of the United
21 States for redress; or

22 (6) claims in any manner against the govern-
23 ment, citizens, nationals or entities of any third
24 country.

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

3 Section 354

4 (a) The Government of the United States and the
5 Government of the Republic of the Marshall Islands are
6 jointly committed to continue their security and defense
7 relations, as set forth in this Title. Accordingly, it is the
8 intention of the two countries that the provisions of this
9 Title shall remain binding as long as this Compact, as
10 amended, remains in effect, and thereafter as mutually
11 agreed, unless earlier terminated by mutual agreement
12 pursuant to section 441, or amended pursuant to Article
13 III of Title Four. If at any time the Government of the
14 United States, or the Government of the Republic of the
15 Marshall Islands, acting unilaterally, terminates this Title,
16 such unilateral termination shall be considered to be ter-
17 mination of the entire Compact, as amended, in which case
18 the provisions of section 442 and 452 (in the case of ter-
19 mination by the Government of the United States) or sec-
20 tions 443 and 453 (in the case of termination by the Gov-
21 ernment of the Republic of the Marshall Islands), with the
22 exception of paragraph (3) of subsection (a) of section 452
23 or paragraph (3) of subsection (a) of section 453, as the
24 case may be, shall apply.

1 (b) The Government of the United States recognizes,
2 in view of the special relationship between the Government
3 of the United States and the Government of the Republic
4 of the Marshall Islands, and in view of the existence of
5 the separate agreement regarding mutual security con-
6 cluded with the Government of the Republic of the Mar-
7 shall Islands pursuant to sections 321 and 323, that, even
8 if this Title should terminate, any attack on the Republic
9 of the Marshall Islands during the period in which such
10 separate agreement is in effect, would constitute a threat
11 to the peace and security of the entire region and a danger
12 to the United States. In the event of such an attack, the
13 Government of the United States would take action to
14 meet the danger to the United States and to the Republic
15 of the Marshall Islands in accordance with its constitu-
16 tional processes.

17 (c) As reflected in Article 21(1)(b) of the Trust Fund
18 Agreement, the Government of the United States and the
19 Government of the Republic of the Marshall Islands fur-
20 ther recognize, in view of the special relationship between
21 their countries, that even if this Title should terminate,
22 the Government of Republic of the Marshall Islands shall
23 refrain from actions which the Government of the United
24 States determines, after appropriate consultation with
25 that Government, to be incompatible with its authority

1 and responsibility for security and defense matters in or
2 relating to the Republic of the Marshall Islands or the
3 Federated States of Micronesia.

4 TITLE FOUR

5 GENERAL PROVISIONS

6 Article I

7 Approval and Effective Date

8 Section 411

9 Pursuant to section 432 of the Compact and subject
10 to subsection (e) of section 461 of the Compact, as amend-
11 ed, the Compact, as amended, shall come into effect upon
12 mutual agreement between the Government of the United
13 States and the Government of the Republic of the Mar-
14 shall Islands subsequent to completion of the following:

15 (a) Approval by the Government of the Repub-
16 lic of the Marshall Islands in accordance with its
17 constitutional processes.

18 (b) Approval by the Government of the United
19 States in accordance with its constitutional proc-
20 esses.

21 Article II

22 Conference and Dispute Resolution

23 Section 421

24 The Government of the United States shall confer
25 promptly at the request of the Government of the Republic

1 of the Marshall Islands and that Government shall confer
2 promptly at the request of the Government of the United
3 States on matters relating to the provisions of this Com-
4 pact, as amended, or of its related agreements.

5 Section 422

6 In the event the Government of the United States or
7 the Government of the Republic of the Marshall Islands,
8 after conferring pursuant to section 421, determines that
9 there is a dispute and gives written notice thereof, the two
10 Governments shall make a good faith effort to resolve the
11 dispute between themselves.

12 Section 423

13 If a dispute between the Government of the United
14 States and the Government of the Republic of the Mar-
15 shall Islands cannot be resolved within 90 days of written
16 notification in the manner provided in section 422, either
17 party to the dispute may refer it to arbitration in accord-
18 ance with section 424.

19 Section 424

20 Should a dispute be referred to arbitration as pro-
21 vided for in section 423, an Arbitration Board shall be
22 established for the purpose of hearing the dispute and ren-
23 dering a decision which shall be binding upon the two par-
24 ties to the dispute unless the two parties mutually agree

1 that the decision shall be advisory. Arbitration shall occur
2 according to the following terms:

3 (a) An Arbitration Board shall consist of a
4 Chairman and two other members, each of whom
5 shall be a citizen of a party to the dispute. Each of
6 the two Governments that is a party to the dispute
7 shall appoint one member to the Arbitration Board.
8 If either party to the dispute does not fulfill the ap-
9 pointment requirements of this section within 30
10 days of referral of the dispute to arbitration pursu-
11 ant to section 423, its member on the Arbitration
12 Board shall be selected from its own standing list by
13 the other party to the dispute. Each Government
14 shall maintain a standing list of 10 candidates. The
15 parties to the dispute shall jointly appoint a Chair-
16 man within 15 days after selection of the other
17 members of the Arbitration Board. Failing agree-
18 ment on a Chairman, the Chairman shall be chosen
19 by lot from the standing lists of the parties to the
20 dispute within 5 days after such failure.

21 (b) Unless otherwise provided in this Compact,
22 as amended, or its related agreements, the Arbitra-
23 tion Board shall have jurisdiction to hear and render
24 its final determination on all disputes arising exclu-
25 sively under Articles I, II, III, IV and V of Title

1 One, Title Two, Title Four, and their related agree-
2 ments.

3 (c) Each member of the Arbitration Board shall
4 have one vote. Each decision of the Arbitration
5 Board shall be reached by majority vote.

6 (d) In determining any legal issue, the Arbitra-
7 tion Board may have reference to international law
8 and, in such reference, shall apply as guidelines the
9 provisions set forth in Article 38 of the Statute of
10 the International Court of Justice.

11 (e) The Arbitration Board shall adopt such
12 rules for its proceedings as it may deem appropriate
13 and necessary, but such rules shall not contravene
14 the provisions of this Compact, as amended. Unless
15 the parties provide otherwise by mutual agreement,
16 the Arbitration Board shall endeavor to render its
17 decision within 30 days after the conclusion of argu-
18 ments. The Arbitration Board shall make findings of
19 fact and conclusions of law and its members may
20 issue dissenting or individual opinions. Except as
21 may be otherwise decided by the Arbitration Board,
22 one-half of all costs of the arbitration shall be borne
23 by the Government of the United States and the re-
24 mainder shall be borne by the Government of the
25 Republic of the Marshall Islands.

1 Article III

2 Amendment

3 Section 431

4 The provisions of this Compact, as amended, may be
5 further amended by mutual agreement of the Government
6 of the United States and the Government of the Republic
7 of the Marshall Islands, in accordance with their respec-
8 tive constitutional processes.

9 Article IV

10 Termination

11 Section 441

12 This Compact, as amended, may be terminated by
13 mutual agreement of the Government of the Republic of
14 the Marshall Islands and the Government of the United
15 States, in accordance with their respective constitutional
16 processes. Such mutual termination of this Compact, as
17 amended, shall be without prejudice to the continued ap-
18 plication of section 451 of this Compact, as amended, and
19 the provisions of the Compact, as amended, set forth
20 therein.

21 Section 442

22 Subject to section 452, this Compact, as amended,
23 may be terminated by the Government of the United
24 States in accordance with its constitutional processes.
25 Such termination shall be effective on the date specified

1 in the notice of termination by the Government of the
2 United States but not earlier than six months following
3 delivery of such notice. The time specified in the notice
4 of termination may be extended. Such termination of this
5 Compact, as amended, shall be without prejudice to the
6 continued application of section 452 of this Compact, as
7 amended, and the provisions of the Compact, as amended,
8 set forth therein.

9 Section 443

10 This Compact, as amended, shall be terminated by
11 the Government of the Republic of the Marshall Islands,
12 pursuant to its constitutional processes, subject to section
13 453 if the people represented by that Government vote in
14 a plebiscite to terminate the Compact. The Government
15 of the Republic of the Marshall Islands shall notify the
16 Government of the United States of its intention to call
17 such a plebiscite, which shall take place not earlier than
18 three months after delivery of such notice. The plebiscite
19 shall be administered by the Government of the Republic
20 of the Marshall Islands in accordance with its constitu-
21 tional and legislative processes, but the Government of the
22 United States may send its own observers and invite ob-
23 servers from a mutually agreed party. If a majority of the
24 valid ballots cast in the plebiscite favors termination, the
25 Government of the Republic of the Marshall Islands shall,

1 upon certification of the results of the plebiscite, give no-
2 tice of termination to the Government of the United
3 States, such termination to be effective on the date speci-
4 fied in such notice but not earlier than three months fol-
5 lowing the date of delivery of such notice. The time speci-
6 fied in the notice of termination may be extended.

7 Article V

8 Survivability

9 Section 451

10 (a) Should termination occur pursuant to section
11 441, economic and other assistance by the Government of
12 the United States shall continue only if and as mutually
13 agreed by the Governments of the United States and the
14 Republic of the Marshall Islands, and in accordance with
15 the countries' respective constitutional processes.

16 (b) In view of the special relationship of the United
17 States and the Republic of the Marshall Islands, as re-
18 flected in subsections (b) and (c) of section 354 of this
19 Compact, as amended, and the separate agreement en-
20 tered into consistent with those subsections, if termination
21 occurs pursuant to section 441 prior to the twentieth anni-
22 versary of the effective date of this Compact, as amended,
23 the United States shall continue to make contributions to
24 the Trust Fund described in section 216 of this Compact,
25 as amended.

1 (c) In view of the special relationship of the United
2 States and the Republic of the Marshall Islands described
3 in subsection (b) of this section, if termination occurs pur-
4 suant to section 441 following the twentieth anniversary
5 of the effective date of this Compact, as amended, the Re-
6 public of the Marshall Islands shall be entitled to receive
7 proceeds from the Trust Fund described in section 216
8 of this Compact, as amended, in the manner described in
9 those provisions and the Trust Fund Agreement.

10 Section 452

11 (a) Should termination occur pursuant to section 442
12 prior to the twentieth anniversary of the effective date of
13 this Compact, as amended, the following provisions of this
14 amended Compact shall remain in full force and effect
15 until the twentieth anniversary of the effective date of this
16 Compact, as amended, and thereafter as mutually agreed:

17 (1) Article VI and sections 172, 173, 176 and
18 177 of Title One;

19 (2) Article One and sections 232 and 234 of
20 Title Two;

21 (3) Title Three; and

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

23 (b) Should termination occur pursuant to section 442
24 before the twentieth anniversary of the effective date of
25 this Compact, as amended:

1 (1) Except as provided in paragraph (2) of this
2 subsection and subsection (c) of this section, eco-
3 nomic and other assistance by the United States
4 shall continue only if and as mutually agreed by the
5 Governments of the United States and the Republic
6 of the Marshall Islands.

7 (2) In view of the special relationship of the
8 United States and the Republic of the Marshall Is-
9 lands, as reflected in subsections (b) and (c) of sec-
10 tion 354 of this Compact, as amended, and the sepa-
11 rate agreement regarding mutual security, and the
12 Trust Fund Agreement, the United States shall con-
13 tinue to make contributions to the Trust Fund de-
14 scribed in section 216 of this Compact, as amended,
15 in the manner described in the Trust Fund Agree-
16 ment.

17 (c) In view of the special relationship of the United
18 States and the Republic of the Marshall Islands, as re-
19 flected in subsections 354(b) and (c) of this Compact, as
20 amended, and the separate agreement regarding mutual
21 security, and the Trust Fund Agreement, if termination
22 occurs pursuant to section 442 following the twentieth an-
23 niversary of the effective date of this Compact, as amend-
24 ed, the Republic of the Marshall Islands shall continue to
25 be eligible to receive proceeds from the Trust Fund de-

1 scribed in section 216 of this Compact, as amended, in
2 the manner described in those provisions and the Trust
3 Fund Agreement.

4 Section 453

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

11 (1) Article VI and sections 172, 173, 176 and
12 177 of Title One;

13 (2) Sections 232 and 234 of Title Two;

14 (3) Title Three; and

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

16 (b) Upon receipt of notice of termination pursuant
17 to section 443, the Government of the United States and
18 the Government of the Republic of the Marshall Islands
19 shall promptly consult with regard to their future relation-
20 ship. Except as provided in subsections (c) and (d) of this
21 section, these consultations shall determine the level of
22 economic and other assistance, if any, which the Govern-
23 ment of the United States shall provide to the Government
24 of the Republic of the Marshall Islands for the period end-
25 ing on the twentieth anniversary of the effective date of

1 this Compact, as amended, and for any period thereafter,
2 if mutually agreed.

3 (c) In view of the special relationship of the United
4 States and the Republic of the Marshall Islands, as re-
5 flected in subsections 354(b) and (c) of this Compact, as
6 amended, and the separate agreement regarding mutual
7 security, and the Trust Fund Agreement, if termination
8 occurs pursuant to section 443 prior to the twentieth anni-
9 versary of the effective date of this Compact, as amended,
10 the United States shall continue to make contributions to
11 the Trust Fund described in section 216 of this Compact,
12 as amended.

13 (d) In view of the special relationship of the United
14 States and the Republic of the Marshall Islands, as re-
15 flected in subsections 354(b) and (c) of this Compact, as
16 amended, and the separate agreement regarding mutual
17 security, and the Trust Fund Agreement, if termination
18 occurs pursuant to section 443 following the twentieth an-
19 niversary of the effective date of this Compact, as amend-
20 ed, the Republic of the Marshall Islands shall continue to
21 be eligible to receive proceeds from the Trust Fund de-
22 scribed in section 216 of this Compact, as amended, in
23 the manner described in those provisions and the Trust
24 Fund Agreement.

25 Section 454

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

11 Definition of Terms

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 Republic of
the Marshall Islands as to the nature and extent of the
jurisdiction of either of them under international law, the
following terms shall have the following meanings:

•HJ 63 EH

1 1979. This term does not include the area of Palau
2 or the Northern Mariana Islands.

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

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

16 (d) “Compact” means the Compact of Free As-
17 sociation Between the United States and the Fed-
18 erated States of Micronesia and the Marshall Is-
19 lands, that was approved by the United States Con-
20 gress in section 201 of Public Law 99–239 (Jan. 14,
21 1986) and went into effect with respect to the Re-
22 public of the Marshall Islands on October 21, 1986.

23 (e) “Compact, as amended” means the Com-
24 pact of Free Association Between the United States
25 and the Republic of the Marshall Islands, as amend-

1 ed. The effective date of the Compact, as amended,
2 shall be on a date to be determined by the President
3 of the United States, and agreed to by the Govern-
4 ment of the Republic of the Marshall Islands, fol-
5 lowing formal approval of the Compact, as amended,
6 in accordance with section 411 of this Compact, as
7 amended.

8 (f) “Government of the Republic of the Mar-
9 shall Islands” means the Government established
10 and organized by the Constitution of the Republic of
11 the Marshall Islands including all the political sub-
12 divisions and entities comprising that Government.

13 (g) “Government of the Federated States of Mi-
14 cronisia” means the Government established and or-
15 ganized by the Constitution of the Federated States
16 of Micronesia including all the political subdivisions
17 and entities comprising that Government.

18 (h) The following terms shall be defined con-
19 sistent with the 1978 Edition of the Radio Regula-
20 tions of the International Telecommunications as fol-
21 lows:

22 (1) “Radiocommunication” means tele-
23 communication by means of radio waves.

24 (2) “Station” means one or more transmit-
25 ters or receivers or a combination of transmit-

1 ters and receivers, including the accessory
2 equipment, necessary at one location for car-
3 rying on a radiocommunication service, or the
4 radio astronomy service.

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

11 (4) “Broadcasting Station” means a sta-
12 tion in the broadcasting service.

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

18 (6) “Telecommunication” means any
19 transmission, emission or reception of signs,
20 signals, writings, images and sounds or intel-
21 ligence of any nature by wire, radio, optical or
22 other electromagnetic systems.

23 (i) “Military Areas and Facilities” means those
24 areas and facilities in the Republic of the Marshall
25 Islands reserved or acquired by the Government of

1 the Republic of the Marshall Islands for use by the
2 Government of the United States, as set forth in the
3 separate agreements referred to in section 321.

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

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

14 Section 462

15 (a) The Government of the United States and the
16 Government of the Republic of the Marshall Islands pre-
17 viously have concluded agreements, which shall remain in
18 effect and shall survive in accordance with their terms,
19 as follows:

20 (1) Agreement Between the Government of the
21 United States and the Government of the Marshall
22 Islands for the Implementation of Section 177 of the
23 Compact of Free Association;

24 (2) Agreement Between the Government of the
25 United States and the Government of the Marshall

1 Islands by Persons Displaced as a Result of the
2 United States Nuclear Testing Program in the Mar-
3 shall Islands;

4 (3) Agreement Between the Government of the
5 United States and the Government of the Marshall
6 Islands Regarding the Resettlement of Enjebi Is-
7 land;

8 (4) Agreement Concluded Pursuant to Section
9 234 of the Compact; and

10 (5) Agreement Between the Government of the
11 United States and the Government of the Marshall
12 Islands Regarding Mutual Security Concluded Pur-
13 suant to Sections 321 and 323 of the Compact of
14 Free Association.

15 (b) The Government of the United States and the
16 Government of the Republic of the Marshall Islands shall
17 conclude prior to the date of submission of this Compact
18 to the legislatures of the two countries, the following re-
19 lated agreements which shall come into effect on the effec-
20 tive date of this Compact, as amended, and shall survive
21 in accordance with their terms, as follows:

22 (1) Federal Programs and Services Agreement
23 Between the Government of the United States of
24 America and the Government of the Republic of the
25 Marshall Islands Concluded Pursuant to Article III

1 of Title One, Article II of Title Two (including Sec-
2 tion 222), and Section 231 of the Compact of Free
3 Association, as Amended, which include:

4 (i) Postal Services and Related Programs;

5 (ii) Weather Services and Related Pro-
6 grams;

7 (iii) Civil Aviation Safety Service and Re-
8 lated Programs;

9 (iv) Civil Aviation Economic Services and
10 Related Programs;

11 (v) United States Disaster Preparedness
12 and Response Services and Related Programs;
13 and

14 (vi) Telecommunications Services and Re-
15 lated Programs.

16 (2) Agreement Between the Government of the
17 United States of America and the Government of
18 the Republic of the Marshall Islands on Extradition,
19 Mutual Assistance in Law Enforcement Matters and
20 Penal Sanctions Concluded Pursuant to Section 175
21 (a) of the Compact of Free Association, as Amend-
22 ed;

23 (3) Agreement Between the Government of the
24 United States of America and the Government of
25 the Republic of the Marshall Islands on Labor Re-

1 ruitment Concluded Pursuant to Section 175 (b) of
2 the Compact of Free Association, as Amended;

3 (4) Agreement Concerning Procedures for the
4 Implementation of United States Economic Assist-
5 ance Provided in the Compact, as Amended, of Free
6 Association Between the Government of the United
7 States of America and the Government of the Re-
8 public of the Marshall Islands;

9 (5) Agreement Between the Government of the
10 United States of America and the Government of
11 the Republic of the Marshall Islands Implementing
12 Section 216 and Section 217 of the Compact, as
13 Amended, Regarding a Trust Fund;

14 (6) Agreement Regarding the Military Use and
15 Operating Rights of the Government of the United
16 States in the Republic of the Marshall Islands Con-
17 cluded Pursuant to Sections 321 and 323 of the
18 Compact of Free Association, as Amended; and,

19 (7) Status of Forces Agreement Between the
20 Government of the United States of America and
21 the Government of the Republic of the Marshall Is-
22 lands Concluded Pursuant to Section 323 of the
23 Compact of Free Association, as Amended.

24 Section 463

1 (a) Except as set forth in subsection (b) of this sec-
 2 tion, any reference in this Compact, as amended, to a pro-
 3 vision of the United States Code or the Statutes at Large
 4 of the United States constitutes the incorporation of the
 5 language of such provision into this Compact, as amended,
 6 as such provision was in force on the effective date of this
 7 Compact, as amended.

8 (b) Any reference in Article IV and VI of Title One,
 9 and Sections 174, 175, 178 and 342 to a provision of the
 10 United States Code or the Statutes at Large of the United
 11 States or to the Privacy Act, the Freedom of Information
 12 Act, the Administrative Procedure Act or the Immigration
 13 and Nationality Act constitutes the incorporation of the
 14 language of such provision into this Compact, as amended,
 15 as such provision was in force on the effective date of this
 16 Compact, as amended, or as it may be amended thereafter
 17 on a non-discriminatory basis according to the constitu-
 18 tional processes of the United States.

19 Article VII

20 Concluding Provisions

21 Section 471

22 Both the Government of the United States and the
 23 Government of the Republic of the Marshall Islands shall
 24 take all necessary steps, of a general or particular char-
 25 acter, to ensure, no later than the entry into force date

1 of this Compact, as amended, the conformity of its laws,
2 regulations and administrative procedures with the provi-
3 sions of this Compact, as amended, or, in the case of sub-
4 section (d) of section 141, as soon as reasonably possible
5 thereafter.

6 Section 472

7 This Compact, as amended, may be accepted, by sig-
8 nature or otherwise, by the Government of the United
9 States and the Government of the Republic of the Mar-
10 shall Islands.

11 IN WITNESS WHEREOF, the undersigned, duly
12 authorized, have signed this Compact of Free Association,
13 as amended, which shall enter into force upon the ex-
14 change of diplomatic notes by which the Government of
15 the United States of America and the Government of the
16 Republic of the Marshall Islands inform each other about
17 the fulfillment of their respective requirements for entry
18 into force.

1 DONE at Majuro, Republic of the Marshall Islands,
2 in duplicate, this thirtieth (30) day of April, 2003, each
3 text being equally authentic.

Passed the House of Representatives October 28,
2003.

Attest:

Clerk.