

110TH CONGRESS
1ST SESSION

H. R. 2705

AN ACT

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

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

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. APPROVAL OF AGREEMENTS.**

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

8 (1) in the first sentence of subsection (a), by in-
9 serting before the period at the end the following: “,
10 including Article X of the Federal Programs and
11 Services Agreement Between the Government of the
12 United States and the Government of the Federated
13 States of Micronesia, as amended under the Agree-
14 ment to Amend Article X that was signed by those
15 two Governments on June 30, 2004, which shall
16 serve as the authority to implement the provisions
17 thereof”; and

18 (2) in the first sentence of subsection (b), by in-
19 serting before the period at the end the following: “,
20 including Article X of the Federal Programs and
21 Services Agreement Between the Government of the
22 United States and the Government of the Republic
23 of the Marshall Islands, as amended under the
24 Agreement to Amend Article X that was signed by
25 those two Governments on June 18, 2004, which

1 shall serve as the authority to implement the provi-
2 sions thereof”.

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

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

6 Unobligated amounts appropriated before the date of
7 the enactment of this Act pursuant to section
8 105(f)(1)(A)(ii) of the Compact of Free Association
9 Amendments Act of 2003 shall be available to both the
10 United States Agency for International Development and
11 the Federal Emergency Management Agency to facilitate
12 each agency’s activities under the Federal Programs and
13 Services Agreements.

14 **SEC. 4. CONFORMING AMENDMENT.**

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

18 “(A) **EMERGENCY AND DISASTER ASSIST-**
19 **ANCE.**—

20 “(i) **IN GENERAL.**—Subject to clause
21 (ii), section 221(a)(6) of the U.S.–FSM
22 Compact and section 221(a)(5) of the
23 U.S.–RMI Compact shall each be con-
24 strued and applied in accordance with the
25 two Agreements to Amend Article X of the

1 Federal Programs and Service Agreements
2 signed on June 30, 2004, and on June 18,
3 2004, respectively, provided that all activi-
4 ties carried out by the United States Agen-
5 cy for International Development and the
6 Federal Emergency Management Agency
7 under Article X of the Federal Programs
8 and Services Agreements may be carried
9 out notwithstanding any other provision of
10 law. In the sections referred to in this
11 clause, the term ‘United States Agency for
12 International Development, Office of For-
13 eign Disaster Assistance’ shall be con-
14 strued to mean ‘the United States Agency
15 for International Development’.

16 “(ii) DEFINITION OF WILL PROVIDE
17 FUNDING.—In the second sentence of
18 paragraph 12 of each of the Agreements
19 described in clause (i), the term ‘will pro-
20 vide funding’ means will provide funding
21 through a transfer of funds using Stand-
22 ard Form 1151 or a similar document or
23 through an interagency, reimbursable
24 agreement.”.

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

3 **SEC. 5. CLARIFICATIONS REGARDING PALAU.**

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

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

10 (2) in clause (iii)(II), by striking “, or the Re-
11 public of the Marshall Islands” and inserting “, the
12 Republic of the Marshall Islands, or the Republic of
13 Palau”; and

14 (3) in clause (ix)—

15 (A) by striking “Republic” both places it
16 appears and inserting “government, institu-
17 tions, and people”;

18 (B) by striking “2007” and inserting
19 “2009”; and

20 (C) by striking “was” and inserting
21 “were”.

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

23 Section 105(f)(1)(C) of the Compact of Free Associa-
24 tion Amendments Act of 2003 (48 U.S.C. 1921d(f)(1)(C))
25 is amended by inserting before the period at the end the

1 following: “, which shall also continue to be available to
2 the citizens of the Federated States of Micronesia, the Re-
3 public of Palau, and the Republic of the Marshall Islands
4 who legally reside in the United States (including terri-
5 tories and possessions)”.

6 **SEC. 7. TECHNICAL AMENDMENTS.**

7 (a) TITLE I.—

8 (1) SECTION 177 AGREEMENT.—Section
9 103(c)(1) of the Compact of Free Association
10 Amendments Act of 2003 (48 U.S.C. 1921b(c)(1)) is
11 amended by striking “section 177” and inserting
12 “Section 177”.

13 (2) INTERPRETATION AND UNITED STATES
14 POLICY.—Section 104 of the Compact of Free Asso-
15 ciation Amendments Act of 2003 (48 U.S.C. 1921c)
16 is amended—

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

19 (B) in subsection (e)—

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

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

1 (iii) in paragraph (10), by striking
2 “related to service” and inserting “related
3 to such services”; and

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

6 (3) SUPPLEMENTAL PROVISIONS.—Section
7 105(b)(1) of the Compact of Free Association
8 Amendments Act of 2003 (48 U.S.C. 1921d(b)(1))
9 is amended by striking “Trust Fund” and inserting
10 “Trust Funds”.

11 (b) TITLE II.—

12 (1) U.S.—FSM COMPACT.—The Compact of
13 Free Association, as amended, between the Govern-
14 ment of the United States of America and the Gov-
15 ernment of the Federated States of Micronesia (as
16 provided in section 201(a) of the Compact of Free
17 Association Amendments Act of 2003 (117 Stat.
18 2757)) is amended—

19 (A) in section 174—

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

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

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

1 (C) in section 179(b), by striking “amend-
2 ed Compact” and inserting “Compact, as
3 amended,”;

4 (D) in section 211—

5 (i) in the fourth sentence of sub-
6 section (a), by striking “Compact, as
7 Amended, of Free Association” and insert-
8 ing “Compact of Free Association, as
9 amended”;

10 (ii) in the fifth sentence of subsection
11 (a), by striking “Trust Fund Agreement,”
12 and inserting “Agreement Between the
13 Government of the United States of Amer-
14 ica and the Government of the Federated
15 States of Micronesia Implementing Section
16 215 and Section 216 of the Compact, as
17 Amended, Regarding a Trust Fund (Trust
18 Fund Agreement),”;

19 (iii) in subsection (b)—

20 (I) in the first sentence, by strik-
21 ing “Government of the” before “Fed-
22 erated”; and

23 (II) in the second sentence, by
24 striking “Sections 321 and 323 of the
25 Compact of Free Association, as

1 Amended” and inserting “Sections
2 211(b), 321, and 323 of the Compact
3 of Free Association, as amended,”;
4 and

5 (iv) in the last sentence of subsection
6 (d), by inserting before the period at the
7 end the following: “and the Federal Pro-
8 grams and Services Agreement referred to
9 in section 231”;

10 (E) in the first sentence of section 215(b),
11 by striking “subsection(a)” and inserting “sub-
12 section (a)”;

13 (F) in section 221—

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

17 (ii) in the first sentence of subsection
18 (c), by striking “agreements” and inserting
19 “agreement”;

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

22 (H) in the second sentence of section 232,
23 by striking “sections 102 (c)” and all that fol-
24 lows through “January 14, 1986)” and insert-

1 ing “section 102(b) of Public Law 108–188,
2 117 Stat. 2726, December 17, 2003”;

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

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

8 (K) in section 342—

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

12 (ii) in subsection (b)—

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

18 (II) by striking “46 U.S.C.
19 1295b(b)(6)(C)” and inserting “sec-
20 tion 1303(b)(6)(C) of that Act”;

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

1 (M) in section 461(h), by striking “Tele-
2 communications” and inserting “Telecommuni-
3 cation”;

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

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

9 (2) U.S.–RMI COMPACT.—The Compact of
10 Free Association, as amended, between the Govern-
11 ment of the United States of America and the Govern-
12 ment of the Republic of the Marshall Islands (as
13 provided in section 201(b) of the Compact of Free
14 Association Amendments Act of 2003 (117 Stat.
15 2795)) is amended—

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

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

20 (C) in section 179(b), by striking “amend-
21 ed Compact,” and inserting “Compact, as
22 amended,”;

23 (D) in section 211—

24 (i) in the fourth sentence of sub-
25 section (a), by striking “Compact, as

1 Amended, of Free Association” and insert-
2 ing “Compact of Free Association, as
3 amended”;

4 (ii) in the first sentence of subsection
5 (b), by striking “Agreement between the
6 Government of the United States and the
7 Government of the Republic of the Mar-
8 shall Islands Regarding Military Use and
9 Operating Rights” and inserting “Agree-
10 ment Regarding the Military Use and Op-
11 erating Rights of the Government of the
12 United States in the Republic of the Mar-
13 shall Islands concluded Pursuant to Sec-
14 tions 321 and 323 of the Compact of Free
15 Association, as Amended (Agreement be-
16 tween the Government of the United
17 States and the Government of the Republic
18 of the Marshall Islands Regarding Military
19 Use and Operating Rights)”;

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

25 (E) in section 221(a)—

- 1 (i) in the matter preceding paragraph
2 (1), by striking “Section 231” and insert-
3 ing “section 231”; and
- 4 (ii) in paragraph (5), by inserting
5 “(Federal Emergency Management Agen-
6 cy)” after “Homeland Security”;
- 7 (F) in the second sentence of section 232,
8 by striking “sections 103(m)” and all that fol-
9 lows through “(January 14, 1986)” and insert-
10 ing “section 103(k) of Public Law 108–188,
11 117 Stat. 2734, December 17, 2003”;
- 12 (G) in the first sentence of section 341, by
13 striking “Section 141” and inserting “section
14 141”;
- 15 (H) in section 342—
- 16 (i) in subsection (a), by striking “14
17 U.S.C. 195” and inserting “section 195 of
18 title 14, United States Code”; and
- 19 (ii) in subsection (b)—
- 20 (I) by striking “46 U.S.C.
21 1295(b)(6)” and inserting “section
22 1303(b)(6) of the Merchant Marine
23 Act, 1936 (46 U.S.C. 1295b(b)(6))”;
- 24 and

1 (II) by striking “46 U.S.C.
2 1295b(b)(6)(C)” and inserting “sec-
3 tion 1303(b)(6)(C) of that Act”;

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

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

9 (K) in the matter preceding paragraph (1)
10 of section 461(h)—

11 (i) by striking “1978” and inserting
12 “1998”; and

13 (ii) by striking “Telecommunications”
14 and inserting “Telecommunication Union”;
15 and

16 (L) in section 463(b), by striking “Article”
17 and inserting “Articles”.

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

19 Section 111(e)(2) of title 17, United States Code, is
20 amended by striking “or the Trust Territory of the Pacific
21 Islands” and inserting “the Federated States of Micro-
22 nesia, the Republic of Palau, or the Republic of the Mar-
23 shall Islands”.

1 **SEC. 9. PALAU ROAD MAINTENANCE.**

2 The Government of the Republic of Palau may de-
3 posit the payment otherwise payable to the Government
4 of the United States under section 111 of Public Law
5 101-219 (48 U.S.C. 1960) into a trust fund if—

6 (1) the earnings of the trust fund are expended
7 solely for maintenance of the road system con-
8 structed pursuant to section 212 of the Compact of
9 Free Association between the Government of the
10 United States of America and the Government of
11 Palau (48 U.S.C. 1931 note); and

12 (2) the trust fund is established and operated
13 pursuant to an agreement entered into between the
14 Government of the United States and the Govern-
15 ment of the Republic of Palau.

16 **SEC. 10. CLARIFICATION OF TAX-FREE STATUS OF TRUST**
17 **FUNDS.**

18 In the U.S.–RMI Compact, the U.S.–FSM Compact,
19 and their respective trust fund subsidiary agreements, for
20 the purposes of taxation by the United States or its sub-
21 sidiary jurisdictions, the term “State” means “State, ter-
22 ritory, or the District of Columbia”.

23 **SEC. 11. TRANSFER OF NAVAL VESSELS TO CERTAIN FOR-**
24 **EIGN RECIPIENTS.**

25 (a) TRANSFERS BY GRANT.—The President is au-
26 thorized to transfer vessels to foreign countries on a grant

1 basis under section 516 of the Foreign Assistance Act of
2 1961 (22 U.S.C. 2321j), as follows:

3 (1) TURKEY.—To the Government of Turkey—

4 (A) the OLIVER HAZARD PERRY class
5 guided missile frigates GEORGE PHILIP
6 (FFG–12) and SIDES (FFG–14); and

7 (B) the OSPREY class minehunter coastal
8 ship BLACKHAWK (MHC–58).

9 (2) LITHUANIA.—To the Government of Lith-
10 uania, the OSPREY class minehunter coastal ships
11 CORMORANT (MHC–57) and KINGFISHER
12 (MHC–56).

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

17 (1) TAIWAN.—To the Taipei Economic and
18 Cultural Representative Office in the United States
19 (which is the Taiwan instrumentality designated
20 pursuant to section 10(a) of the Taiwan Relations
21 Act (22 U.S.C. 3309(a))), the OSPREY class
22 minehunter coastal ships ORIOLE (MHC–55) and
23 FALCON (MHC–59).

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

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

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

14 (e) REPAIR AND REFURBISHMENT IN UNITED
15 STATES SHIPYARDS.—To the maximum extent prac-
16 ticable, the President shall require, as a condition of the
17 transfer of a vessel under this section, that the recipient
18 to which the vessel is transferred have such repair or re-
19 furbishment of the vessel as is needed before the vessel
20 joins the naval forces of the recipient performed at a ship-
21 yard located in the United States, including a United
22 States Navy shipyard.

23 (f) EXPIRATION OF AUTHORITY.—The authority to
24 transfer a vessel under this section shall expire at the end

1 of the 2-year period beginning on the date of the enact-
2 ment of this Act.

Passed the House of Representatives November 13,
2007.

Attest:

Clerk.

110TH CONGRESS
1ST SESSION

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AN ACT

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