

**Calendar No. 350**

108<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. J. RES. 63**

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IN THE SENATE OF THE UNITED STATES

OCTOBER 29, 2003

Received; read twice and placed on the calendar

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**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.

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”.

- 1 (b) TABLE OF CONTENTS.—The table of contents  
 2 for 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.

#### 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.

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  
18 201(a)) of this joint resolution, is hereby approved, and  
19 Congress hereby consents to the subsidiary agreements  
20 and amended subsidiary agreements listed in section 462  
21 of the U.S.-FSM Compact. Subject to the provisions of  
22 this joint resolution, the President is authorized to agree,  
23 in accordance with section 411 of the U.S.-FSM Compact,  
24 to an effective date for and thereafter to implement such  
25 U.S.-FSM Compact.

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

14           (c) REFERENCES TO THE COMPACT, THE U.S.-FSM  
15 COMPACT, AND THE U.S.-RMI COMPACT; REFERENCES  
16 TO SUBSIDIARY AGREEMENTS OR SEPARATE AGREE-  
17 MENTS.—

18           (1) Any reference in this joint resolution (ex-  
19 cept references in title II) to “the Compact” shall be  
20 treated as a reference to the Compact of Free Asso-  
21 ciation set forth in title II of Public Law 99–239,  
22 January 14, 1986 (99 Stat. 1770). Any reference in  
23 this joint resolution to the “U.S.-FSM Compact”  
24 shall be treated as a reference to the Compact of  
25 Free Association, as amended between the Govern-

1       ment of the United States of America and the Gov-  
2       ernment of the Federated States of Micronesia and  
3       set forth in Title II (section 201(a)) of this joint res-  
4       olution. Any reference in this joint resolution to the  
5       “U.S.-RMI Compact” shall be treated as a reference  
6       to the Compact of Free Association, as amended be-  
7       tween the Government of the United States of  
8       America and the Government of the Republic of the  
9       Marshall Islands and set forth in Title II (section  
10      201(b)) of this joint resolution.

11           (2) Any reference to the term “subsidiary  
12      agreements” or “separate agreements” in this joint  
13      resolution shall be treated as a reference to agree-  
14      ments listed in section 462 of the U.S.-FSM Com-  
15      pact and the U.S.-RMI Compact, and any other  
16      agreements that the United States may from time to  
17      time enter into with either the government of the  
18      Federated States of Micronesia or the government of  
19      the Republic of the Marshall Islands, or with both  
20      such governments in accordance with the provisions  
21      of the U.S.-FSM Compact and the U.S.-RMI Com-  
22      pact.

23           (d) AMENDMENT, CHANGE, OR TERMINATION IN THE  
24      U.S.-FSM COMPACT AND U.S.-RMI COMPACT AND CER-  
25      TAIN AGREEMENTS.—

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

7           (2) The provisions of paragraph (1) shall  
8 apply—

9           (A) to all actions of the Government of the  
10 United States under the U.S.-FSM Compact or  
11 U.S.-RMI Compact including, but not limited  
12 to, actions taken pursuant to sections 431, 441,  
13 or 442;

14           (B) to any amendment, change, or termi-  
15 nation in the Agreement Between the Govern-  
16 ment of the United States and the Government  
17 of the Federated States of Micronesia Regard-  
18 ing Friendship, Cooperation and Mutual Secu-  
19 rity Concluded Pursuant to Sections 321 and  
20 323 of the Compact of Free Association re-  
21 ferred to in section 462(a)(2) of the U.S.-FSM  
22 Compact and the Agreement Between the Gov-  
23 ernment of the United States and the Govern-  
24 ment of the Marshall Islands Regarding Mutual  
25 Security Concluded Pursuant to Sections 321

1 and 323 of the Compact of Free Association re-  
2 ferred to in section 462(a)(5) of the U.S.-RMI  
3 Compact;

4 (C) to any amendment, change, or termi-  
5 nation of the agreements concluded pursuant to  
6 Compact section 177, and section 215(a) of the  
7 U.S.-FSM Compact and section 216(a) of the  
8 U.S.-RMI Compact, the terms of which are in-  
9 corporated by reference into the U.S.-FSM  
10 Compact and the U.S.-RMI Compact; and

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

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

18 (ii) Articles VI, XV, and XVII of the  
19 agreement referred to in section 462(b)(7)  
20 of the U.S.-FSM Compact and U.S.-RMI  
21 Compact.

22 (e) SUBSIDIARY AGREEMENTS DEEMED BILAT-  
23 ERAL.—For purposes of implementation of the U.S.-FSM  
24 Compact and the U.S.-RMI Compact and this joint resolu-  
25 tion, the Agreement Concluded Pursuant to Section 234

1 of the Compact of Free Association and referred to in sec-  
2 tion 462(a)(1) of the U.S.-FSM Compact and section  
3 462(a)(4) of the U.S.-RMI Compact shall be deemed to  
4 be a bilateral agreement between the United States and  
5 each other party to such subsidiary agreement. The con-  
6 sent or concurrence of any other party shall not be re-  
7 quired for the effectiveness of any actions taken by the  
8 United States in conjunction with either the Federated  
9 States of Micronesia or the Republic of the Marshall Is-  
10 lands which are intended to affect the implementation,  
11 modification, suspension, or termination of such sub-  
12 sidiary agreement (or any provision thereof) as regards  
13 the mutual responsibilities of the United States and the  
14 party in conjunction with whom the actions are taken.

15 (f) ENTRY INTO FORCE OF FUTURE AMENDMENTS  
16 TO SUBSIDIARY AGREEMENTS.—No agreement between  
17 the United States and the government of either the Fed-  
18 erated States of Micronesia or the Republic of the Mar-  
19 shall Islands which would amend, change, or terminate  
20 any subsidiary agreement or portion thereof, other than  
21 those set forth in subsection (d) of this section shall enter  
22 into force until after the President has transmitted such  
23 agreement to the President of the Senate and the Speaker  
24 of the House of Representatives together with an expla-  
25 nation of the agreement and the reasons therefor. In the

1 case of the agreement referred to in section 462(b)(3) of  
2 the U.S.-FSM Compact and the U.S.-RMI Compact, such  
3 transmittal shall include a specific statement by the Sec-  
4 retary of Labor as to the necessity of such amendment,  
5 change, or termination, and the impact thereof.

6 **SEC. 102. AGREEMENTS WITH FEDERATED STATES OF MI-**  
7 **CRONESIA.**

8 (a) **LAW ENFORCEMENT ASSISTANCE.**—Pursuant to  
9 sections 222 and 224 of the U.S.-FSM Compact, the  
10 United States shall provide nonreimbursable technical and  
11 training assistance as appropriate, including training and  
12 equipment for postal inspection of illicit drugs and other  
13 contraband, to enable the Government of the Federated  
14 States of Micronesia to develop and adequately enforce  
15 laws of the Federated States of Micronesia and to cooper-  
16 ate with the United States in the enforcement of criminal  
17 laws of the United States. Funds appropriated pursuant  
18 to section 105(j) of this title may be used to reimburse  
19 State or local agencies providing such assistance.

20 (b) **AGREEMENT ON AUDITS.**—The Comptroller Gen-  
21 eral (and his duly authorized representatives) shall have  
22 the authorities necessary to carry out his responsibilities  
23 under section 232 of the U.S.-FSM Compact and the  
24 agreement referred to in section 462(b)(4) of the U.S.-  
25 FSM Compact, including the following authorities:

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

3           (A) The Comptroller General of the United  
4 States (and his duly authorized representatives)  
5 shall have the authority to audit—

6           (i) all grants, program assistance, and  
7 other assistance provided to the Govern-  
8 ment of the Federated States of Micro-  
9 nesia under Articles I and II of Title Two  
10 of the U.S.-FSM Compact; and

11           (ii) any other assistance provided by  
12 the Government of the United States to  
13 the Government of the Federated States of  
14 Micronesia.

15 Such authority shall include authority for the  
16 Comptroller General to conduct or cause to be  
17 conducted any of the audits provided for in sec-  
18 tion 232 of the U.S.-FSM Compact. The au-  
19 thority provided in this paragraph shall con-  
20 tinue for at least ten years after the last such  
21 grant has been made or assistance has been  
22 provided.

23           (B) The Comptroller General (and his duly  
24 authorized representatives) shall also have au-  
25 thority to review any audit conducted by or on

1           behalf of the Government of the United States.  
2           In this connection, the Comptroller General  
3           shall have access to such personnel and to such  
4           records, documents, working papers, automated  
5           data and files, and other information relevant  
6           to such review.

7           (2)   COMPTROLLER   GENERAL   ACCESS   TO  
8           RECORDS.—

9                   (A) In carrying out paragraph (1), the  
10           Comptroller General (and his duly authorized  
11           representatives) shall have such access to the  
12           personnel and (without cost) to records, docu-  
13           ments, working papers, automated data and  
14           files, and other information relevant to such au-  
15           dits. The Comptroller General may duplicate  
16           any such records, documents, working papers,  
17           automated data and files, or other information  
18           relevant to such audits.

19                   (B) Such records, documents, working pa-  
20           pers, automated data and files, and other infor-  
21           mation regarding each such grant or other as-  
22           sistance shall be maintained for at least ten  
23           years after the date such grant or assistance  
24           was provided and in a manner that permits  
25           such grants, assistance, and payments to be ac-

1           counted for distinct from any other funds of the  
2           Government of the Federated States of Micro-  
3           nesia.

4           (3) STATUS OF COMPTROLLER GENERAL REP-  
5           PRESENTATIVES.—The Comptroller General and his  
6           duly authorized representatives shall be immune  
7           from civil and criminal process relating to words  
8           spoken or written and all acts performed by them in  
9           their official capacity and falling within their func-  
10          tions, except insofar as such immunity may be ex-  
11          pressly waived by the Government of the United  
12          States. The Comptroller General and his duly au-  
13          thorized representatives shall not be liable to arrest  
14          or detention pending trial, except in the case of a  
15          grave crime and pursuant to a decision by a com-  
16          petent judicial authority, and such persons shall  
17          enjoy immunity from seizure of personal property,  
18          immigration restrictions, and laws relating to alien  
19          registration, fingerprinting, and the registration of  
20          foreign agents. Such persons shall enjoy the same  
21          taxation exemptions as are set forth in Article 34 of  
22          the Vienna Convention on Diplomatic Relations. The  
23          privileges, exemptions and immunities accorded  
24          under this paragraph are not for the personal ben-  
25          efit of the individuals concerned but are to safeguard

1 the independent exercise of their official functions.  
2 Without prejudice to those privileges, exemptions  
3 and immunities, it is the duty of all such persons to  
4 respect the laws and regulations of the Government  
5 of the Federated States of Micronesia.

6 (4) AUDITS DEFINED.—As used in this sub-  
7 section, the term “audits” includes financial, pro-  
8 gram, and management audits, including deter-  
9 mining—

10 (A) whether the Government of the Fed-  
11 erated States of Micronesia has met the re-  
12 quirements set forth in the U.S.-FSM Compact,  
13 or any related agreement entered into under the  
14 U.S.-FSM Compact, regarding the purposes for  
15 which such grants and other assistance are to  
16 be used; and

17 (B) the propriety of the financial trans-  
18 actions of the Government of the Federated  
19 States of Micronesia pursuant to such grants or  
20 assistance.

21 (5) COOPERATION BY FEDERATED STATES OF  
22 MICRONESIA.—The Government of the Federated  
23 States of Micronesia will cooperate fully with the  
24 Comptroller General of the United States in the con-  
25 duct of such audits as the Comptroller General de-

1 termines necessary to enable the Comptroller Gen-  
2 eral to fully discharge his responsibilities under this  
3 joint resolution.

4 **SEC. 103. AGREEMENTS WITH AND OTHER PROVISIONS RE-**  
5 **LATED TO THE REPUBLIC OF THE MARSHALL**  
6 **ISLANDS.**

7 (a) LAW ENFORCEMENT ASSISTANCE.—Pursuant to  
8 sections 222 and 224 of the U.S.-RMI Compact, the  
9 United States shall provide non-reimbursable technical  
10 and training assistance as appropriate, including training  
11 and equipment for postal inspection of illicit drugs and  
12 other contraband, to enable the Government of the Mar-  
13 shall Islands to develop and adequately enforce laws of the  
14 Marshall Islands and to cooperate with the United States  
15 in the enforcement of criminal laws of the United States.  
16 Funds appropriated pursuant to section 105(j) of this title  
17 may be used to reimburse State or local agencies providing  
18 such assistance.

19 (b) EJIT.—

20 (1) In the joint resolution of January 14, 1986  
21 (Public Law 99–239) Congress provided that the  
22 President of the United States shall negotiate with  
23 the Government of the Marshall Islands an agree-  
24 ment whereby, without prejudice as to any claims  
25 which have been or may be asserted by any party as

1 to rightful title and ownership of any lands on Ejit,  
2 the Government of the Marshall Islands shall assure  
3 that lands on Ejit used as of January 1, 1985, by  
4 the people of Bikini, will continue to be available  
5 without charge for their use, until such time as Bi-  
6 kini is restored and inhabitable and the continued  
7 use of Ejit is no longer necessary, unless a Marshall  
8 Islands court of competent jurisdiction finally deter-  
9 mines that there are legal impediments to continued  
10 use of Ejit by the people of Bikini.

11 (2) In the joint resolution of January 14, 1986  
12 (Public Law 99–239) Congress provided that if the  
13 impediments described in paragraph (1) do arise,  
14 the United States will cooperate with the Govern-  
15 ment of the Marshall Islands in assisting any person  
16 adversely affected by such judicial determination to  
17 remain on Ejit, or in locating suitable and accept-  
18 able alternative lands for such person’s use.

19 (3) In the joint resolution of January 14, 1986  
20 (Public Law 99–239) Congress provided that para-  
21 graph (1) shall not be applied in a manner which  
22 would prevent the Government of the Marshall Is-  
23 lands from acting in accordance with its constitu-  
24 tional processes to resolve title and ownership claims  
25 with respect to such lands or from taking substitute

1 or additional measures to meet the needs of the peo-  
2 ple of Bikini with their democratically expressed con-  
3 sent and approval.

4 (c) KWAJALEIN.—

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

16 (2)(A) If the Government of the Marshall Is-  
17 lands fails to make payments in accordance with  
18 paragraph (1), the Government of the United States  
19 shall initiate procedures under section 313 of the  
20 Compact and consult with the Government of the  
21 Marshall Islands with respect to the basis for the  
22 nonpayment of funds.

23 (B) The United States shall expeditiously re-  
24 solve the matter of any nonpayment of funds re-  
25 quired under paragraph (1) pursuant to section 313

1 of the Compact and the authority and responsibility  
2 of the Government of the United States for security  
3 and defense matters in or relating to the Marshall  
4 Islands.

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

7 (3) Until such time as the Government of the  
8 Marshall Islands and the landowners of Kwajalein  
9 Atoll have concluded an agreement amending or  
10 superceding the land use agreement dated October  
11 19, 1982, any amounts paid by the United States to  
12 the Government of the Marshall Islands in excess of  
13 the amounts required to be paid pursuant to the  
14 land use agreement dated October 19, 1982, shall be  
15 paid into, and held in, an interest bearing account  
16 in a United States financial institution by the Gov-  
17 ernment of the Republic of the Marshall Islands.

18 (4)(A) The Government of the Republic of the  
19 Marshall Islands shall notify the Government of the  
20 United States when an agreement amending or  
21 superceding the land use agreement dated October  
22 19, 1982, is concluded.

23 (B) If no agreement amending or superceding  
24 the land use agreement dated October 19, 1982, is  
25 concluded by the date five years after the date of en-

1 actment of this resolution, the President shall report  
2 to Congress on the intentions of the United States  
3 with respect to the use of Kwajalein Atoll after  
4 2016, and on any plans to relocate activities carried  
5 out at Kwajalein Atoll.

6 (d) SECTION 177 AGREEMENT.—

7 (1) In the joint resolution of January 14, 1986  
8 (Public Law 99–239) Congress provided that in fur-  
9 therance of the purposes of Article I of the Sub-  
10 sidiary Agreement for Implementation of Section  
11 177 of the Compact, the payment of the amount  
12 specified therein shall be made by the United States  
13 under Article I of the Agreement between the Gov-  
14 ernment of the United States and the Government  
15 of the Marshall Islands for the Implementation of  
16 section 177 of the Compact (hereafter in this sub-  
17 section referred to as the “Section 177 Agreement”)  
18 only after the Government of the Marshall Islands  
19 has notified the President of the United States as to  
20 which investment management firm has been se-  
21 lected by such Government to act as Fund Manager  
22 under Article I of the Section 177 Agreement.

23 (2) In the joint resolution of January 14, 1986  
24 (Public Law 99–239) Congress provided that in the  
25 event that the President determines that an invest-

1       ment management firm selected by the Government  
2       of the Marshall Islands does not meet the require-  
3       ments specified in Article I of the Section 177  
4       Agreement, the United States shall invoke the con-  
5       ference and dispute resolution procedures of Article  
6       II of Title Four of the Compact. Pending the resolu-  
7       tion of such a dispute and until a qualified Fund  
8       Manager has been designated, the Government of  
9       the Marshall Islands shall place the funds paid by  
10      the United States pursuant to Article I of the Sec-  
11      tion 177 Agreement into an interest-bearing escrow  
12      account. Upon designation of a qualified Fund Man-  
13      ager, all funds in the escrow account shall be trans-  
14      ferred to the control of such Fund Manager for  
15      management pursuant to the Section 177 Agree-  
16      ment.

17               (3) In the joint resolution of January 14, 1986  
18      (Public Law 99–239) Congress provided that if the  
19      Government of the Marshall Islands determines that  
20      some other investment firm should act as Fund  
21      Manager in place of the firm first (or subsequently)  
22      selected by such Government, the Government of the  
23      Marshall Islands shall so notify the President of the  
24      United States, identifying the firm selected by such  
25      Government to become Fund Manager, and the

1 President shall proceed to evaluate the qualifications  
2 of such identified firm.

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

12 (e) NUCLEAR TEST EFFECTS.—In the joint resolu-  
13 tion of January 14, 1986 (Public Law 99–239) Congress  
14 provided that in approving the Compact, the Congress un-  
15 derstands and intends that the peoples of Bikini,  
16 Enewetak, Rongelap, and Utrik, who were affected by the  
17 United States nuclear weapons testing program in the  
18 Marshall Islands, will receive the amounts of \$75,000,000  
19 (Bikini); \$48,750,000 (Enewetak); \$37,500,000  
20 (Rongelap); and \$22,500,000 (Utrik), respectively, which  
21 amounts shall be paid out of proceeds from the fund estab-  
22 lished under Article I, section 1 of the subsidiary agree-  
23 ment for the implementation of section 177 of the Com-  
24 pact. The amounts specified in this subsection shall be in  
25 addition to any amounts which may be awarded to claim-

1 ants pursuant to Article IV of the subsidiary agreement  
2 for the implementation of Section 177 of the Compact.  
3 Nothing in this subsection creates any rights or obliga-  
4 tions beyond those provided for in the original enacted  
5 version of Public Law 99–239.

6 (f) ESPOUSAL PROVISIONS.—

7 (1) In the joint resolution of January 14, 1986  
8 (Public Law 99–239) Congress provided that it is  
9 the intention of the Congress of the United States  
10 that the provisions of section 177 of the Compact of  
11 Free Association and the Agreement between the  
12 Government of the United States and the Govern-  
13 ment of the Marshall Islands for the Implementation  
14 of Section 177 of the Compact (hereafter in this  
15 subsection referred to as the “Section 177 Agree-  
16 ment”) constitute a full and final settlement of all  
17 claims described in Articles X and XI of the Section  
18 177 Agreement, and that any such claims be termi-  
19 nated and barred except insofar as provided for in  
20 the Section 177 Agreement.

21 (2) In the joint resolution of January 14, 1986  
22 (Public Law 99–239) Congress provided that in fur-  
23 therance of the intention of Congress as stated in  
24 paragraph (1) of this subsection, the Section 177  
25 Agreement is hereby ratified and approved. It is the

1 explicit understanding and intent of Congress that  
2 the jurisdictional limitations set forth in Article XII  
3 of such Agreement are enacted solely and exclusively  
4 to accomplish the objective of Article X of such  
5 Agreement and only as a clarification of the effect  
6 of Article X, and are not to be construed or imple-  
7 mented separately from Article X.

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

10 (1) Notwithstanding any other provision of law,  
11 upon the request of the Government of the Republic  
12 of the Marshall Islands, the President (either  
13 through an appropriate department or agency of the  
14 United States or by contract with a United States  
15 firm) shall continue to provide special medical care  
16 and logistical support thereto for the remaining  
17 members of the population of Rongelap and Utrik  
18 who were exposed to radiation resulting from the  
19 1954 United States thermo-nuclear “Bravo” test,  
20 pursuant to Public Laws 95–134 and 96–205.

21 (2)(A) In the joint resolution of January 14,  
22 1986 (Public Law 99–239), Congress provided that  
23 notwithstanding any other provision of law, upon the  
24 request of the Government of the Marshall Islands,  
25 for the first fifteen years after the effective date of

1 the Compact, the President (either through an ap-  
2 propriate department or agency of the United States  
3 or by contract with a United States firm or by a  
4 grant to the Government of the Republic of the Mar-  
5 shall Islands which may further contract only with  
6 a United States firm or a Republic of the Marshall  
7 Islands firm, the owners, officers and majority of the  
8 employees of which are citizens of the United States  
9 or the Republic of the Marshall Islands) shall pro-  
10 vide technical and other assistance—

11 (i) without reimbursement, to continue the  
12 planting and agricultural maintenance program  
13 on Enewetak, as provided in subparagraph (C);

14 (ii) without reimbursement, to continue the  
15 food programs of the Bikini and Enewetak peo-  
16 ple described in section 1(d) of Article II of the  
17 Subsidiary Agreement for the Implementation  
18 of Section 177 of the Compact and for contin-  
19 ued waterborne transportation of agricultural  
20 products to Enewetak including operations and  
21 maintenance of the vessel used for such pur-  
22 poses.

23 (B) The President shall ensure the assistance  
24 provided under these programs reflects the changes

1 in the population since the inception of such pro-  
2 grams.

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

8 (ii) There is hereby authorized and appro-  
9 priated to the Secretary of the Interior, out of any  
10 funds in the Treasury not otherwise appropriated, to  
11 remain available until expended, for each fiscal year  
12 from 2004 through 2023, \$1,300,000, as adjusted  
13 for inflation under section 218 of the U.S.-RMI  
14 Compact, to carry out the planting and agricultural  
15 maintenance program.

16 (3) In the joint resolution of January 14, 1986  
17 (Public Law 99-239) Congress provided that pay-  
18 ments under this subsection shall be provided to  
19 such extent or in such amounts as are necessary for  
20 services and other assistance provided pursuant to  
21 this subsection. It is the sense of Congress that after  
22 the periods of time specified in paragraphs (1) and  
23 (2) of this subsection, consideration will be given to  
24 such additional funding for these programs as may  
25 be necessary.

1 (h) RONGELAP.—

2 (1) In the joint resolution of January 14, 1986  
3 (Public Law 99–239) Congress provided that be-  
4 cause Rongelap was directly affected by fallout from  
5 a 1954 United States thermonuclear test and be-  
6 cause the Rongelap people remain unconvinced that  
7 it is safe to continue to live on Rongelap Island, it  
8 is the intent of Congress to take such steps (if any)  
9 as may be necessary to overcome the effects of such  
10 fallout on the habitability of Rongelap Island, and to  
11 restore Rongelap Island, if necessary, so that it can  
12 be safely inhabited. Accordingly, it is the expectation  
13 of the Congress that the Government of the Mar-  
14 shall Islands shall use such portion of the funds  
15 specified in Article II, section 1(e) of the subsidiary  
16 agreement for the implementation of section 177 of  
17 the Compact as are necessary for the purpose of  
18 contracting with a qualified scientist or group of sci-  
19 entists to review the data collected by the Depart-  
20 ment of Energy relating to radiation levels and other  
21 conditions on Rongelap Island resulting from the  
22 thermonuclear test. It is the expectation of the Con-  
23 gress that the Government of the Marshall Islands,  
24 after consultation with the people of Rongelap, shall  
25 select the party to review such data, and shall con-

1 tract for such review and for submission of a report  
2 to the President of the United States and the Con-  
3 gress as to the results thereof.

4 (2) In the joint resolution of January 14, 1986  
5 (Public Law 99-239) Congress provided that the  
6 purpose of the review referred to in paragraph (1)  
7 of this subsection shall be to establish whether the  
8 data cited in support of the conclusions as to the  
9 habitability of Rongelap Island, as set forth in the  
10 Department of Energy report entitled: “The Mean-  
11 ing of Radiation for Those Atolls in the Northern  
12 Part of the Marshall Islands That Were Surveyed in  
13 1978”, dated November 1982, are adequate and  
14 whether such conclusions are fully supported by the  
15 data. If the party reviewing the data concludes that  
16 such conclusions as to habitability are fully sup-  
17 ported by adequate data, the report to the President  
18 of the United States and the Congress shall so state.  
19 If the party reviewing the data concludes that the  
20 data are inadequate to support such conclusions as  
21 to habitability or that such conclusions as to habit-  
22 ability are not fully supported by the data, the Gov-  
23 ernment of the Marshall Islands shall contract with  
24 an appropriate scientist or group of scientists to un-  
25 dertake a complete survey of radiation and other ef-

1       fects of the nuclear testing program relating to the  
2       habitability of Rongelap Island. Such sums as are  
3       necessary for such survey and report concerning the  
4       results thereof and as to steps needed to restore the  
5       habitability of Rongelap Island are authorized to be  
6       made available to the Government of the Marshall  
7       Islands.

8               (3) In the joint resolution of January 14, 1986  
9       (Public Law 99–239) Congress provided that it is  
10      the intent of Congress that such steps (if any) as  
11      are necessary to restore the habitability of Rongelap  
12      Island and return the Rongelap people to their  
13      homeland will be taken by the United States in con-  
14      sultation with the Government of the Marshall Is-  
15      lands and, in accordance with its authority under  
16      the Constitution of the Marshall Islands, the  
17      Rongelap local government council.

18      (i) FOUR ATOLL HEALTH CARE PROGRAM.—

19               (1) In the joint resolution of January 14, 1986  
20      (Public Law 99–239) Congress provided that serv-  
21      ices provided by the United States Public Health  
22      Service or any other United States agency pursuant  
23      to section 1(a) of Article II of the Agreement for the  
24      Implementation of Section 177 of the Compact  
25      (hereafter in this subsection referred to as the “Sec-

1       tion 177 Agreement”) shall be only for services to  
2       the people of the Atolls of Bikini, Enewetak,  
3       Rongelap, and Utrik who were affected by the con-  
4       sequences of the United States nuclear testing pro-  
5       gram, pursuant to the program described in Public  
6       Law 95–134 (91 Stat. 1159) and Public Law 96–  
7       205 (94 Stat. 84) and their descendants (and any  
8       other persons identified as having been so affected  
9       if such identification occurs in the manner described  
10      in such public laws). Nothing in this subsection shall  
11      be construed as prejudicial to the views or policies  
12      of the Government of the Marshall Islands as to the  
13      persons affected by the consequences of the United  
14      States nuclear testing program.

15           (2) In the joint resolution of January 14, 1986  
16      (Public Law 99–239) Congress provided that at the  
17      end of the first year after the effective date of the  
18      Compact and at the end of each year thereafter, the  
19      providing agency or agencies shall return to the Gov-  
20      ernment of the Marshall Islands any unexpended  
21      funds to be returned to the Fund Manager (as de-  
22      scribed in Article I of the Section 177 Agreement)  
23      to be covered into the Fund to be available for fu-  
24      ture use.

1           (3) In the joint resolution of January 14, 1986  
2           (Public Law 99–239) Congress provided that the  
3           Fund Manager shall retain the funds returned by  
4           the Government of the Marshall Islands pursuant to  
5           paragraph (2) of this subsection, shall invest and  
6           manage such funds, and at the end of 15 years after  
7           the effective date of the Compact, shall make from  
8           the total amount so retained and the proceeds there-  
9           of annual disbursements sufficient to continue to  
10          make payments for the provision of health services  
11          as specified in paragraph (1) of this subsection to  
12          such extent as may be provided in contracts between  
13          the Government of the Marshall Islands and appro-  
14          priate United States providers of such health serv-  
15          ices.

16          (j) ENJEBI COMMUNITY TRUST FUND.—In the joint  
17          resolution of January 14, 1986 (Public Law 99–239) Con-  
18          gress provided that notwithstanding any other provision  
19          of law, the Secretary of the Treasury shall establish on  
20          the books of the Treasury of the United States a fund  
21          having the status specified in Article V of the subsidiary  
22          agreement for the implementation of Section 177 of the  
23          Compact, to be known as the “Enjebi Community Trust  
24          Fund” (hereafter in this subsection referred to as the  
25          “Fund”), and shall credit to the Fund the amount of

1 \$7,500,000. Such amount, which shall be ex gratia, shall  
2 be in addition to and not charged against any other funds  
3 provided for in the Compact and its subsidiary agree-  
4 ments, this joint resolution, or any other Act. Upon receipt  
5 by the President of the United States of the agreement  
6 described in this subsection, the Secretary of the Treas-  
7 ury, upon request of the Government of the Marshall Is-  
8 lands, shall transfer the Fund to the Government of the  
9 Marshall Islands, provided that the Government of the  
10 Marshall Islands agrees as follows:

11           (1) ENJEBI TRUST AGREEMENT.—In the joint  
12 resolution of January 14, 1986 (Public Law 99–  
13 239) Congress provided that the Government of the  
14 Marshall Islands and the Enewetak Local Govern-  
15 ment Council, in consultation with the people of  
16 Enjebi, shall provide for the creation of the Enjebi  
17 Community Trust Fund and the employment of the  
18 manager of the Enewetak Fund established pursu-  
19 ant to the Section 177 Agreement as trustee and  
20 manager of the Enjebi Community Trust Fund, or,  
21 should the manager of the Enewetak Fund not be  
22 acceptable to the people of Enjebi, another United  
23 States investment manager with substantial experi-  
24 ence in the administration of trusts and with funds  
25 under management in excess of 250 million dollars.

1           (2) MONITOR CONDITIONS.—In the joint resolu-  
2           tion of January 14, 1986 (Public Law 99–239) Con-  
3           gress provided that upon the request of the Govern-  
4           ment of the Marshall Islands, the United States  
5           shall monitor the radiation and other conditions on  
6           Enjebi and within one year of receiving such a re-  
7           quest shall report to the Government of the Marshall  
8           Islands when the people of Enjebi may resettle  
9           Enjebi under circumstances where the radioactive  
10          contamination at Enjebi, including contamination  
11          derived from consumption of locally grown food  
12          products, can be reduced or otherwise controlled to  
13          meet whole body Federal radiation protection stand-  
14          ards for the general population, including mean an-  
15          nual dose and mean 30-year cumulative dose stand-  
16          ards.

17          (3) RESETTLEMENT OF ENJEBI.—In the joint  
18          resolution of January 14, 1986 (Public Law 99–  
19          239) Congress provided that in the event that the  
20          United States determines that the people of Enjebi  
21          can within 25 years of January 14, 1986, resettle  
22          Enjebi under the conditions set forth in paragraph  
23          (2) of this subsection, then upon such determination  
24          there shall be available to the people of Enjebi from  
25          the Fund such amounts as are necessary for the

1 people of Enjebi to do the following, in accordance  
2 with a plan developed by the Enewetak Local Gov-  
3 ernment Council and the people of Enjebi, and con-  
4 curred with by the Government of the Marshall Is-  
5 lands to assure consistency with the government's  
6 overall economic development plan:

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

9 (B) Replant Enjebi with appropriate food-  
10 bearing and other vegetation.

11 (4) RESETTLEMENT OF OTHER LOCATION.—In  
12 the joint resolution of January 14, 1986 (Public  
13 Law 99-239) Congress provided that in the event  
14 that the United States determines that within 25  
15 years of January 14, 1986, the people of Enjebi can-  
16 not resettle Enjebi without exceeding the radiation  
17 standards set forth in paragraph (2) of this sub-  
18 section, then the fund manager shall be directed by  
19 the trust instrument to distribute the Fund to the  
20 people of Enjebi for their resettlement at some other  
21 location in accordance with a plan, developed by the  
22 Enewetak Local Government Council and the people  
23 of Enjebi and concurred with by the Government of  
24 the Marshall Islands, to assure consistency with the  
25 government's overall economic development plan.

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

9           (6) DISCLAIMER OF LIABILITY.—In the joint  
10          resolution of January 14, 1986 (Public Law 99–  
11          239) Congress provided that neither under the laws  
12          of the Marshall Islands nor under the laws of the  
13          United States, shall the Government of the United  
14          States be liable for any loss or damage to person or  
15          property in respect to the resettlement of Enjebi by  
16          the people of Enjebi, pursuant to the provision of  
17          this subsection or otherwise.

18          (k) BIKINI ATOLL CLEANUP.—

19               (1) DECLARATION OF POLICY.—In the joint  
20          resolution of January 14, 1986 (Public Law 99–  
21          239), the Congress determined and declared that it  
22          is the policy of the United States, to be supported  
23          by the full faith and credit of the United States,  
24          that because the United States, through its nuclear  
25          testing and other activities, rendered Bikini Atoll

1 unsafe for habitation by the people of Bikini, the  
2 United States will fulfill its responsibility for restor-  
3 ing Bikini Atoll to habitability, as set forth in para-  
4 graph (2) and (3) of this subsection.

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

11 (3) CONDITIONS OF FUNDING.—In the joint  
12 resolution of January 14, 1986 (Public Law 99–  
13 239) the Congress provided that the funds referred  
14 to in paragraph (2) were to be made available pursu-  
15 ant to Article VI, Section 1 of the Compact Section  
16 177 Agreement upon completion of the events set  
17 forth in the settlement agreement referred to in  
18 paragraph (2) of this subsection.

19 (1) AGREEMENT ON AUDITS.—The Comptroller Gen-  
20 eral (and his duly authorized representatives) shall have  
21 the authorities necessary to carry out his responsibilities  
22 under section 232 of the U.S.-RMI Compact and the  
23 agreement referred to in section 462(b)(4) of the U.S.-  
24 RMI Compact, including the following authorities:

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

3           (A) The Comptroller General of the United  
4 States (and his duly authorized representatives)  
5 shall have the authority to audit—

6           (i) all grants, program assistance, and  
7 other assistance provided to the Govern-  
8 ment of the Republic of the Marshall Is-  
9 lands under Articles I and II of Title Two  
10 of the U.S.-RMI Compact; and

11           (ii) any other assistance provided by  
12 the Government of the United States to  
13 the Government of the Republic of the  
14 Marshall Islands.

15 Such authority shall include authority for the  
16 Comptroller General to conduct or cause to be  
17 conducted any of the audits provided for in sec-  
18 tion 232 of the U.S.-RMI Compact. The au-  
19 thority provided in this paragraph shall con-  
20 tinue for at least three years after the last such  
21 grant has been made or assistance has been  
22 provided.

23           (B) The Comptroller General (and his duly  
24 authorized representatives) shall also have au-  
25 thority to review any audit conducted by or on

1           behalf of the Government of the United States.  
2           In this connection, the Comptroller General  
3           shall have access to such personnel and to such  
4           records, documents, working papers, automated  
5           data and files, and other information relevant  
6           to such review.

7           (2)   COMPTROLLER   GENERAL   ACCESS   TO  
8           RECORDS.—

9                   (A) In carrying out paragraph (1), the  
10           Comptroller General (and his duly authorized  
11           representatives) shall have such access to the  
12           personnel and (without cost) to records, docu-  
13           ments, working papers, automated data and  
14           files, and other information relevant to such au-  
15           dits. The Comptroller General may duplicate  
16           any such records, documents, working papers,  
17           automated data and files, or other information  
18           relevant to such audits.

19                   (B) Such records, documents, working pa-  
20           pers, automated data and files, and other infor-  
21           mation regarding each such grant or other as-  
22           sistance shall be maintained for at least three  
23           years after the date such grant or assistance  
24           was provided and in a manner that permits  
25           such grants, assistance and payments to be ac-

1           counted for distinct from any other funds of the  
2           Government of the Republic of the Marshall Is-  
3           lands.

4           (3) STATUS OF COMPTROLLER GENERAL REP-  
5           RESENTATIVES.—The Comptroller General and his  
6           duly authorized representatives shall be immune  
7           from civil and criminal process relating to words  
8           spoken or written and all acts performed by them in  
9           their official capacity and falling within their func-  
10          tions, except insofar as such immunity may be ex-  
11          pressly waived by the Government of the United  
12          States. The Comptroller General and his duly au-  
13          thorized representatives shall not be liable to arrest  
14          or detention pending trial, except in the case of a  
15          grave crime and pursuant to a decision by a com-  
16          petent judicial authority, and such persons shall  
17          enjoy immunity from seizure of personal property,  
18          immigration restrictions, and laws relating to alien  
19          registration, fingerprinting, and the registration of  
20          foreign agents. Such persons shall enjoy the same  
21          taxation exemptions as are set forth in Article 34 of  
22          the Vienna Convention on Diplomatic Relations. The  
23          privileges, exemptions and immunities accorded  
24          under this paragraph are not for the personal ben-  
25          efit of the individuals concerned but are to safeguard

1 the independent exercise of their official functions.  
2 Without prejudice to those privileges, exemptions  
3 and immunities, it is the duty of all such persons to  
4 respect the laws and regulations of the Government  
5 of the Republic of the Marshall Islands.

6 (4) AUDITS DEFINED.—As used in this sub-  
7 section, the term “audits” includes financial, pro-  
8 gram, and management audits, including deter-  
9 mining—

10 (A) whether the Government of the Repub-  
11 lic of the Marshall Islands has met the require-  
12 ments set forth in the U.S.-RMI Compact, or  
13 any related agreement entered into under the  
14 U.S.-RMI Compact, regarding the purposes for  
15 which such grants and other assistance are to  
16 be used; and

17 (B) the propriety of the financial trans-  
18 actions of the Government of the Republic of  
19 the Marshall Islands pursuant to such grants or  
20 assistance.

21 (5) COOPERATION BY THE REPUBLIC OF THE  
22 MARSHALL ISLANDS.—The Government of the Re-  
23 public of the Marshall Islands will cooperate fully  
24 with the Comptroller General of the United States in  
25 the conduct of such audits as the Comptroller Gen-

1       eral determines necessary to enable the Comptroller  
2       General to fully discharge his responsibilities under  
3       this joint resolution.

4   **SEC. 104. INTERPRETATION OF AND UNITED STATES POL-**  
5                   **ICY REGARDING U.S.-FSM COMPACT AND U.S.-**  
6                   **RMI COMPACT.**

7       (a) HUMAN RIGHTS.—In approving the U.S.-FSM  
8       Compact and the U.S.-RMI Compact, the Congress notes  
9       the conclusion in the Statement of Intent of the Report  
10      of The Future Political Status Commission of the Con-  
11      gress of Micronesia in July, 1969, that “our recommenda-  
12      tion of a free associated state is indissolubly linked to our  
13      desire for such a democratic, representative, constitutional  
14      government” and notes that such desire and intention are  
15      reaffirmed and embodied in the Constitutions of the Fed-  
16      erated States of Micronesia and the Republic of the Mar-  
17      shall Islands. The Congress also notes and specifically en-  
18      dorses the preamble to the U.S.-FSM Compact and the  
19      U.S.-RMI Compact, which affirms that the governments  
20      of the parties to the U.S.-FSM Compact and the U.S.-  
21      RMI Compact are founded upon respect for human rights  
22      and fundamental freedoms for all. The Secretary of State  
23      shall include in the annual reports on the status of inter-  
24      nationally recognized human rights in foreign countries,  
25      which are submitted to the Congress pursuant to sections

1 116 and 502B of the Foreign Assistance Act of 1961 (22  
2 U.S.C. 2151n, 2304), a full and complete report regarding  
3 the status of internationally recognized human rights in  
4 the Federated States of Micronesia and the Republic of  
5 the Marshall Islands.

6 (b) IMMIGRATION AND PASSPORT SECURITY.—

7 (1) NATURALIZED CITIZENS.—The rights of a  
8 bona fide naturalized citizen of the Federated States  
9 of Micronesia or the Republic of the Marshall Is-  
10 lands to enter the United States, to lawfully engage  
11 therein in occupations, and to establish residence  
12 therein as a nonimmigrant, to the extent such rights  
13 are provided under section 141 of the U.S.-FSM  
14 Compact and U.S.-RMI Compact, shall not be  
15 deemed to extend to any such naturalized citizen  
16 with respect to whom circumstances associated with  
17 the acquisition of the status of a naturalized citizen  
18 are such as to allow a reasonable inference, on the  
19 part of appropriate officials of the United States and  
20 subject to United States procedural requirements,  
21 that such naturalized status was acquired primarily  
22 in order to obtain such rights.

23 (2) PASSPORTS.—It is the intent of Congress  
24 that up to \$250,000 of the grant assistance provided  
25 to the Federated States of Micronesia pursuant to

1 section 211(a)(4) of the U.S.-FSM Compact, and up  
2 to \$250,000 of the grant assistance provided to the  
3 Republic of the Marshall Islands pursuant to section  
4 211(a)(4) of the U.S.-RMI Compact (or a greater  
5 amount of the section 211(a)(4) grant, if mutually  
6 agreed between the Government of the United States  
7 and the government of the Federated States of Mi-  
8 cronesia or the government of the Republic of the  
9 Marshall Islands), be used for the purpose of in-  
10 creasing the machine-readability and security of  
11 passports issued by such jurisdictions. It is the in-  
12 tent of Congress that funds be obligated by Sep-  
13 tember 30, 2004 and in the amount and manner  
14 specified by the Secretary of State in consultation  
15 with the Secretary of Homeland Security and, re-  
16 spectively, with the government of the Federated  
17 States of Micronesia and the government of the Re-  
18 public of the Marshall Islands. The United States  
19 Government is authorized to require that passports  
20 used for the purpose of seeking admission under sec-  
21 tion 141 of the U.S.-FSM Compact and the U.S.-  
22 RMI Compact contain appropriate security enhance-  
23 ments.

24 (3) INFORMATION-SHARING.—It is the intent of  
25 Congress that the governments of the Federated

1 States of Micronesia and the Republic of the Mar-  
2 shall Islands develop, prior to October 1, 2004, the  
3 capability to provide reliable and timely information  
4 as may reasonably be required by the Government of  
5 the United States in enforcing criminal and security-  
6 related grounds of inadmissibility and deportability  
7 under the Immigration and Nationality Act, as  
8 amended, and shall provide such information to the  
9 Government of the United States.

10 (4) TRANSITION; CONSTRUCTION OF SECTIONS  
11 141(A)(3) AND 141(A)(4) OF THE U.S.-FSM COMPACT  
12 AND U.S.-RMI COMPACT.—The words “the effective  
13 date of this Compact, as amended” in sections  
14 141(a)(3) and 141(a)(4) of the U.S.-FSM Compact  
15 and the U.S.-RMI Compact shall be construed to  
16 read, “on the day prior to the enactment by the  
17 United States Congress of the Amended Compact  
18 Act.”.

19 (c) NONALIENATION OF LANDS.—The Congress en-  
20 dors and encourages the maintenance of the policies of  
21 the Government of the Federated States of Micronesia and  
22 the Government of the Republic of the Marshall Islands  
23 to regulate, in accordance with their Constitutions and  
24 laws, the alienation of permanent interests in real property  
25 so as to restrict the acquisition of such interests to persons

1 of Federated States of Micronesia citizenship and the Re-  
2 public of the Marshall Islands citizenship, respectively.

3 (d) NUCLEAR WASTE DISPOSAL.—In approving the  
4 U.S.-FSM Compact and the U.S.-RMI Compact, the Con-  
5 gress understands that the Government of the Federated  
6 States of Micronesia and the Government of the Republic  
7 of the Marshall Islands will not permit any other govern-  
8 ment or any nongovernmental party to conduct, in the Re-  
9 public of the Marshall Islands or in the Federated States  
10 of Micronesia, any of the activities specified in subsection  
11 (a) of section 314 of the U.S.-FSM Compact and the U.S.-  
12 RMI Compact.

13 (e) IMPACT OF COMPACTS ON GUAM, THE STATE OF  
14 HAWAII, THE COMMONWEALTH OF THE NORTHERN MAR-  
15 IANA ISLANDS, AND AMERICAN SAMOA; RELATED AU-  
16 THORIZATION AND CONTINUING APPROPRIATION.—

17 (1) RECONCILIATION OF UNREIMBURSED IM-  
18 PACT EXPENSES.—

19 (A) IN GENERAL.—Notwithstanding any  
20 other provision of law, the President, to address  
21 previously accrued and unreimbursed impact ex-  
22 penses, may at the request of the Governor of  
23 Guam or the Governor of the Commonwealth of  
24 the Northern Mariana Islands, reduce, release,  
25 or waive all or part of any amounts owed by the

1 Government of Guam or the Government of the  
2 Commonwealth of the Northern Mariana Is-  
3 lands (or either government's autonomous agen-  
4 cies or instrumentalities), respectively, to any  
5 department, agency, independent agency, office,  
6 or instrumentality of the United States.

7 (B) TERMS AND CONDITIONS.—

8 (i) SUBSTANTIATION OF IMPACT  
9 COSTS.—Not later than 120 days after the  
10 date of the enactment of this resolution,  
11 the Governor of Guam and the Governor of  
12 the Commonwealth of the Northern Mar-  
13 iana Islands shall each submit to the Sec-  
14 retary of the Interior a report, prepared in  
15 consultation with an independent account-  
16 ing firm, substantiating unreimbursed im-  
17 pact expenses claimed for the period from  
18 January 14, 1986, through September 30,  
19 2003. Upon request of the Secretary of the  
20 Interior, the Governor of Guam and the  
21 Governor of the Commonwealth of the  
22 Northern Mariana Islands shall each sub-  
23 mit to the Secretary of the Interior copies  
24 of all documents upon which the report

1 submitted by that Governor under this  
2 clause was based.

3 (ii) CONGRESSIONAL NOTIFICATION.—  
4 The President shall notify Congress of his  
5 intent to exercise the authority granted in  
6 subparagraph (A).

7 (iii) CONGRESSIONAL REVIEW AND  
8 COMMENT.— Any reduction, release, or  
9 waiver under this Act shall not take effect  
10 until 60 days after the President notifies  
11 Congress of his intent to approve a request  
12 of the Governor of Guam or the Governor  
13 of the Commonwealth of the Northern  
14 Mariana Islands. In exercising his author-  
15 ity under this section and in determining  
16 whether to give final approval to a request,  
17 the President shall take into consideration  
18 comments he may receive after Congres-  
19 sional review.

20 (iv) EXPIRATION.—The authority  
21 granted in subparagraph (A) shall expire  
22 on February 28, 2005.

23 (2) STATEMENT OF CONGRESSIONAL INTENT.—  
24 In approving the Compacts, it is not the intent of  
25 the Congress to cause any adverse consequences for

1 Guam, the State of Hawaii, the Commonwealth of  
2 the Northern Mariana Islands, and American  
3 Samoa.

4 (3) ANNUAL REPORTS AND RECOMMENDA-  
5 TIONS.—One year after the date of enactment of  
6 this joint resolution, and at one year intervals there-  
7 after, the Governors of Guam, the State of Hawaii,  
8 the Commonwealth of the Northern Mariana Is-  
9 lands, and American Samoa may provide to the Sec-  
10 retary of the Interior by February 1 of each year  
11 their comments with respect to the impacts of the  
12 Compacts on their respective jurisdiction. The Sec-  
13 retary of the Interior, upon receipt of any such com-  
14 ments, shall report to the Congress not later than  
15 May 1 of each year to include the following:

16 (A) The Governor's comments on the im-  
17 pacts of the Compacts as well as the Adminis-  
18 tration's analysis of such impact.

19 (B) Any adverse consequences resulting  
20 from the Compacts and recommendations for  
21 corrective action to eliminate those con-  
22 sequences.

23 (C) Matters relating to trade, taxation, im-  
24 migration, labor laws, minimum wages, health,  
25 educational, social, and public safety services

1 and infrastructure, and environmental regula-  
2 tion.

3 (D) With regard to immigration, statistics  
4 concerning the number of persons availing  
5 themselves of the rights described in section  
6 141(a) of the Compact during the year covered  
7 by each report.

8 (E) With regard to trade, the reports shall  
9 include an analysis of the impact on the econ-  
10 omy of American Samoa resulting from imports  
11 of canned tuna into the United States from the  
12 Federated States of Micronesia, and the Repub-  
13 lic of the Marshall Islands.

14 (4) COMMITMENT OF CONGRESS TO REDRESS  
15 ADVERSE CONSEQUENCES.—The Congress hereby  
16 declares that, if any adverse consequences to Guam,  
17 the State of Hawaii, the Commonwealth of the  
18 Northern Mariana Islands, or American Samoa re-  
19 sult from implementation of the Compacts, the Con-  
20 gress will act sympathetically and expeditiously to  
21 redress those adverse consequences.

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

1 (A) section 141 of the Compact of Free  
2 Association between the United States and the  
3 Government of the Federated States of Micro-  
4 nesia set forth in Title I;

5 (B) section 141 of the Compact of Free  
6 Association between the United States and the  
7 Government of the Republic of the Marshall Is-  
8 lands set forth in Title I; or

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

12 (6) AUTHORIZATION AND CONTINUING APPRO-  
13 PRIATION.—There are hereby authorized and appro-  
14 priated to the Secretary of the Interior, for each fis-  
15 cal year beginning after September 30, 2003  
16 through 2023, \$30,000,000 for grants to the govern-  
17 ments of Guam, the State of Hawaii, the Common-  
18 wealth of the Northern Mariana Islands, and Amer-  
19 ican Samoa as a result of increased demands placed  
20 on educational, social, or public safety services or in-  
21 frastructure related to such services due to the pres-  
22 ence in Guam, the State of Hawaii, the Common-  
23 wealth of the Northern Mariana Islands, or Amer-  
24 ican Samoa of qualified nonimmigrants from the

1 Federated States of Micronesia, the Republic of the  
2 Marshall Islands, or the Republic of Palau.

3 (A) AWARDING.—The grants shall be—

4 (i) awarded and administered by the  
5 Department of the Interior, Office of Insu-  
6 lar Affairs, or any successor thereto, in ac-  
7 cordance with regulations, policies and pro-  
8 cedures applicable to grants so awarded  
9 and administered; and

10 (ii) used only for health, educational,  
11 social, or public safety services, or infra-  
12 structure related to such services, specifi-  
13 cally affected by qualified nonimmigrants.

14 (B) ENUMERATION.—For purposes of car-  
15 rying out this section, the Secretary of the Inte-  
16 rior shall provide for a periodic census of quali-  
17 fied nonimmigrants in Guam, the State of Ha-  
18 waii, the Commonwealth of the Northern Mar-  
19 iana Islands, and American Samoa. The enu-  
20 meration—

21 (i) shall be provided by the Secretary  
22 of the Interior beginning in fiscal year  
23 2004 and thereafter in calendar years  
24 2005, 2010, 2015, and 2020;

1 (ii) shall be supervised by the United  
2 States Bureau of the Census and any other  
3 supporting organization(s) as the Secretary  
4 of the Interior may select; and

5 (iii) after fiscal year 2003, shall be  
6 funded by the Secretary of the Interior by  
7 deducting such sums as are necessary from  
8 funds appropriated pursuant to the author-  
9 ization contained in paragraph (6) of this  
10 subsection.

11 (C) ALLOCATION.—The Secretary of the  
12 Interior shall allocate to each of the govern-  
13 ments of Guam, the State of Hawaii, the Com-  
14 monwealth of the Northern Mariana Islands,  
15 and American Samoa, on the basis of the re-  
16 sults of the most recent enumeration, grants in  
17 an aggregate amount equal to the total amount  
18 of funds appropriated under paragraph (6) of  
19 this subsection, as reduced by any deductions  
20 authorized by subparagraph (iii) of subpara-  
21 graph (B) of paragraph (6) of this subsection,  
22 multiplied by a ratio derived by dividing the  
23 number of qualified nonimmigrants in such af-  
24 fected jurisdiction by the total number of quali-  
25 fied nonimmigrants in the governments of

1           Guam, the Commonwealth of the Northern  
2           Mariana Islands, and American Samoa.

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

18          (8) AUTHORIZATION OF APPROPRIATIONS FOR  
19          THE REIMBURSEMENT OF HEALTH CARE SERV-  
20          ICES.—

21                 (A) AUTHORIZATION.—In addition to  
22                 amounts appropriated pursuant to the author-  
23                 ization provided in section 221(b) of Article II  
24                 of Title Two of the U.S.-FSM Compact and the  
25                 U.S.-RMI Compact, there are hereby authorized

1 to be appropriated to the Secretary of the Inte-  
2 rior such sums as may be necessary to reim-  
3 burse designated health care providers for  
4 qualifying health care costs for medical debt re-  
5 ferral claims for health care services furnished  
6 before October 1, 2003.

7 (B) DESIGNATED HEALTH CARE PRO-  
8 VIDERS.—For purposes of subparagraph (A),  
9 the term “designated health care provider”  
10 means an institutional provider of health care  
11 services (such as a public or private hospital)  
12 located in Hawaii, Guam, the Commonwealth of  
13 the Northern Mariana Islands, or American  
14 Samoa.

15 (C) QUALIFYING HEALTH CARE COSTS.—  
16 For purposes of subparagraph (A), the term  
17 “qualifying health care costs” means costs that  
18 the Secretary determines are incurred by a des-  
19 ignated health care provider for health care  
20 services furnished in Hawaii, Guam, the Com-  
21 monwealth of the Northern Mariana Islands,  
22 and American Samoa (as the case may be) to  
23 a citizen of the Republic of the Marshall Is-  
24 lands, the Federated States of Micronesia, or  
25 the Republic of Palau pursuant to medical re-

1           ferral programs in the Federated States of Mi-  
2           cronesia and the Republic of the Marshall Is-  
3           lands.

4           (9) USE OF DOD MEDICAL FACILITIES AND  
5           NATIONAL HEALTH SERVICE CORPS.—

6                   (A) DOD MEDICAL FACILITIES.—The Sec-  
7           retary of Defense shall make available, on a  
8           space available and reimbursable basis, the  
9           medical facilities of the Department of Defense  
10          for use by citizens of the Federated States of  
11          Micronesia, the Republic of the Marshall Is-  
12          lands, and the Republic of Palau who are prop-  
13          erly referred to the facilities by government au-  
14          thorities responsible for provision of medical  
15          services in the Federated States of Micronesia,  
16          the Republic of the Marshall Islands, and the  
17          Republic of Palau.

18                   (B) NATIONAL HEALTH SERVICE CORPS.—  
19          The Secretary of Health and Human Services  
20          shall continue to make the services of the Na-  
21          tional Health Service Corps available to the  
22          residents of the Federated States of Micronesia  
23          and the Republic of the Marshall Islands to the  
24          same extent and for so long as such services are  
25          authorized to be provided to persons residing in

1           any other areas within or outside the United  
2           States.

3                   (C) AUTHORIZATION OF APPROPRIA-  
4           TIONS.—There are authorized to be appro-  
5           priated to carry out this paragraph such sums  
6           as are necessary for each fiscal year.

7           (f) SENSE OF CONGRESS CONCERNING FUNDING OF  
8           PUBLIC INFRASTRUCTURE.—It is the sense of Congress  
9           that—

10                   (1) not less than 30 percent of the United  
11           States annual grant assistance provided under sec-  
12           tion 211 of the Compact of Free Association, as  
13           amended, between the Government of the United  
14           States of America and the Government of the Fed-  
15           erated States of Micronesia, and not less than 30  
16           percent of the total amount of section 211 funds al-  
17           located to each of the states of the Federated States  
18           of Micronesia, shall be invested in infrastructure im-  
19           provements in accordance with the list of specific  
20           projects included in the plan described in section  
21           211(a)(6)(i) and for maintenance in accordance with  
22           section 211(a)(6)(ii); and

23                   (2) not less than 30 percent of the United  
24           States annual grant assistance provided under sec-  
25           tion 211 of the Compact of Free Association, as

1       amended, between the Government of the United  
2       States of America and the Government of the Re-  
3       public of the Marshall Islands, shall be used for in-  
4       frastructure improvement and maintenance in ac-  
5       cordance with section 211(d).

6       (g) FOREIGN LOANS.—The Congress hereby reaf-  
7       firms the United States position that the United States  
8       Government is not responsible for foreign loans or debt  
9       obtained by the Governments of the Federated States of  
10      Micronesia and the Republic of the Marshall Islands.

11      (h) REPORTS AND REVIEWS.—

12           (1) REPORT BY THE PRESIDENT.—Not later  
13      than the end of the first full calendar year following  
14      enactment of this resolution, and not later than De-  
15      cember 31 of each year thereafter, the President  
16      shall submit a report to Congress regarding the Fed-  
17      erated States of Micronesia and the Republic of the  
18      Marshall Islands. The report shall include, at a min-  
19      imum, the following with regard to:

20           (A) General social, political, and economic  
21      conditions, including estimates of economic  
22      growth, per capita income, and migration rates.

23           (B) The use and effectiveness of United  
24      States financial and program assistance.

1           (C) The status of economic policy reforms  
2           in the Federated States of Micronesia and the  
3           Republic of the Marshall Islands.

4           (D) The status of the efforts by the Fed-  
5           erated States of Micronesia and the Republic of  
6           the Marshall Islands to attract foreign invest-  
7           ment and to increase indigenous business activ-  
8           ity.

9           (E) Recommendations on ways to increase  
10          the effectiveness of United States assistance.

11          (2) REVIEW.—During the year of the fifth and  
12          fifteenth anniversaries of the date of enactment of  
13          this resolution, the Government of the United States  
14          shall review the terms of the respective Compacts  
15          and shall consider the overall nature and develop-  
16          ment of the U.S.-FSM and U.S.-RMI relationships.  
17          In these reviews, the Government of the United  
18          States shall consider the operating requirements of  
19          the Government of the Federated States of Micro-  
20          nesia and the Government of the Republic of the  
21          Marshall Islands and their progress in meeting the  
22          development objectives set forth in their respective  
23          development plans. The President shall include the  
24          findings resulting from the reviews, and any rec-  
25          ommendations for actions to respond to such find-

1       ings, in the annual reports to Congress for the years  
2       following the reviews.

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

12      (i) CONSTRUCTION OF SECTION 141(F).—Section  
13      141(f)(2) of the Compact of Free Association between the  
14      Government of the United States of America and the Gov-  
15      ernment of the Federated States of Micronesia and of the  
16      Compact of Free Association between the Government of  
17      the United States of America and the Government of the  
18      Republic of the Marshall Islands, shall be construed as  
19      though “, except that any such regulations that would  
20      have a significant effect on the admission, stay and em-  
21      ployment privileges provided under this section shall not  
22      become effective until 90 days after the date of trans-  
23      mission of the regulations to the Committee on Energy  
24      and Natural Resources and the Committee on the Judici-  
25      ary of the Senate and the Committee on Resources, the

1 Committee on International Relations, and the Committee  
2 on the Judiciary of the House of Representatives” was in-  
3 serted after “may by regulations prescribe”.

4 **SEC. 105. SUPPLEMENTAL PROVISIONS.**

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

15 (b) RELATIONS WITH THE FEDERATED STATES OF  
16 MICRONESIA AND THE REPUBLIC OF THE MARSHALL IS-  
17 LANDS.—

18 (1) Appropriations made pursuant to Article I  
19 of Title Two and subsection (a)(2) of section 221 of  
20 Article II of Title Two of the U.S.-FSM Compact  
21 and the U.S.-RMI Compact shall be made to the  
22 Secretary of the Interior, who shall have the author-  
23 ity necessary to fulfill his responsibilities for moni-  
24 toring and managing the funds so appropriated con-  
25 sistent with the U.S.-FSM Compact and the U.S.-

1 RMI Compact, including the agreements referred to  
2 in section 462(b)(4) of the U.S.-FSM Compact and  
3 U.S.-RMI Compact (relating to Fiscal Procedures)  
4 and the agreements referred to in section 462(b)(5)  
5 of the U.S.-FSM Compact and the U.S.-RMI Com-  
6 pact (regarding the Trust Fund).

7 (2) Appropriations made pursuant to sub-  
8 sections (a)(1) and (a)(3) through (6) of section 221  
9 of Article II of Title Two of the U.S.-FSM Compact  
10 and subsection (a)(1) and (a)(3) through (5) of the  
11 U.S.-RMI Compact shall be made directly to the  
12 agencies named in those subsections.

13 (3) Appropriations for services and programs  
14 referred to in subsection (b) of section 221 of Article  
15 II of Title Two of the U.S.-FSM Compact or U.S.-  
16 RMI Compact and appropriations for services and  
17 programs referred to in sections 105(f) and 108(a)  
18 of this joint resolution shall be made to the relevant  
19 agencies in accordance with the terms of the appro-  
20 priations for such services and programs.

21 (4) Federal agencies providing programs and  
22 services to the Federated States of Micronesia and  
23 the Republic of the Marshall Islands shall coordinate  
24 with the Secretaries of the Interior and State re-  
25 garding provision of such programs and services.

1       The Secretaries of the Interior and State shall con-  
2       sult with appropriate officials of the Asian Develop-  
3       ment Bank and with the Secretary of the Treasury  
4       regarding overall economic conditions in the Fed-  
5       erated States of Micronesia and the Republic of the  
6       Marshall Islands and regarding the activities of  
7       other donors of assistance to the Federated States  
8       of Micronesia and the Republic of the Marshall Is-  
9       lands.

10           (5) United States Government employees in ei-  
11       ther the Federated States of Micronesia or the Re-  
12       public of the Marshall Islands are subject to the au-  
13       thority of the United States Chief of Mission, includ-  
14       ing as elaborated in section 207 of the Foreign Serv-  
15       ice Act and the President's Letter of Instruction to  
16       the United States Chief of Mission and any order or  
17       directive of the President in effect from time to  
18       time.

19           (6)(A) The President is hereby authorized to  
20       appoint an Interagency Group on Freely Associated  
21       States' Affairs to provide policy guidance and rec-  
22       ommendations on implementation of the U.S.-FSM  
23       Compact and the U.S.-RMI Compact to Federal de-  
24       partments and agencies.

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

4           (7)(A)(i) The three United States appointees  
5           (United States chair plus two members) to the Joint  
6           Economic Management Committee provided for in  
7           section 213 of the U.S.-FSM Compact and Article  
8           III of the U.S.-FSM Fiscal Procedures Agreement  
9           referred to in section 462(b)(4) of the U.S.-FSM  
10          Compact shall be United States Government officers  
11          or employees.

12          (ii) It is the sense of Congress that at least one  
13          appointee each should be designated from both the  
14          Department of State and the Department of the In-  
15          terior.

16          (iii) Section 213 of the U.S.-FSM Compact  
17          shall be construed to read as though the phrase,  
18          “and on the implementation of economic policy re-  
19          forms designed to encourage private sector invest-  
20          ment,” were inserted after “with particular focus on  
21          those parts of the plan dealing with the sectors iden-  
22          tified in subsection (a) of section 211”.

23                 (B)(i) The three United States appointees  
24                 (United States chair plus two members) to the  
25                 Joint Economic Management and Financial Ac-

1           countability Committee provided for in section  
2           214 of the U.S.-RMI Compact and Article III  
3           of the U.S.-RMI Fiscal Procedures Agreement  
4           referred to in section 462(b)(4) of the U.S.-  
5           RMI Compact shall be United States Govern-  
6           ment officers or employees.

7           (ii) It is the sense of Congress that at least  
8           one appointee each should be designated from  
9           both the Department of State and the Depart-  
10          ment of the Interior.

11          (iii) Section 214 of the U.S.-RMI Compact  
12          shall be construed to read as though the phrase,  
13          “and on the implementation of economic policy  
14          reforms designed to encourage private sector in-  
15          vestment,” were inserted after “with particular  
16          focus on those parts of the framework dealing  
17          with the sectors and areas identified in sub-  
18          section (a) of section 211”.

19          (8) It is the sense of Congress that the Sec-  
20          retary of State and the Secretary of the Interior  
21          shall assure that there are personnel resources com-  
22          mitted in the appropriate numbers and locations to  
23          ensure effective oversight of United States financial  
24          and program assistance.

1           (9) The United States voting members (United  
2 States chair plus two or more members) of the  
3 Trust Fund Committee appointed by the Govern-  
4 ment of the United States pursuant to Article 7 of  
5 the Trust Fund Agreement implementing section  
6 215 of the U.S.-FSM Compact and referred to in  
7 section 462(b)(5) of the U.S.-FSM Compact and  
8 any alternates designated by the Government of the  
9 United States shall be United States Government of-  
10 ficers or employees. The United States voting mem-  
11 bers (United States chair plus two or more mem-  
12 bers) of the Trust Fund Committee appointed by the  
13 Government of the United States pursuant to Article  
14 7 of the Trust Fund Agreement implementing sec-  
15 tion 216 of the U.S.-RMI Compact and referred to  
16 in section 462(b)(5) of the U.S.-RMI Compact and  
17 any alternates designated by the Government of the  
18 United States shall be United States Government of-  
19 ficers or employees. It is the sense of Congress that  
20 at least one appointee each should be designated  
21 from both the Department of State and the Depart-  
22 ment of the Interior.

23           (10) The Trust Fund Committee provided for  
24 in Article 7 of the U.S.-FSM Trust Fund Agreement  
25 implementing section 215 of the U.S.-FSM Compact

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

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

8           (2) There is hereby authorized and appropriated to  
9 the Secretary of the Interior, out of any funds in the  
10 Treasury not otherwise appropriated, to remain available  
11 until expended, for each fiscal year from 2004 through  
12 2023, \$300,000, as adjusted for inflation under section  
13 217 of the U.S.-FSM Compact and section 218 of the  
14 U.S.-RMI Compact, to carry out the purposes of this sec-  
15 tion.

16           (d) CONTINUING TRUST TERRITORY AUTHORIZA-  
17 TION.—The authorization provided by the Act of June 30,  
18 1954, as amended (68 Stat. 330) shall remain available  
19 after the effective date of the Compact with respect to the  
20 Federated States of Micronesia and the Republic of the  
21 Marshall Islands for the following purposes:

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

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

19                   (A) For fiscal year 1987, an amount not to  
20                   exceed 75 per centum of the total amount ap-  
21                   propriated for such programs for fiscal year  
22                   1986.

23                   (B) For fiscal year 1988, an amount not  
24                   to exceed 50 per centum of the total amount

1           appropriated for such programs for fiscal year  
2           1986.

3           (C) For fiscal year 1989, an amount not to  
4           exceed 25 per centum of the total amount ap-  
5           propriated for such programs for fiscal year  
6           1986.

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

16          (f) NONCOMPLIANCE SANCTIONS; ACTIONS INCOM-  
17 PATIBLE WITH UNITED STATES AUTHORITY.—The Con-  
18 gress expresses its understanding that the Governments  
19 of the Federated States of Micronesia and the Republic  
20 of the Marshall Islands will not act in a manner incompat-  
21 ible with the authority and responsibility of the United  
22 States for security and defense matters in or related to  
23 the Federated States of Micronesia or the Republic of the  
24 Marshall Islands pursuant to the U.S.-FSM Compact or  
25 the U.S.-RMI Compact, including the agreements referred

1 to in sections 462(a)(2) of the U.S.-FSM Compact and  
2 462(a)(5) of the U.S.-RMI Compact. The Congress fur-  
3 ther expresses its intention that any such act on the part  
4 of either such Government will be viewed by the United  
5 States as a material breach of the U.S.-FSM Compact or  
6 U.S.-RMI Compact. The Government of the United States  
7 reserves the right in the event of such a material breach  
8 of the U.S.-FSM Compact by the Government of the Fed-  
9 erated States of Micronesia or the U.S.-RMI Compact by  
10 the Government of the Republic of the Marshall Islands  
11 to take action, including (but not limited to) the suspen-  
12 sion in whole or in part of the obligations of the Govern-  
13 ment of the United States to that Government.

14 (g) CONTINUING PROGRAMS AND LAWS.—

15 (1) FEDERATED STATES OF MICRONESIA AND  
16 REPUBLIC OF THE MARSHALL ISLANDS.—In addi-  
17 tion to the programs and services set forth in section  
18 221 of the Compact, and pursuant to section 222 of  
19 the Compact, the programs and services of the fol-  
20 lowing agencies shall be made available to the Fed-  
21 erated States of Micronesia and to the Republic of  
22 the Marshall Islands:

23 (A) The Government of the United States  
24 shall continue to make available to eligible insti-  
25 tutions in the Federated States of Micronesia

1 and the Republic of the Marshall Islands, and  
2 to students enrolled in such eligible institutions  
3 and in institutions in the United States and its  
4 territories, for fiscal years 2004 through 2023,  
5 grants under subpart 1 of part A of title IV of  
6 the Higher Education Act of 1965 (20 U.S.C.  
7 1070a et seq.) on the same basis that such  
8 grants continue to be available to institutions  
9 and students in the United States.

10 (B) SUPPLEMENTAL EDUCATION  
11 GRANTS.—

12 (i) IN GENERAL.—In lieu of eligibility  
13 for appropriations under part A of title I  
14 of the Elementary and Secondary Edu-  
15 cation Act of 1965 (20 U.S.C. 6311 et  
16 seq.), part B of the Individuals with Dis-  
17 abilities Education Act (20 U.S.C. 1411 et  
18 seq.), title I of the Workforce Investment  
19 Act of 1998 (29 U.S.C. 2801 et seq.), title  
20 II of the Workforce Investment Act of  
21 1998 (20 U.S.C. 9201 et seq.; commonly  
22 known as the Adult Education and Family  
23 Literacy Act), title I of the Carl D. Per-  
24 kins Vocational and Technical Education  
25 Act of 1998 (20 U.S.C. 2321 et seq.), and

1 the Head Start Act (42 U.S.C. 9831 et  
2 seq.), there are authorized to be appro-  
3 priated to the Secretary of Education for  
4 supplemental education grants to the Fed-  
5 erated States of Micronesia and the Re-  
6 public of the Marshall Islands the following  
7 amounts:

8 (I) \$13,994,592 for the Fed-  
9 erated States of Micronesia for fiscal  
10 year 2005 and an equivalent amount,  
11 as adjusted for inflation under section  
12 217 of the U.S.-FSM Compact, for  
13 each of fiscal years 2006 through  
14 2023.

15 (II) \$6,705,408 for the Republic  
16 of the Marshall Islands for fiscal year  
17 2005 and an equivalent amount, as  
18 adjusted for inflation under section  
19 218 of the U.S.-RMI Compact, for  
20 each of fiscal years 2006 through  
21 2023.

22 (ii) FISCAL PROCEDURES.—Assistance  
23 pursuant to this subparagraph shall be dis-  
24 bursed and monitored in accordance with  
25 the respective Fiscal Procedures Agree-

1           ment referred to in section 462(b)(4) of  
2           the U.S.-FSM Compact and section  
3           462(b)(4) of the U.S.-RMI Compact.

4           (iii) FORMULA EDUCATION GRANTS.—

5           For fiscal years 2005 through 2023, except  
6           as provided in clause (i), the Governments  
7           of the Federated States of Micronesia and  
8           the Republic of the Marshall Islands shall  
9           not receive any grant under any formula-  
10          grant program administered by the Sec-  
11          retary of Education or the Secretary of  
12          Labor, nor any grant provided through the  
13          Head Start Act (42 U.S.C. 9831 et seq.)  
14          administered by the Secretary of Health  
15          and Human Services.

16          (iv) TRANSITION.—For fiscal year

17          2004, the Governments of the Federated  
18          States of Micronesia and the Republic of  
19          the Marshall Islands shall continue to be  
20          eligible for appropriations under the provi-  
21          sions of law specified in clause (i) and to  
22          receive grants under the programs de-  
23          scribed in clause (iii).

24          (C) COMPETITIVE EDUCATION GRANTS.—

25          The Governments of the Federated States of

1           Micronesia and the Republic of the Marshall Is-  
2           lands shall continue to be eligible for competi-  
3           tive grants administered by the Secretary of  
4           Education to the extent that such grants con-  
5           tinue to be available to State and local govern-  
6           ments in the United States.

7           (D) The Federal Emergency Management  
8           Agency, in the following manner: Paragraph (6)  
9           of section 221(a) of the U.S.-FSM Compact  
10          and paragraph (5) of section 221(a) of the  
11          U.S.-RMI Compact shall each be construed and  
12          applied as if each provision reads as follows:  
13          “The Department of Homeland Security, Fed-  
14          eral Emergency Management Agency disaster  
15          assistance programs and public assistance pro-  
16          grams for public and private non-profit infra-  
17          structure and programs provided by the United  
18          States Agency for International Development,  
19          Office of Foreign Disaster Assistance, at levels  
20          equivalent to those available on the day pre-  
21          ceding the effective date of the Compacts, to re-  
22          main available until the later of—

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

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

6 (E) The Legal Services Corporation.

7 (F) The Public Health Service.

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

21 (2) TORT CLAIMS.—The provisions of section  
22 178 of the U.S.-FSM Compact and the U.S.-RMI  
23 Compact regarding settlement and payment of tort  
24 claims shall apply to employees of any Federal agen-  
25 cy of the Government of the United States (and to

1 any other person employed on behalf of any Federal  
2 agency of the Government of the United States on  
3 the basis of a contractual, cooperative, or similar  
4 agreement) which provides any service or carries out  
5 any other function pursuant to or in furtherance of  
6 any provisions of the U.S.-FSM Compact or the  
7 U.S.-RMI Compact or this joint resolution, except  
8 for provisions of Title Three of the Compact and of  
9 the subsidiary agreements related to such Title, in  
10 such area to which such Agreement formerly ap-  
11 plied.

12 (3) PCB CLEANUP.—The programs and serv-  
13 ices of the Environmental Protection Agency regard-  
14 ing PCBs shall, to the extent applicable, as appro-  
15 priate, and in accordance with applicable law, be  
16 construed to be made available to such islands.

17 (h) COLLEGE OF MICRONESIA.—Until otherwise pro-  
18 vided by Act of Congress, or until termination of the U.S.-  
19 FSM Compact and the U.S.-RMI Compact, the College  
20 of Micronesia shall retain its status as a land-grant insti-  
21 tution and its eligibility for all benefits and programs  
22 available to such land-grant institutions.

23 (i) TRUST TERRITORY DEBTS TO U.S. FEDERAL  
24 AGENCIES.—Neither the Government of the Federated  
25 States of Micronesia nor the Government of the Marshall

1 Islands shall be required to pay to any department, agen-  
2 cy, independent agency, office, or instrumentality of the  
3 United States any amounts owed to such department,  
4 agency, independent agency, office, or instrumentality by  
5 the Government of the Trust Territory of the Pacific Is-  
6 lands as of the effective date of the Compact. There is  
7 authorized to be appropriated such sums as may be nec-  
8 essary to carry out the purposes of this subsection.

9 (j) TECHNICAL ASSISTANCE.—Technical assistance  
10 may be provided pursuant to section 224 of the U.S.-FSM  
11 Compact or the U.S.-RMI Compact by Federal agencies  
12 and institutions of the Government of the United States  
13 to the extent such assistance may be provided to States,  
14 territories, or units of local government. Such assistance  
15 by the Forest Service, the Natural Resources Conservation  
16 Service, the USDA Resource Conservation and Develop-  
17 ment Program, the Fish and Wildlife Service, the National  
18 Marine Fisheries Service, the United States Coast Guard,  
19 and the Advisory Council on Historic Preservation, the  
20 Department of the Interior, and other agencies providing  
21 assistance under the National Historic Preservation Act  
22 (80 Stat. 915; 16 U.S.C. 470–470t), shall be on a non-  
23 reimbursable basis. During the period the U.S.-FSM Com-  
24 pact and the U.S.-RMI Compact are in effect, the grant  
25 programs under the National Historic Preservation Act

1 shall continue to apply to the Federated States of Micro-  
2 nesia and the Republic of the Marshall Islands in the same  
3 manner and to the same extent as prior to the approval  
4 of the Compact. Any funds provided pursuant to sections  
5 102(a), 103(a), 103(b), 103(f), 103(g), 103(h), 103(j),  
6 105(e), 105(g), 105(h), 105(i), 105(j), 105(k), 105(l), and  
7 105(m) of this joint resolution shall be in addition to and  
8 not charged against any amounts to be paid to either the  
9 Federated States of Micronesia or the Republic of the  
10 Marshall Islands pursuant to the U.S.-FSM Compact, the  
11 U.S.-RMI Compact, or their related subsidiary agree-  
12 ments.

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

23 (l) INDEFINITE LAND USE PAYMENTS.—There are  
24 authorized to be appropriated such sums as may be nec-  
25 essary to complete repayment by the United States of any

1 debts owed for the use of various lands in the Federated  
2 States of Micronesia and the Marshall Islands prior to  
3 January 1, 1985.

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

16 (n) USER FEES.—Any person in the Federated  
17 States of Micronesia or the Republic of the Marshall Is-  
18 lands shall be liable for user fees, if any, for services pro-  
19 vided in the Federated States of Micronesia or the Repub-  
20 lic of the Marshall Islands by the Government of the  
21 United States to the same extent as any person in the  
22 United States would be liable for fees, if any, for such  
23 services in the United States.

24 (o) TREATMENT OF JUDGMENTS OF COURTS OF THE  
25 FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF

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

17 (p) INFLATION ADJUSTMENT.—As of Fiscal Year  
18 2015, if United States Gross Domestic Product Implicit  
19 Price Deflator average for Fiscal Years 2009 through  
20 2014 is greater than the United States Gross Domestic  
21 Product Implicit Price Deflator average for Fiscal Years  
22 2004 through 2008 (as reported in the Survey of Current  
23 Business or subsequent publication and compiled by the  
24 Department of Interior), then section 217 of the U.S.—  
25 FSM Compact and paragraph 5 of Article II of the U.S.—

1 FSM Fiscal Procedures Agreement and section 218 of the  
2 U.S.-RMI Compact and paragraph 5 of Article II of the  
3 U.S.-RMI Fiscal Procedures Agreement shall be con-  
4 strued as if “the full” appeared in place of “two-thirds  
5 of the” each place those words appear.

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

22 (r) ESTABLISHMENT OF TRUST FUNDS; EXPEDITION  
23 OF PROCESS.—The Trust Fund Agreement executed pur-  
24 suant to the U.S.-FSM Compact and the Trust Fund  
25 Agreement executed pursuant to the U.S.-RMI Compact

1 each provide for the establishment of a trust fund. Such  
2 trust fund may be established by (1) creating a new legal  
3 entity to constitute the trust fund or (2) assuming control  
4 of an existing legal entity including, without limitation, a  
5 trust fund or other legal entity that was established by  
6 or at the direction of the Government of the United  
7 States, the Government of the Federated States of Micro-  
8 nesia, the Government of the Republic of the Marshall Is-  
9 lands, or otherwise, for the purpose of facilitating or expe-  
10 diting the establishment of the trust fund pursuant to the  
11 applicable Trust Fund Agreement. For the purpose of ex-  
12 pediting the commencement of operations of a trust fund  
13 under either Trust Fund Agreement, such trust fund may,  
14 but shall not be obligated to, assume any obligations of  
15 an existing legal entity and take assignment of any con-  
16 tract or other agreement to which such existing legal enti-  
17 ty is party. Without limiting the authority that the United  
18 States Government may otherwise have under applicable  
19 law, the United States Government may, but shall not be  
20 obligated to, provide financial, technical, or other assist-  
21 ance directly or indirectly to the Government of the Fed-  
22 erated States of Micronesia or the Government of the Re-  
23 public of the Marshall Islands for the purpose of estab-  
24 lishing and operating trust funds or other legal entities  
25 that will solicit bids from, and enter into contracts with,

1 parties willing to serve in such capacities as trustee, depos-  
2 itary, money manager, or investment advisor, with the in-  
3 tention that such contracts will ultimately be assumed by  
4 and assigned to trust funds established pursuant to a  
5 Trust Fund Agreement.

6 **SEC. 106. CONSTRUCTION CONTRACT ASSISTANCE.**

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

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

23 (2) to the extent that necessary skills are not  
24 possessed by citizens of the Federated States of Mi-  
25 cronesia and the Republic of the Marshall Islands,

1 provide on the job training, with particular emphasis  
2 on the development of skills relating to operation of  
3 machinery and routine and preventative maintenance  
4 of machinery and other facilities; and

5 (3) provide specific training or other assistance  
6 in order to enable the Government to engage in  
7 long-term maintenance of infrastructure.

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

17 (b) AUTHORIZATION OF APPROPRIATIONS.—There  
18 are authorized to be appropriated such sums as may be  
19 necessary to cover any additional costs incurred by the  
20 Government of the Federated States of Micronesia or the  
21 Republic of the Marshall Islands if such Governments,  
22 pursuant to an agreement entered into with the United  
23 States, apply a preference on the award of contracts to  
24 United States firms, provided that the amount of such  
25 preference does not exceed 10 percent of the amount of

1 the lowest qualified bid from a non-United States firm for  
2 such contract.

3 **SEC. 107. PROHIBITION.**

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

14 **SEC. 108. COMPENSATORY ADJUSTMENTS.**

15 (a) **ADDITIONAL PROGRAMS AND SERVICES.**—In ad-  
16 dition to the programs and services set forth in section  
17 221 of the U.S.–FSM Compact and the U.S.–RMI Com-  
18 pact, and pursuant to section 222 of the U.S.–FSM Com-  
19 pact and the U.S.–RMI Compact, the services and pro-  
20 grams of the following United States agencies shall be  
21 made available to the Federated States of Micronesia and  
22 the Republic of the Marshall Islands: the Small Business  
23 Administration, Economic Development Administration,  
24 and the Rural Utilities Services (formerly Rural Elec-  
25 trification Administration) and the programs and services

1 of the Department of Commerce relating to tourism and  
2 to marine resource development.

3 (b) FURTHER AMOUNTS.—

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

1 term of the Compact, should any portion of the total  
2 amount of funds authorized in subsection 111 of  
3 that resolution not have been appropriated, such  
4 amount not yet appropriated may be appropriated,  
5 without regard to divisions between amounts author-  
6 ized in subsection 111 for the Federated States of  
7 Micronesia and for the Marshall Islands, based on  
8 either or both such government's showing of such  
9 adverse impact, if any, as provided in that sub-  
10 section.

11 (2) The governments of the Federated States of  
12 Micronesia and the Republic of the Marshall Islands  
13 may each submit no more than one report or request  
14 for further compensation under section 111 of the  
15 joint resolution of January 14, 1986 (Public Law  
16 99-239) and any such report or request must be  
17 submitted by September 30, 2009. Only adverse eco-  
18 nomic effect occurring during the initial fifteen-year  
19 term of the Compact may be considered for com-  
20 pensation under section 111 of the joint resolution  
21 of January 14, 1986 (Public Law 99-239).

22 **SEC. 109. AUTHORIZATION AND CONTINUING APPROPRIA-**  
23 **TION.**

24 (a) There are authorized and appropriated to the De-  
25 partment of the Interior, out of any money in the Treas-

1 ury not otherwise appropriated, to remain available until  
 2 expended, such sums as are necessary to carry out the  
 3 purposes of sections 211, 212(b), 215, and 217 of the  
 4 U.S.-FSM Compact and sections 211, 212, 213(b), 216,  
 5 and 218 of the U.S.-RMI Compact, in this and subsequent  
 6 years.

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

15 **SEC. 110. PAYMENT OF CITIZENS OF THE FEDERATED**  
 16 **STATES OF MICRONESIA, THE REPUBLIC OF**  
 17 **THE MARSHALL ISLANDS, AND THE REPUB-**  
 18 **LIC OF PALAU EMPLOYED BY THE GOVERN-**  
 19 **MENT OF THE UNITED STATES IN THE CONTI-**  
 20 **NENTAL UNITED STATES.**

21 Section 605 of Public Law 107–67 (the Treasury and  
 22 General Government Appropriations Act, 2002; 5 U.S.C.  
 23 3101 note) is amended by striking “or the Republic of  
 24 the Philippines,” in the last sentence and inserting the fol-  
 25 lowing: “the Republic of the Philippines, the Federated

1 States of Micronesia, the Republic of the Marshall Islands,  
2 or the Republic of Palau.”

3 **TITLE II—COMPACTS OF FREE**  
4 **ASSOCIATION WITH THE FED-**  
5 **ERATED STATES OF MICRO-**  
6 **NESIA AND THE REPUBLIC OF**  
7 **THE MARSHALL ISLANDS**

8 **SEC. 201. COMPACTS OF FREE ASSOCIATION, AS AMENDED**  
9 **BETWEEN THE GOVERNMENT OF THE**  
10 **UNITED STATES OF AMERICA AND THE GOV-**  
11 **ERNMENT OF THE FEDERATED STATES OF**  
12 **MICRONESIA AND BETWEEN THE GOVERN-**  
13 **MENT OF THE UNITED STATES OF AMERICA**  
14 **AND THE GOVERNMENT OF THE REPUBLIC**  
15 **OF THE MARSHALL ISLANDS.**

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

20 PREAMBLE  
21 THE GOVERNMENT OF THE UNITED STATES OF  
22 AMERICA AND THE GOVERNMENT OF THE  
23 FEDERATED STATES OF MICRONESIA

24 Affirming that their Governments and their relation-  
25 ship as Governments are founded upon respect for human

1 rights and fundamental freedoms for all, and that the peo-  
2 ple of the Federated States of Micronesia have the right  
3 to enjoy self-government; and

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

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

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

24       Recognizing that the Compact reflected their common  
25 desire to terminate the Trusteeship and establish a gov-

1 ernment-to-government relationship which was in accord-  
2 ance with the new political status based on the freely ex-  
3 pressed wishes of the people of the Federated States of  
4 Micronesia and appropriate to their particular cir-  
5 cumstances; and

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

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

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

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

10

## TITLE ONE

11

## GOVERNMENTAL RELATIONS

12

## Article I

13

## Self-Government

14 Section 111

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

18

## Article II

19

## Foreign Affairs

20 Section 121

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

1 (b) The foreign affairs capacity of the Government  
2 of the Federated States of Micronesia includes:

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

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

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

22 (d) In the conduct of its foreign affairs, the Govern-  
23 ment of the Federated States of Micronesia confirms that  
24 it shall act in accordance with principles of international

1 law and shall settle its international disputes by peaceful  
2 means.

3 Section 122

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

9 Section 123

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

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

23 Section 124

24       The Government of the United States may assist or  
25 act on behalf of the Government of the Federated States

1 of Micronesia in the area of foreign affairs as may be re-  
2 quested and mutually agreed from time to time. The Gov-  
3 ernment of the United States shall not be responsible to  
4 third parties for the actions of the Government of the Fed-  
5 erated States of Micronesia undertaken with the assist-  
6 ance or through the agency of the Government of the  
7 United States pursuant to this section unless expressly  
8 agreed.

9 Section 125

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

15 Section 126

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

24 Section 127





1 remains a citizen of the Federated States of Micro-  
2 nesia;

3 (2) a person who acquires the citizenship of the  
4 Federated States of Micronesia at birth, on or after  
5 the effective date of the Constitution of the Fed-  
6 erated States of Micronesia;

7 (3) an immediate relative of a person referred  
8 to in paragraphs (1) or (2) of this section, provided  
9 that such immediate relative is a naturalized citizen  
10 of the Federated States of Micronesia who has been  
11 an actual resident there for not less than five years  
12 after attaining such naturalization and who holds a  
13 certificate of actual residence, and further provided,  
14 that, in the case of a spouse, such spouse has been  
15 married to the person referred to in paragraph (1)  
16 or (2) of this section for at least five years, and fur-  
17 ther provided, that the Government of the United  
18 States is satisfied that such naturalized citizen  
19 meets the requirement of subsection (b) of section  
20 104 of Public Law 99–239 as it was in effect on the  
21 day prior to the effective date of this Compact, as  
22 amended;

23 (4) a naturalized citizen of the Federated  
24 States of Micronesia who was an actual resident  
25 there for not less than five years after attaining such

1 naturalization and who satisfied these requirements  
2 as of April 30, 2003, who continues to be an actual  
3 resident and holds a certificate of actual residence,  
4 and whose name is included in a list furnished by  
5 the Government of the Federated States of Micro-  
6 nesia to the Government of the United States no  
7 later than the effective date of the Compact, as  
8 amended, in form and content acceptable to the Gov-  
9 ernment of the United States, provided, that the  
10 Government of the United States is satisfied that  
11 such naturalized citizen meets the requirement of  
12 subsection (b) of section 104 of Public Law 99–239  
13 as it was in effect on the day prior to the effective  
14 date of this Compact, as amended; or

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

22 (b) Notwithstanding subsection (a) of this section, a  
23 person who is coming to the United States pursuant to  
24 an adoption outside the United States, or for the purpose  
25 of adoption in the United States, is ineligible for admission

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

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

20 (d) A person admitted to the United States under the  
21 Compact, or the Compact, as amended, shall be considered  
22 to have the permission of the Government of the United  
23 States to accept employment in the United States. An un-  
24 expired Federated States of Micronesia passport with un-  
25 expired documentation issued by the Government of the

1 United States evidencing admission under the Compact or  
2 the Compact, as amended, shall be considered to be docu-  
3 mentation establishing identity and employment author-  
4 ization under section 274A(b)(1)(B) of the Immigration  
5 and Nationality Act, as amended, 8 U.S.C.  
6 1324a(b)(1)(B). The Government of the United States  
7 will take reasonable and appropriate steps to implement  
8 and publicize this provision, and the Government of the  
9 Federated States of Micronesia will also take reasonable  
10 and appropriate steps to publicize this provision.

11 (e) For purposes of the Compact and the Compact,  
12 as amended:

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

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

1           (3) the term “certificate of actual residence”  
2 means a certificate issued to a naturalized citizen by  
3 the Government of the Federated States of Micro-  
4 nesia stating that the citizen has complied with the  
5 actual residence requirement of section 141(a)(3) or  
6 (4);

7           (4) the term “nonimmigrant” means an alien  
8 who is not an “immigrant” as defined in section  
9 101(a)(15) of such Act, 8 U.S.C. 1101(a)(15); and

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

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

21           (1) any ground of inadmissibility or deport-  
22 ability under such Act (except sections 212(a)(5)  
23 and 212(a)(7)(B)(i)(II) of such Act, as provided in  
24 subsection (a) of this section), and any defense  
25 thereto, provided that, section 237(a)(5) of such Act

1 shall be construed and applied as if it reads as fol-  
2 lows: “any alien who has been admitted under the  
3 Compact, or the Compact, as amended, who cannot  
4 show that he or she has sufficient means of support  
5 in the United States, is deportable”;

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

12 (3) Except for the treatment of certain docu-  
13 mentation for purposes of section 274A(b)(1)(B) of  
14 such Act as provided by subsection (d) of this sec-  
15 tion of the Compact, as amended, any requirement  
16 under section 274A, including but not limited to sec-  
17 tion 274A(b)(1)(E);

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

22 (5) the authority of the Government of the  
23 United States otherwise to administer and enforce  
24 the Immigration and Nationality Act, as amended,  
25 or other United States law.

1 (g) Any authority possessed by the Government of the  
2 United States under this section of the Compact or the  
3 Compact, as amended, may also be exercised by the Gov-  
4 ernment of a territory or possession of the United States  
5 where the Immigration and Nationality Act, as amended,  
6 does not apply, to the extent such exercise of authority  
7 is lawful under a statute or regulation of such territory  
8 or possession that is authorized by the laws of the United  
9 States.

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

19 Section 142

20 (a) Any citizen or national of the United States may  
21 be admitted, to lawfully engage in occupations, and reside  
22 in the Federated States of Micronesia, subject to the  
23 rights of the Government of the Federated States of Mi-  
24 cronnesia to deny entry to or deport any such citizen or  
25 national as an undesirable alien. Any determination of in-

1 admissibility or deportability shall be based on reasonable  
2 statutory grounds and shall be subject to appropriate ad-  
3 ministrative and judicial review within the Federated  
4 States of Micronesia. If a citizen or national of the United  
5 States is a spouse of a citizen of the Federated States  
6 of Micronesia, the Government of the Federated States of  
7 Micronesia shall allow the United States citizen spouse to  
8 establish residence. Should the Federated States of Micro-  
9 nesia citizen spouse predecease the United States citizen  
10 spouse during the marriage, the Government of the Fed-  
11 erated States of Micronesia shall allow the United States  
12 citizen spouse to continue to reside in the Federated  
13 States of Micronesia.

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

22 (c) Consistent with subsection (a) of this section, with  
23 respect to citizens and nationals of the United States seek-  
24 ing to engage in employment or invest in the Federated  
25 States of Micronesia, the Government of the Federated

1 States of Micronesia shall adopt immigration-related pro-  
2 cedures no less favorable than those adopted by the Gov-  
3 ernment of the United States with respect to citizens of  
4 the Federated States of Micronesia seeking employment  
5 in the United States.

6 Section 143

7 Any person who relinquishes, or otherwise loses, his  
8 United States nationality or citizenship, or his Federated  
9 States of Micronesia citizenship, shall be ineligible to re-  
10 ceive the privileges set forth in sections 141 and 142. Any  
11 such person may apply for admission to the United States  
12 or the Federated States of Micronesia, as the case may  
13 be, in accordance with any other applicable laws of the  
14 United States or the Federated States of Micronesia relat-  
15 ing to immigration of aliens from other countries. The  
16 laws of the Federated States of Micronesia or the United  
17 States, as the case may be, shall dictate the terms and  
18 conditions of any such person's stay.

19 Article V

20 Representation

21 Section 151

22 Relations between the Government of the United  
23 States and the Government of the Federated States of Mi-  
24 cronnesia shall be conducted in accordance with the Vienna  
25 Convention on Diplomatic Relations. In addition to diplo-

1 matic missions and representation, the Governments may  
2 establish and maintain other offices and designate other  
3 representatives on terms and in locations as may be mutu-  
4 ally agreed.

5 Section 152

6 (a) Any citizen or national of the United States who,  
7 without authority of the United States, acts as the agent  
8 of the Government of the Federated States of Micronesia  
9 with regard to matters specified in the provisions of the  
10 Foreign Agents Registration Act of 1938, as amended (22  
11 U.S.C. 611 et seq.), that apply with respect to an agent  
12 of a foreign principal shall be subject to the requirements  
13 of such Act. Failure to comply with such requirements  
14 shall subject such citizen or national to the same penalties  
15 and provisions of law as apply in the case of the failure  
16 of such an agent of a foreign principal to comply with such  
17 requirements. For purposes of the Foreign Agents Reg-  
18 istration Act of 1938, the Federated States of Micronesia  
19 shall be considered to be a foreign country.

20 (b) Subsection (a) of this section shall not apply to  
21 a citizen or national of the United States employed by the  
22 Government of the Federated States of Micronesia with  
23 respect to whom the Government of the Federated States  
24 of Micronesia from time to time certifies to the Govern-  
25 ment of the United States that such citizen or national

1 is an employee of the Federated States of Micronesia  
2 whose principal duties are other than those matters speci-  
3 fied in the Foreign Agents Registration Act of 1938, as  
4 amended, that apply with respect to an agent of a foreign  
5 principal. The agency or officer of the United States re-  
6 ceiving such certifications shall cause them to be filed with  
7 the Attorney General, who shall maintain a publicly avail-  
8 able list of the persons so certified.

9 Article VI

10 Environmental Protection

11 Section 161

12 The Governments of the United States and the Fed-  
13 erated States of Micronesia declare that it is their policy  
14 to promote efforts to prevent or eliminate damage to the  
15 environment and biosphere and to enrich understanding  
16 of the natural resources of the Federated States of Micro-  
17 nesia. In order to carry out this policy, the Government  
18 of the United States and the Government of the Federated  
19 States of Micronesia agree to the following mutual and  
20 reciprocal undertakings.

21 (a) The Government of the United States:

22 (1) shall continue to apply the environmental  
23 controls in effect on November 2, 1986 to those of  
24 its continuing activities subject to section 161(a)(2),

1 unless and until those controls are modified under  
2 sections 161(a)(3) and 161(a)(4);

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

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

1 States and of the Federated States of Micronesia, as  
2 may be mutually agreed from time to time with the  
3 Government of the Federated States of Micronesia;  
4 and

5 (4) shall develop, prior to conducting any activ-  
6 ity requiring the preparation of an Environmental  
7 Impact Statement under section 161(a)(2), written  
8 standards and procedures, as agreed with the Gov-  
9 ernment of the Federated States of Micronesia, to  
10 implement the substantive provisions of the laws  
11 made applicable to U.S. Government activities in the  
12 Federated States of Micronesia, pursuant to section  
13 161(a)(3).

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

1 United States and, as a further reciprocal obligation, shall  
2 enforce those standards.

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

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

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

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

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

## 12 Section 162

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

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

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

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

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

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

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

12 Section 163

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

24          (b) The Government of the United States, in turn,  
25          shall be granted access to the Federated States of Micro-

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

11 (c) The Government of the Federated States of Mi-  
12 cronnesia shall not impede efforts by the Government of  
13 the United States to comply with applicable standards and  
14 procedures.

## 15 Article VII

### 16 General Legal Provisions

#### 17 Section 171

18 Except as provided in this Compact, as amended, or  
19 its related agreements, the application of the laws of the  
20 United States to the Trust Territory of the Pacific Islands  
21 by virtue of the Trusteeship Agreement ceased with re-  
22 spect to the Federated States of Micronesia on November  
23 3, 1986, the date the Compact went into effect.

#### 24 Section 172

1           (a) Every citizen of the Federated States of Micro-  
2 nesia who is not a resident of the United States shall enjoy  
3 the rights and remedies under the laws of the United  
4 States enjoyed by any non-resident alien.

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

17 Section 173

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

1 its related agreements and by the Government of the Fed-  
2 erated States of Micronesia in the United States pursuant  
3 to this Compact, as amended, and its related agreements.

4 Section 174

5 Except as otherwise provided in this Compact, as  
6 amended, and its related agreements:

7 (a) The Government of the Federated States of  
8 Micronesia, and its agencies and officials, shall be  
9 immune from the jurisdiction of the courts of the  
10 United States, and the Government of the United  
11 States, and its agencies and officials, shall be im-  
12 mune from the jurisdiction of the courts of the Fed-  
13 erated States of Micronesia.

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

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

24 (2) any claim settled by the claimant and  
25 the Government of the Trust Territory of the

1 Pacific Islands but not paid as of the November  
2 3, 1986; and

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

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

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

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

21 Section 175

22             (a) A separate agreement, which shall come into ef-  
23      fect simultaneously with this Compact, as amended, and  
24      shall have the force of law, shall govern mutual assistance  
25      and cooperation in law enforcement matters, including the

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

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

18 Section 176

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

1 Section 177

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

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

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

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

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

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

## 1 Section 178

2 (a) The Federal agencies of the Government of the  
3 United States that provide the services and related pro-  
4 grams in the Federated States of Micronesia pursuant to  
5 Title Two are authorized to settle and pay tort claims aris-  
6 ing in the Federated States of Micronesia from the activi-  
7 ties of such agencies or from the acts or omissions of the  
8 employees of such agencies. Except as provided in section  
9 178(b), the provisions of 28 U.S.C. 2672 and 31 U.S.C.  
10 1304 shall apply exclusively to such administrative settle-  
11 ments and payments.

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

17 (c) The Government of the United States and the  
18 Government of the Federated States of Micronesia shall,  
19 in the separate agreement referred to in section 231, pro-  
20 vide for:

21 (1) the administrative settlement of claims re-  
22 ferred to in section 178(a), including designation of  
23 local agents in each State of the Federated States  
24 of Micronesia; such agents to be empowered to ac-  
25 cept, investigate and settle such claims, in a timely

1 manner, as provided in such separate agreements;  
2 and

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

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

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

19 Section 179

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

23 (b) The courts of the Federated States of Micronesia  
24 shall not exercise criminal jurisdiction over any person if  
25 the Government of the United States provides notification

1 to the Government of the Federated States of Micronesia  
2 that such person was acting on behalf of the Government  
3 of the United States, for actions taken in furtherance of  
4 section 221 or 224 of this amended Compact, or any other  
5 provision of law authorizing financial, program, or service  
6 assistance to the Federated States of Micronesia.

7 TITLE TWO

8 ECONOMIC RELATIONS

9 Article I

10 Grant Assistance

11 Section 211 - Sector Grants

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

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

1           (1) EDUCATION.—United States grant assist-  
2           ance shall be made available in accordance with the  
3           plan described in subsection (c) of this section to  
4           support and improve the educational system of the  
5           Federated States of Micronesia and develop the  
6           human, financial, and material resources necessary  
7           for the Government of the Federated States of Mi-  
8           cronesia to perform these services. Emphasis should  
9           be placed on advancing a quality basic education  
10          system.

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

19          (3) PRIVATE SECTOR DEVELOPMENT.—United  
20          States grant assistance shall be made available in  
21          accordance with the plan described in subsection (c)  
22          of this section to support the efforts of the Govern-  
23          ment of the Federated States of Micronesia to at-  
24          tract foreign investment and increase indigenous  
25          business activity by vitalizing the commercial envi-

1 ronment, ensuring fair and equitable application of  
2 the law, promoting adherence to core labor stand-  
3 ards, and maintaining progress toward privatization  
4 of state-owned and partially state-owned enterprises,  
5 and engaging in other reforms.

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

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

21 (6) PUBLIC INFRASTRUCTURE.—

22 (i) U.S. annual grant assistance shall be  
23 made available in accordance with a list of spe-  
24 cific projects included in the plan described in  
25 subsection (c) of this section to assist the Gov-

1           ernment of the Federated States of Micronesia  
2           in its efforts to provide adequate public infra-  
3           structure.

4                   (ii) INFRASTRUCTURE AND MAINTENANCE  
5           FUND.—Five percent of the annual public in-  
6           frastructure grant made available under para-  
7           graph (i) of this subsection shall be set aside,  
8           with an equal contribution from the Govern-  
9           ment of the Federated States of Micronesia, as  
10          a contribution to an Infrastructure Maintenance  
11          Fund (IMF). Administration of the Infrastruc-  
12          ture Maintenance Fund shall be governed by  
13          the Fiscal Procedures Agreement.

14          (b) HUMANITARIAN ASSISTANCE.—Federated States  
15          of Micronesia Program. In recognition of the special devel-  
16          opment needs of the Federated States of Micronesia, the  
17          Government of the United States shall make available to  
18          the Government of the Federated States of Micronesia, on  
19          its request and to be deducted from the grant amount  
20          made available under subsection (a) of this section, a Hu-  
21          manitarian Assistance - Federated States of Micronesia  
22          (“HAFSM”) Program with emphasis on health, edu-  
23          cation, and infrastructure (including transportation),  
24          projects. The terms and conditions of the HAFSM shall  
25          be set forth in the Agreement Regarding the Military Use

1 and Operating Rights of the Government of the United  
2 States in the Government of the Federated States of Mi-  
3 cronesia Concluded Pursuant to Sections 321 and 323 of  
4 the Compact of Free Association, as Amended which shall  
5 come into effect simultaneously with the amendments to  
6 this Compact.

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

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

1 tion by the Government of the Federated States of Micro-  
2 nesia, with the concurrence of the United States Chief of  
3 Mission to the Federated States of Micronesia. The Ad-  
4 ministration of the DAEF shall be governed by the Fiscal  
5 Procedures Agreement.

6 Section 212 - Accountability.

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

24 (b) The Government of the United States shall, for  
25 each fiscal year of the twenty years during which assist-

1   ance is to be provided on a sector grant basis under sec-  
2   tion 211, grant the Government of the Federated States  
3   of Micronesia an amount equal to the lesser of (i) one half  
4   of the reasonable, properly documented cost incurred dur-  
5   ing each fiscal year to conduct the annual audit required  
6   under Article VIII (2) of the Fiscal Procedures Agreement  
7   or (ii) \$500,000. Such amount will not be adjusted for  
8   inflation under section 217 or otherwise.

9   Section 213 - Joint Economic Management Committee

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

1 nomic Management Committee shall be governed by the  
2 Fiscal Procedures Agreement.

3 Section 214 - Annual Report

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

12 Section 215 - Trust Fund

13       (a) The United States shall contribute annually for  
14 twenty years from the effective date of this Compact, as  
15 amended, in the amounts set forth in section 216 into a  
16 Trust Fund established in accordance with the Agreement  
17 Between the Government of the United States of America  
18 and the Government of the Federated States of Micronesia  
19 Implementing Section 215 and Section 216 of the Com-  
20 pact, as Amended, Regarding a Trust Fund (“Trust Fund  
21 Agreement”). Upon termination of the annual financial  
22 assistance under section 211, the proceeds of the fund  
23 shall thereafter be used for the purposes described in sec-  
24 tion 211 or as otherwise 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 Federated States of Mi-  
4 cronesia contributing to the Trust Fund at least \$30 mil-  
5 lion, prior to September 30, 2004. Any funds received by  
6 the Federated States of Micronesia under section 111 (d)  
7 of Public Law 99–239 (January 14, 1986), or successor  
8 provisions, would be contributed to the Trust Fund as a  
9 Federated States of Micronesia contribution.

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

1 present market value of its contributions to the Trust  
 2 Fund and the present market value of any undistributed  
 3 income on the contributions of the United States. If this  
 4 Compact, as amended, is terminated, the provisions of sec-  
 5 tions 451 through 453 of this Compact, as amended, shall  
 6 govern treatment of any U.S. contributions to the Trust  
 7 Fund or accrued interest thereon.

8 Section 216 - Sector Grant Funding and Trust Fund Con-  
 9 tributions

10 The funds described in sections 211, 212(b) and 215  
 11 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

12 Section 217 - Inflation Adjustment

13 Except for the amounts provided for audits under  
 14 section 212(b), the amounts stated in this Title shall be  
 15 adjusted for each United States Fiscal Year by the percent  
 16 that equals two-thirds of the percent change in the United

1 States Gross Domestic Product Implicit Price Deflator, or  
2 5 percent, whichever is less in any one year, using the  
3 beginning of Fiscal Year 2004 as a base.

#### 4 Section 218 - Carry-Over of Unused Funds

5 If in any year the funds made available by the Gov-  
6 ernment of the United States for that year pursuant to  
7 this Article are not completely obligated by the Govern-  
8 ment of the Federated States of Micronesia, the unobli-  
9 gated balances shall remain available in addition to the  
10 funds to be provided in subsequent years.

### 11 Article II

#### 12 Services and Program Assistance

##### 13 Section 221

14 (a) SERVICES.—The Government of the United  
15 States shall make available to the Federated States of Mi-  
16 cronisia, in accordance with and to the extent provided  
17 in the Federal Programs and Services Agreement referred  
18 to in section 231, the services and related programs of:

19 (1) the United States Weather Service;

20 (2) the United States Postal Service;

21 (3) the United States Federal Aviation Admin-  
22 istration;

23 (4) the United States Department of Transpor-  
24 tation;

1           (5) the Federal Deposit Insurance Corporation  
2           (for the benefit only of the Bank of the Federated  
3           States of Micronesia), and

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

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

13           (b) PROGRAMS.—

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

1 section 211 will be considered to be local revenues  
2 of the Government of the Federated States of Micro-  
3 nesia when used as the local share required to obtain  
4 Federal programs and services.

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

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

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 Federated States of Micronesia 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 Federated States of Micronesia 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 Federated States of Micronesia may agree  
13 from time to time to extend to the Federated States of  
14 Micronesia 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 referred to section 231 shall apply  
21 to any such assistance, services or programs.

#### 22 Section 223

23 The Government of the Federated States of Micro-  
24 nesia 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 Federated States of Micronesia  
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 Federated States of Micro-  
9 nesia may request, from time to time, technical assistance  
10 from the Federal agencies and institutions of the Govern-  
11 ment of the United States, which are authorized to grant  
12 such technical assistance in accordance with its laws. If  
13 technical assistance is granted pursuant to such a request,  
14 the Government of the United States shall provide the  
15 technical assistance in a manner which gives priority con-  
16 sideration to the Federated States of Micronesia over  
17 other recipients not a part of the United States, its terri-  
18 tories or possessions, and equivalent consideration to the  
19 Federated States of Micronesia 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 Federated  
10 States of Micronesia, 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 Federated States of Micro-  
19 nesia, 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 102 (c)  
2 and 110 (c) of Public Law 99–239, 99 Stat. 1777–78,  
3 and 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 sec-  
9 tor grants in section 211 of this Compact, as amended,  
10 shall be appropriated and paid to the Federated States  
11 of Micronesia for such period as those provisions of this  
12 Compact, as amended, remain in force, subject to the  
13 terms and conditions of this Title and related subsidiary  
14 agreements.

15 Section 234

16       The Government of the Federated States of Micro-  
17 nesia 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 Federated States of Micro-  
2 nesia subpoena documents and records and compel testi-  
3 mony in accordance with the laws and Constitution of the  
4 Federated States of Micronesia. Such assistance by the  
5 Government of the Federated States of Micronesia to the  
6 Government of the United States shall not be unreason-  
7 ably withheld. The obligation of the Government of the  
8 Federated States of Micronesia to fulfill its pledge herein  
9 is a condition to its receiving payment of such funds or  
10 other assistance authorized under this Compact, as  
11 amended. The Government of the United States shall pay  
12 any reasonable costs for extraordinary services executed  
13 by the Government of the Federated States of Micronesia  
14 in carrying out the provisions of this section.

15 Article IV

16 Trade

17 Section 241

18 The Federated States of Micronesia 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 Federated States  
23 of Micronesia which shall apply during the period of effec-  
24 tiveness of this title:

1           (a) Unless otherwise excluded, articles imported  
2           from the Federated States of Micronesia, 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 Federated States of Micronesia and the Republic  
10          of the Marshall Islands during any calendar year not  
11          to exceed 10 percent of apparent United States con-  
12          sumption of tuna in airtight containers during the  
13          immediately preceding calendar year, as reported by  
14          the National Marine Fisheries Service, shall be ex-  
15          empt from duty; but the quantity of tuna given  
16          duty-free treatment under this paragraph for any  
17          calendar year shall be counted against the aggre-  
18          gated quantity of tuna in airtight containers that is  
19          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 Federated States of Micronesia, 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

24 Articles imported from the Federated States of Mi-  
25 cronesia which are not exempt from duty under sub-

1 sections (a), (b), (c), and (d) of section 242 shall be sub-  
2 ject to the rates of duty set forth in column numbered  
3 1-general of the Harmonized Tariff Schedule of the  
4 United States (HTSUS).

5 Section 244

6 (a) All products of the United States imported into  
7 the Federated States of Micronesia shall receive treatment  
8 no less favorable than that accorded like products of any  
9 foreign country with respect to customs duties or charges  
10 of a similar nature and with respect to laws and regula-  
11 tions relating to importation, exportation, taxation, sale,  
12 distribution, storage or use.

13 (b) The provisions of subsection (a) shall not apply  
14 to advantages accorded by the Federated States of Micro-  
15 nesia by virtue of their full membership in the Pacific Is-  
16 land Countries Trade Agreement (PICTA), done on Au-  
17 gust 18, 2001, to those governments listed in Article 26  
18 of PICTA, as of the date the Compact, as amended, is  
19 signed.

20 (c) Prior to entering into consultations on, or con-  
21 cluding, a free trade agreement with governments not list-  
22 ed in Article 26 of PICTA, the Federated States of Micro-  
23 nesia shall consult with the United States regarding  
24 whether or how subsection (a) of section 244 shall be ap-  
25 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-

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

#### 4 Article V

#### 5 General Provisions

#### 6 Section 351

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

12 (b) The membership of the Joint Committee shall  
13 comprise selected senior officials of the two Governments.  
14 The senior United States military commander in the Pa-  
15 cific area shall be the senior United States member of the  
16 Joint Committee. For the meetings of the Joint Com-  
17 mittee, each of the two Governments may designate addi-  
18 tional or alternate representatives as appropriate for the  
19 subject matter under consideration.

20 (c) Unless otherwise mutually agreed, the Joint Com-  
21 mittee shall meet annually at a time and place to be des-  
22 ignated, after appropriate consultation, by the Govern-  
23 ment of the United States. The Joint Committee also shall  
24 meet promptly upon request of either of its members. The  
25 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           (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 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

## 3 Section 121

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

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

10 (1) the conduct of foreign affairs relating to law  
11 of the sea and marine resources matters, including  
12 the harvesting, conservation, exploration or exploi-  
13 tation of living and non-living resources from the  
14 sea, seabed or subsoil to the full extent recognized  
15 under international law;

16 (2) the conduct of its commercial, diplomatic,  
17 consular, economic, trade, banking, postal, civil avia-  
18 tion, communications, and cultural relations, includ-  
19 ing negotiations for the receipt of developmental  
20 loans and grants and the conclusion of arrangements  
21 with other governments and international and inter-  
22 governmental organizations, including any matters  
23 specially benefiting its individual citizens.

24 (c) The Government of the United States recognizes  
25 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



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-

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

3 Section 178

4 (a) The Federal agencies of the Government of the  
5 United States that provide services and related programs  
6 in the Republic of the Marshall Islands pursuant to Title  
7 Two are authorized to settle and pay tort claims arising  
8 in the Republic of the Marshall Islands from the activities  
9 of such agencies or from the acts or omissions of the em-  
10 ployees of such agencies. Except as provided in section  
11 178(b), the provisions of 28 U.S.C. 2672 and 31 U.S.C.  
12 1304 shall apply exclusively to such administrative settle-  
13 ments and payments.

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

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

23 (1) the administrative settlement of claims re-  
24 ferred to in section 178(a), including designation of  
25 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 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



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        recruitment 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 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:

JEFF TRANDAHL,

*Clerk.*

**Calendar No. 350**

108TH CONGRESS  
1ST SESSION

**H. J. RES. 63**

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**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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OCTOBER 29, 2003

Received; read twice and placed on the calendar