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# The Freely Associated States and Issues for Congress

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SUMMARY

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# The Freely Associated States and Issues for Congress

This report provides background information and issues for Congress on the Freely Associated States (FAS)—the Marshall Islands, Micronesia, and Palau—and on the Compacts of Free Association that govern their relationships with the United States. The FAS are sovereign states that through bilateral Compacts of Free Association with the United States receive U.S. economic assistance and grant the United States the prerogatives to operate military bases on their soil and make decisions that affect mutual security.

The report provides information about Compact economic assistance, funded through the Department of the Interior, which expires in 2023 for the Marshall Islands and Micronesia and 2024 for Palau unless the United States and the FAS negotiate agreements to extend such assistance, and Congress approves the agreements through implementing legislation. Discussions between the United States and the FAS to renew economic assistance began in May 2020. Some U.S. policymakers and experts have expressed support for continued economic assistance to the FAS, given their ongoing economic dependency, U.S. historical obligations, and the perceived need to counter China's rising influence in the region.

The FAS and their citizens have contributed to U.S. military efforts and helped advance U.S. diplomatic and security interests globally and in the Pacific Islands region. The U.S. military operates the Ronald Reagan Ballistic Missile Test Site on Kwajalein Atoll in the Marshall Islands. Some experts recommend that the United States government should further integrate the FAS into its Free and Open Indo-Pacific Strategy.

The Compacts allow FAS citizens to serve in the U.S. armed forces and to live, work, and study in the United States as non-immigrants. Many have served in the U.S. military and/or migrated to U.S. states and territories for economic reasons. Some U.S. jurisdictions with large FAS migrant populations have requested increased federal support for education, social and health services provided to FAS migrants, who are not eligible for most federal public benefits.

Other issues of concern to Congress as it considers renewing economic assistance to the Marshall Islands, Micronesia, and Palau include FAS eligibility for some U.S. federal programs and services that expire at the end of the current Compact terms. From 1946 to 1958, the United States conducted 67 atmospheric atomic and thermonuclear weapons tests over the Marshall Islands. Some experts and Marshall Islands officials suggest including further compensation for U.S. nuclear testing in the negotiations on renewing the economic provisions of the Compacts. The economic impacts of COVID-19 and climate change on the FAS may also be considered in the Compact discussions.

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# Introduction and Issues for Congress

This report provides background information and issues for Congress on the Freely Associated States (FAS)—the Marshall Islands, Micronesia, and Palau—and on the Compacts of Free Association that govern their relationships with the United States. The main issues facing Congress in relation to the FAS center on negotiations to renew U.S. economic assistance to the FAS pursuant to the Compacts of Free Association. Current economic assistance expires in 2023 for the Marshall Islands and Micronesia and 2024 for Palau unless the United States and the FAS negotiate agreements to extend such assistance, and Congress approves the agreements through implementing legislation. Related issues for Congress include FAS eligibility for some U.S. federal programs and services, some of which expire at the end of the current Compact terms; the levels and types of economic assistance to be eliminated, renewed, or expanded; federal support for FAS migrants in U.S. states and territories; and lingering costs and U.S. compensation related to U.S. nuclear testing over Marshall Islands atolls during the 1940s and 1950s. Negotiations to renew economic assistance provisions of the Compacts take place in the context of growing strategic competition in the Southwest Pacific between the United States and its allies (including Australia and Japan), on one hand, and the People's Republic of China (PRC), on the other, and may envision growing regional security roles for the FAS in U.S. strategic planning and engagement in the region.

## Key Dates

- **1986:** Compacts of Free Association between the United States and the Marshall Islands and between the United States and Micronesia enter into force.
- **1995:** Compact of Free Association between the United States and Palau enters into force.
- **2003:** Congress approves amendments to the Compacts with the Marshall Islands and Micronesia, extending financial assistance for another 20 years (2004-2023).
- **2004:** The U.S. government finds that the Marshall Islands is not legally entitled to additional compensation for nuclear test damages.
- **2010:** The United States and Palau reach an agreement to extend economic assistance for another 15 years (2010-2024).
- **2020:** In May, the U.S. government holds an initial round of consultations with the FAS related to expiring provisions in the Compact agreements. A second round is held in July, including an informal consultation with the Marshall Islands.[1]
- **2023:** Economic provisions of Compacts between the United States and the Marshall Islands and between the United States and Micronesia expire at the end of the year.
- **2024:** Economic provisions of the Compact between the United States and Palau expire at the end of the year.

[1] Department of the Interior, "News Release: United States Holds Second Round of Compact Consultations with the Federated States of Micronesia and the Republic of Palau," July 14, 2020.

# The Freely Associated States: History

The Freely Associated States, located roughly 2,500 miles southwest of Hawaii, cover a maritime area larger than the continental United States and together govern over 1,000 islands and low-lying atolls. (See **Table 1**.) The FAS are sovereign, "insular areas" of the United States, that through bilateral Compacts of Free Association with the United States receive U.S. economic assistance and grant the United States the prerogatives to operate military bases on their soil and make decisions that affect U.S. and FAS security.[2]

In 1947, the Marshall Islands, Micronesia, the Northern Mariana Islands, and Palau, which had been under Japanese control during World War II, became part of the U.S.-administered United Nations Trust Territory of the Pacific Islands.[3] In 1978, the Marshall Islands, Micronesia, and Palau rejected the option of U.S. territorial or commonwealth status and instead chose the status of *free association* with the United States.[4] The Northern Marianas chose commonwealth status, and nearby Guam, occupied by the United States after the Spanish American War ended in 1898, became a territory in 1950. (See **Figure 1**.)

The Republic of the Marshall Islands (RMI), Federated States of Micronesia (FSM), and Republic of Palau signed Compacts of Free Association with the United States in 1982. The RMI and FSM Compacts were approved by plebiscites in the Marshall Islands and Micronesia and by both houses of the U.S. Congress in 1985, becoming effective in 1986.[5] In 1986, Palau and the United States signed a 50-year Compact of Free Association. The Palau Compact was approved by the U.S. Congress,[6] but not ratified in Palau until 1993 (entering into force on October 4, 1994). Each Compact included economic assistance provisions that would expire after 15 years.

The Compacts were conceived to help advance economic development and self-sufficiency among the FAS and to support the national security interests of the FAS and the United States in light of Cold War geopolitical concerns related to the Soviet Union. Although the goals of democratic self-government and mutual security largely have been achieved, economic development and self-sufficiency have remained elusive, particularly in the Marshall Islands and Micronesia.

[2] U.S. "insular areas" include possessions or territories, commonwealths, and independent jurisdictions such as sovereign states in free association with the United States. Department of the Interior, Office of Insular Affairs, "Definitions of Insular Area Political Organizations," at https://www.doi.gov/oia/islands/politicatypes#:~:text=ORGANIZATIONAL%20TERM,States%20nor%20a%20Federal%20district.

[3] U.S. military forces defeated the Japanese Imperial Army in the Mariana Islands and Palau in 1944. In the Battle of Peleliu in northern Palau, nearly 1,800 American soldiers were killed and 8,000 were wounded.

[4] See Department of the Interior, Office of Insular Affairs, "Definitions of Insular Area Political Organizations."

[5] P.L. 99-239, Compact of Free Association Act of 1985.

[6] P.L. 99-658, Palau Compact of Free Association Act, and P.L. 101-219, Palau Compact of Free Association Implementation Act.

**Figure 1. Map of the Freely Associated States**

**Source:** Congressional Research Service.

In 2003, the Compacts between the United States and the Marshall Islands and Micronesia were amended and approved by Congress to extend economic assistance for another 20 years (2004-2023).[7] The amendments also established trust funds with the aim of providing sustainable sources of revenue after 2023.[8] Other, non-economic provisions of the Compacts remained largely unchanged. In 2010, the United States and Palau reached an accord, the Compact of Free Association Review Agreement, to extend economic assistance for another 15 years (2010-2024), although it was not fully funded by Congress until 2018, largely for budgetary reasons.[9]

[7] The economic provisions of the Compacts with the Marshall Island and Micronesia expired in 2001. Economic assistance was extended by two years (2002-2003) while bilateral negotiations to amend the Compacts and continue economic assistance took place. On the U.S. side, the Department of State led an inter-agency process to negotiate the Compact Amendments.

[8] P.L. 108-188, the Compact of Free Association Amendments Act of 2003. For further information, see CRS Report RL31737, *The Marshall Islands and Micronesia: Amendments to the Compact of Free Association with the United States*, by Thomas Lum.

[9] P.L. 115-91, The National Defense Authorization Act for FY2018, Section 1263, and P.L. 115-141, The Consolidated Appropriations Act, FY2018, Division D, Title II (Department of the Interior).

**Table 1. The Freely Associated States: At a Glance**

| | Marshall Islands (RMI) | Micronesia (FSM) | Palau |
|---|---|---|---|
| **Geography** | 29 atolls and five isolated islands | Four main island groups | Nine inhabited islands, including one large island, and 330 uninhabited islands |
| **Land Area** | 70 sq. miles (Somewhat larger than the size of Washington, D.C.) | 270 sq. miles | 177 sq. miles |
| **Maritime Area** | 750,000 sq. miles | One million sq. miles | 237,850 sq. miles |
| **Population** | 54,354 | 102,622 | 17,901 |
| **Government** | Presidential republic | Constitutional confederation | Presidential republic |
| **"Freedom Score" and Ranking** | Free (93 out of 100) | Free (92 out of 100) | Free (92 out of 100) |
| **GDP Per Capita and Ranking** | $3,600 (186 out of 228) | $3,400 (189 out of 228) | $14,700 (115 out of 228) |
| **Main Industries** | Copra, tuna processing, tourism, craft items | Tourism, construction, specialized aquaculture, craft items | Tourism, fishing, subsistence agriculture |
| **Life Expectancy** | 73 years | 73 years | 73 years |

**Sources:** Central Intelligence Agency, *The World Factbook*; Government Accountability Office, "Compacts of Free Association: Populations in U.S. Areas Have Grown, with Varying Reported Effects," June 2020; Freedom House, *Freedom in the World 2020*.

**Notes:** GDP per capita in purchasing power parity terms. Freedom House "Freedom Score" based upon political rights and civil liberties indicators.

# Key Provisions of the Compacts of Free Association

Under the Compacts, the FAS defer to the United States on decisions related to their external security, and the FAS are entitled to terms of U.S. economic assistance (subject to renegotiation) and security guarantees. Key provisions of the Compacts include the following:

- The United States is obligated to defend the FAS against attack or threat of attack. The United States may block FAS government policies that it deems inconsistent with its duty to defend the FAS (a.k.a. the "defense veto").
- The United States has the prerogative to reject the strategic use of, or military access to, the FAS by third countries (the "right of strategic denial").
- The United States may establish military facilities in the FAS.
- FAS citizens have the right to reside and work in the United States and its territories as lawful non-immigrants or "habitual residents."[10]
- FAS citizens are eligible to volunteer for service in the U.S. armed forces, where several hundred FAS citizens currently serve.

[10] FAS citizens are allowed to lawfully reside in the United States, but they are not considered Lawful Permanent Residents or U.S. citizens.

- The FAS are eligible for some U.S. federal programs and services; some of those eligibilities expire at the end of the current Compact terms.

# U.S. Assistance to the FAS

The United States is the largest provider of foreign aid to the FAS, followed by Japan, the PRC, and Australia.[11] Taiwan is also an important aid donor, due to its diplomatic relations with the Marshall Islands and Palau.[12] Most U.S. economic assistance to the FAS is provided pursuant to the Compacts, largely in the form of grants provided through Department of the Interior (DOI) mandatory funding.[13] Since 2010, the U.S. Agency for International Development (USAID) has provided annual assistance to the Marshall Islands and Micronesia for weather-related disaster management, relief, reconstruction, and adaptation ($500,000 annually).[14] (See **Table 2**.)

## Compact Assistance

Pursuant to the Compact with the Marshall Islands, the United States provided assistance worth nearly $661 million during the first Compact term (1987-2003). In addition, the United States spent $309 million on nuclear test-related assistance and compensation for the Marshall Islands pursuant to the Compact. During the same period, the United States provided roughly $1.54 billion in Compact grants and related assistance to Micronesia.[15]

[11] Most PRC foreign aid does not meet the standards set by the Organization for Economic Cooperation and Development (OECD) for "Official Development Assistance," due to its large loan-to-grant ratio and commercial nature, with economic benefits accruing to China. PRC aid is often referred to more loosely as "Other Official Flows." For a discussion of terms, see AidData, "China's Global Development Footprint," at https://www.aiddata.org/china-official-finance.

[12] Taiwan (Republic of China) has provided $47 million and $20 million to the Marshall Islands and Palau, respectively, since 2010, including contributions to the RMI Compact trust fund. Lowy Institute, Pacific Aid database, at https://pacificaidmap.lowyinstitute.org/database; Statement of David Gootnick, Director, International Affairs and Trade, Government Accountability Office, "Compacts of Free Association: Trust Funds for Micronesia and the Marshall Islands Are Unlikely to Fully Replace Expiring U.S. Annual Grant Assistance," Testimony Before the Senate Committee on Energy and Natural Resources, July 23, 2019; Derek Grossman et al., "America's Pacific Island Allies," RAND, 2019. The four remaining Pacific Island countries that recognize Taiwan, out of 14 countries worldwide, are the Marshall Islands, Nauru, Palau, and Tuvalu.

[13] Mandatory spending is required by law rather than determined through annual appropriations acts. DOI has jurisdiction to administer Compact assistance to the FAS, which are designated as "insular areas." DOI Compact assistance to the FAS amounts to roughly 85% of all Department of State, USAID, and DOI assistance on an average annual basis. Derek Grossman et al., "America's Pacific Island Allies." See also USAID, Foreign Aid Explorer, at https://explorer.usaid.gov/data.

The high percentage (96%) of Compact assistance in 2018-2019 reflected a lump sum payment of $111 million to Palau in 2018 pursuant to the U.S.-Palau Compact Review Agreement.

[14] Department of State, *Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs, Supplementary Tables, Fiscal Year 2020*.

[15] Not including federal services and payments for U.S. military use of Kwajalein Atoll in the Marshall Islands. Department of the Interior, *Congressional Budget Justifications, Fiscal Year 2021, Office of Insular Affairs*; Statement of Susan S. Westin, Managing Director, International Affairs and Trade, General Accounting Office, "An Assessment of the Amended Compacts and Related Agreements," Testimony before the Senate Committee on Energy and Natural Resources, July 15, 2003. Reported totals may vary depending upon what is included.

**Table 2. Selected U.S. Assistance to the FAS**

$U.S. thousands

| | Interior FY2020 | State/USAID, FY2018-FY2019 |
|---|---|---|
| **Marshall Islands** | | |
| Compact Sector Grants | 36,296 | |
| Trust Fund | 18,644 | |
| Kwajalein Lease Payments | 22,374 | |
| Enewetak | 1,616 | |
| Disaster Prevention and Emergency Response | | 919 |
| Other | | 275 |
| **Micronesia** | | |
| Compact Sector Grants | 80,795 | |
| Trust Fund | 33,810 | |
| Disaster Prevention and Emergency Response | | 12,183 |
| Other | | 3,575 |
| **Palau** | | |
| Compact Extension Grants | 2,000 | |
| Disaster Prevention and Emergency Response | | 1,018 |
| Other | | 1,690 |
| **Totals** | 195,535 | 19,660 |

**Sources:** Department of the Interior, *Budget Justifications, Fiscal Year 2021, Office of Insular Affairs*; USAID, *Foreign Aid Explorer*, at https://explorer.usaid.gov/query.

**Notes:** "Other" State and USAID assistance includes counter-trafficking in persons efforts in the Marshall Islands and Palau, a child care program in Micronesia, conservation of archaeological sites in Micronesia and Palau, and a survey of unexploded ordnance in Palau.

During the second Compact term (2004-2023), U.S. grant assistance and trust fund contributions to the Marshall Islands are to total $722 million and $276 million, respectively. Micronesia is to receive $1.6 billion in grant assistance and $517 million in trust fund contributions during the same period.[16] (See **Table 3**.) According to the Government Accountability Office (GAO), total Compact-related assistance during this period is to total $3.6 billion for both countries.[17]

Compact Assistance to the Marshall Islands and Micronesia targets six sectors—education, health, infrastructure, public sector capacity building, private sector development, and

[16] Including inflationary adjustments. Not including nuclear test-related assistance and payments for U.S. military use of Kwajalein Atoll in the Marshall Islands. Also not including federal program assistance and other assistance using discretionary funds. Department of the Interior, *Congressional Budget Justifications, Fiscal Year 2021, Office of Insular Affairs*.

[17] The GAO total of $3.6 billion includes Compact "sector grants," trust fund contributions, audit grants, Kwajalein payments, and judicial training grants as well as grants provided to the Marshall Islands nuclear test-affected atolls of Rongelap and Enewetak. David Gootnick, "Compacts of Free Association: Trust Funds for Micronesia and the Marshall Islands Are Unlikely to Fully Replace Expiring U.S. Annual Grant Assistance."

environmental protection, with priority given to the education and health sectors. Assistance to Palau under the 2010 U.S.-Palau Compact Review Agreement includes support for education, health, and the administration of justice; infrastructure projects and maintenance; and debt reduction.[18]

**Table 3. U.S. Economic Assistance to the Marshall Islands and Micronesia Under the Compact of Free Association Amendments Act, 2004-2023**

$U.S. millions

| | RMI | FSM |
|---|---|---|
| Projected grant assistance, 2004-2023 | 722 | 1,608 |
| Projected U.S. trust fund contributions, 2004-2023 | 276 | 517 |
| **Totals** | 998 | 2,125 |

**Source:** Department of the Interior, *Congressional Budget Justifications, Fiscal Year 2021, Office of Insular Affairs.*

**Notes:** Including inflationary adjustments. Not including nuclear test-related assistance and Kwajalein payments to the Marshall Islands, and not including federal program assistance and other assistance using discretionary funds.

To provide oversight, the Compacts with the Marshall Islands and Micronesia, as amended in 2003, established a Joint Economic Management Committee for the Marshall Islands and Joint Economic Management and Financial Accountability Committee for Micronesia, each composed of a U.S. chair, two other members of the U.S. government, and two members of the FAS government. The governments of the RMI and FSM are required to report annually on the use of Compact and other U.S. assistance. The joint committees are to review and comment on the reports and make recommendations.

Between 1995 and 2009, U.S. Compact assistance to Palau included grant assistance, road construction, and the establishment of a trust fund worth $574 million.[19] In 2010, the United States and Palau concluded the U.S.-Palau Compact Review Agreement, to extend economic assistance and trust fund contributions for another 15 years (2010-2024) totaling $229 million. In addition, the agreement committed Palau to undertake economic, legislative, financial, and management reforms. Although the U.S. government continued some annual grant assistance, Congress did not approve the agreement and authorize full funding until 2018, raising some concerns about U.S. commitment to the FAS.[20] (See **Table 4**.)

[18] Statement of Thomas Bussanich, Director of Budget, Office of Insular Affairs, Department of the Interior, before the House Committee on Foreign Affairs, Subcommittee on Asia and the Pacific, "Regarding the Agreement Between the Government of the United States of America and the Government of the Republic of Palau Following the Compact of Free Association Section 434 Review," November 30, 2011.

[19] Including inflationary adjustments. In addition, Palau received Compact federal services worth $25 million and discretionary federal program assistance amounting to $267 million. Statement of David Gootnick, Director, International Affairs and Trade, Government Accountability Office, "Compact of Free Association: Proposed U.S. Assistance to Palau for Fiscal Years 2016 to 2024," Testimony before the House Subcommittee on Indian, Insular, and Alaska Native Affairs, Committee on Natural Resources, July 6, 2016.

[20] Comments by Senator Lisa Murkowski, Chair, Senate Energy and Natural Resources, "Hearing on U.S. Interests in the Freely Associated States," July 23, 2019. P.L. 115-91, the National Defense Authorization Act for FY2018, Section 1263, approved the U.S.-Palau Compact Review Agreement and authorized remaining funding under the agreement. P.L. 115-141, the Consolidated Appropriations Act, FY2018, Division D, Title II (Department of the Interior), appropriated outstanding economic assistance pursuant to the agreement.

**Table 4. U.S. Economic Assistance to Palau Under the Compact Review Agreement (2010-2024)**

$U.S. millions

| | |
|---|---|
| Trust Fund Contributions | 65 |
| Infrastructure Maintenance Fund | 14 |
| Economic Assistance | 130 |
| Infrastructure Projects | 20 |
| **Totals** | 229 |

**Source:** Department of the Interior, *Congressional Budget Justifications, Fiscal Year 2021, Office of Insular Affairs.*
**Notes:** Not including federal program assistance and other assistance using discretionary funds.

# Renewing Economic Provisions of the Compacts

Economic assistance under the Compacts of Free Association is set to expire in 2023 for the Marshall Islands and Micronesia and 2024 for Palau, while defense, security, and immigration provisions are to continue. Some U.S. policymakers and experts have expressed support for continued economic assistance to the FAS, given their ongoing economic dependency, U.S. historical obligations, and the perceived need to counter China's rising influence in the region.[21] The Government Accountability Office (GAO) reported that the RMI and FSM trust funds are not likely to produce adequate disbursements or to fully replace Compact grant assistance after 2023.[22] Currently, U.S. Compact assistance and Supplemental Education Grants (SEG) amount to 25% of the RMI budget and 33% of the FSM budget, according to GAO.[23]

In August 2019, Secretary of State Mike Pompeo stopped in Pohnpei, FSM, becoming the first U.S. Secretary of State to visit Micronesia, and met with FSM President David Panuelo, RMI President Hilda Heine, and Palau Vice President Raynold Oilouch.[24] During the visit, Pompeo announced that the United States was ready to begin the process of negotiating the renewal of the economic assistance provisions of the Compacts.[25] In April 2020, the Department of State announced the selection of Karen B. Stewart, U.S. Ambassador to the Marshall Islands, and Department of the Interior Assistant Secretary for Insular and International Affairs Douglas W. Domenech to serve as chief negotiators for agreements to amend the Compacts of Free

[21] Grant Wyeth, "Why the Compacts of Free Association Matter to Washington," *The Diplomat*, June 9, 2020; Derek Grossman et al., "America's Pacific Island Allies"; Senate Committee on Energy and Natural Resources, "ENR Reviews U.S. Interests in the Freely Associated States," July 23, 2019. For further discussion related to the renewal of the economic provisions of the Compacts of Free Association, see Senate Committee on Energy and Natural Resources, "Full Committee Hearing on the Freely Associated States," July 23, 2019, at https://www.energy.senate.gov/hearings/2019/7/full-committee-hearing#:~:text=The%20hearing%20will%20be%20held%20on%20Tuesday%2C%20July,United%20States%E2%80%99%20interests%20in%20the%20Freely%20Associated%20States.

[22] Government Accountability Office, "Compacts of Free Association: Actions Needed to Prepare for the Transition of Micronesia and the Marshall Islands to Trust Fund Income," May 2018.

[23] David Gootnick, Director, International Affairs and Trade, "Compacts of Free Association: Trust Funds for Micronesia and the Marshall Islands Are Unlikely to Fully Replace Expiring U.S. Annual Grant Assistance."

[24] U.S. Embassy in the Federated States of Micronesia, "Secretary of State Michael Pompeo Makes First Historic Visit to FSM," August 27, 2019.

[25] "Pompeo Tells FSM: US Ready to Start Compact Negotiations," *Marianas Variety*, August 7, 2019.

Association with the Marshall Islands, Micronesia, and Palau.[26] Formal discussions began on May 30, 2020, focused on expiring Compact grants and FAS eligibility for U.S. federal programs and services. Another round was concluded on July 15, 2020.[27]

In testimony before Congress, FSM Ambassador to the United States Akillino H. Susaia emphasized the importance of Micronesia's eligibility for U.S. federal programs and services as authorized by the Compact and implementing legislation. Susaia stated that some programs, Supplemental Education Grants in particular, are set to expire after FY2023 for the Marshall Islands and Micronesia, unless Congress takes action to allow them to continue.[28] Some observers suggest that to strengthen U.S.-FAS relations, the next Compact negotiations may consider other concerns as well, such as infrastructure development, the possible effects of climate change on the FAS, and sustainable fisheries management.[29] Some experts, as well as the governments of the four RMI atolls most affected by past U.S. nuclear weapons testing, have suggested including lingering issues related to U.S. compensation for nuclear test-related damages, remediation, and health care.[30]

Recent discussions have focused on expiring provisions in Title Two of the Compacts related to economic assistance and trust funds contributions. Other topics include U.S. federal programs for which the FAS are now eligible under the Federal Programs and Services Agreements but which are to expire as Compact terms end. These include the Federal Deposit Insurance Corporation, the Federal Emergency Management Agency, and the U.S. Postal Service. The services of the Federal Aviation Agency (FAA) may be provided under various FAA authorities, but FAA would be required to seek reimbursement for these services. Eligibility for many programs, including those provided under the amended Compacts' implementing legislation and other provisions of current U.S. law, are to continue.[31]

## Other Economic Concerns

The FAS economies face structural challenges similar to many other countries in the region, including lack of economies of scale, small land area, limited natural and human resources, remote locations, poor infrastructure, and environmental issues related to climate change. The FAS are low-lying island and atoll nations, in some places lying about six feet above sea level. They report experiencing effects that they attribute to global warming and rising sea levels, including more frequent typhoons, coral bleaching, reduced fish stocks, saline contamination of

[26] Department of State, "Selection of U.S. Negotiators for the Compacts of Free Association," April 22, 2020.

[27] "Second Round of Compact Negotiations Conclude," *Pacific News Center Guam*, July 15, 2020.

[28] Testimony of Ambassador Akillino H. Susaia, Federated States of Micronesia, to the House Committee on Natural Resources and House Committee on Foreign Relations, "Hearing on Sustaining U.S. Pacific Insular Relationships," September 26, 2019. In FY2016, Compact sector grants and SEG supported approximately 25% of health expenditures and 59% of education expenditures in the Marshall Islands and 60% of health expenditures and 82% of education expenditures in Micronesia. Government Accountability Office, "Compacts of Free Association: Actions Needed to Prepare for the Transition of Micronesia and the Marshall Islands to Trust Fund Income."

[29] See Senate Energy and Natural Resources Committee, "Hearing on U.S. Interests in the Freely Associated States," July 23, 2019, and Derek Grossman et al., "America's Pacific Island Allies."

[30] "Nuclear-Affected Atolls in Marshalls See Promise in US Talks," *Radio New Zealand*, July 31, 2020.

[31] See Statement of David Gootnick, Director, International Affairs and Trade, Government Accountability Office, "Compacts of Free Association: Trust Funds for Micronesia and the Marshall Islands Are Unlikely to Fully Replace Expiring U.S. Annual Grant Assistance, Appendix 1: Status of U.S. Grants and Programs in the FSM and RMI after 2023."

water, and related damage to crops, homes, and infrastructure.[32] The FAS have set ambitious targets for reducing greenhouse gases pursuant to the multilateral Paris Agreement signed in 2016.[33]

Most Pacific Island countries, including the FAS, have not reported COVID-19 cases, although some RMI migrant communities in the U.S. mainland reportedly have become COVID-19 hot spots.[34] Although the FAS are free of coronavirus cases so far, the adverse economic impacts of the COVID-19 pandemic on them include transportation stoppages, losses to the fishing industry in the Marshall Islands, and steep drops in tourism, particularly in Palau and Micronesia. Economic declines are expected to amount to a 6.9% reduction in GDP for both the Marshall Islands and Micronesia and a 22.3% reduction in Palau during 2020-2021.[35]

# U.S. Regional Interests and the FAS

The Freely Associated States long have supported U.S. diplomatic and security interests globally and in the Southwest Pacific, also known as the Pacific Islands region, which has emerged as an arena of strategic competition between the United States and its allies (including Australia and Japan), on one hand, and China, on the other.[36] Since the end of World War II, the United States has held a dominant economic and security presence in the Micronesian subregion of the Southwest Pacific, where the FAS as well as Guam and the Commonwealth of the Northern Mariana Islands (CNMI) are located. Some security and foreign policy experts refer to the Micronesian subregion as forming the southern part of the so-called second island chain in the Pacific. The first island chain includes southern Japan, Taiwan, and the Philippines.[37] Some

[32] Coral Davenport, "The Marshall Islands Are Disappearing," *New York Times*, December 1, 2015; Rob Taylor, "Pacific Islands Take Steps to Counter Rising Sea Levels," *Dow Jones*, November 30, 2015; Republic of Palau, Intended Nationally Determined Contribution, November 2015, at https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Palau%20First/Palau_INDC.Final%20Copy.pdf.

[33] The Marshall Islands is one of three countries that as parties to the Paris Agreement have submitted revised, more ambitious climate action plans since 2016. In September 2018, the Marshall Islands announced a goal of achieving net zero gas emissions by 2050. Alister Doyle, "Marshall Islands, Suriname, Norway Upgraded Climate Plans Before COP 26," *Climate Home News*, February 10, 2020.

[34] Owen Amos, "Ten Countries Kept Out of Covid. But Did They Win?" *BBC News*, August 24, 2020. In the Northwest Arkansas region, RMI migrants accounted for one-half of COVID-19 deaths, despite constituting 3% of the population, and in Spokane, WA, RMI migrants accounted for nearly one-third of COVID-19 cases while making up 1% of the population. Joshua Keating, "Why a Pacific Islander Community in Rural Arkansas Became a COVID Hot Spot," *Slate*, September 15, 2020.

[35] Department of the Interior, Office of Insular Affairs, "Initial Economic Impact of COVID-19 Reported for Micronesia, the Marshall Islands, and Palau," June 22, 2020. See also "Assessing the Impact of COVID-19 on the Economies of the Palau, the Federated States of Micronesia, and the Marshall Islands," at http://www.pitiviti.org.

[36] For further information on renewed great power competition in the region, see CRS Report R43838, *Renewed Great Power Competition: Implications for Defense—Issues for Congress*, by Ronald O'Rourke. See also Tsukasa Hadano, "Beijing Courts Micronesia in Push for Rival Base to Guam," *Nikkei Asian Review*, December 14, 2019; Edward Wong, "Military Competition in Pacific Endures as Biggest Flash Point Between U.S. and China," *New York Times*, November 14, 2018; John Garrick, "Soft Power Goes Hard: China's Economic Interest in the Pacific Comes with Strings Attached," *The Conversation*., October 16, 2018; U.S.-China Economic and Security Review Commission, "China's Engagement in the Pacific Islands: Implications for the United States," June 14, 2018.

[37] The so-called first island chain includes southern Japan, Taiwan, and the Philippines, enclosing the sea areas closest to the PRC. The second island chain also starts in Japan, but extends further out into the Pacific, enclosing the Philippine Sea that separates the Philippines from Guam. In discussions of China's military capabilities and foreign policy goals for the Western Pacific, some security and foreign policy experts refer to the first and second island chains as areas that China is perceived as wanting to influence or eventually dominate, and conversely as geographic features that the United States and its allies and partners potentially can use to counter or contain Chinese military actions.

analysts view the island chains as having strategic importance for both China and the United States.[38]

The United States long has relied upon Australia, and to a lesser extent New Zealand, to help advance shared strategic interests, maintain regional stability, and promote economic development in the Southwest Pacific. Australia and New Zealand maintain strong relations with much of the region. Australia's primary interests focus on the islands south of the equator, particularly the relatively large Melanesian nations of Papua New Guinea, the Solomon Islands, and Vanuatu.[39] New Zealand has long-standing ties with its territory of Tokelau, former colony of Samoa (also known as Western Samoa), and the Cook Islands and Niue, two self-governing states in free association with New Zealand. France continues to administer French Polynesia, New Caledonia, and Wallis and Futuna.

In recent years, Japan has launched a number of Pacific Island initiatives in order to bolster its presence. Japan has been particularly active in the area of climate adaptation assistance, a top concern of many Pacific Island countries.[40] Japan has developed its ties in the region and with the FAS in light of its own Free and Open Indo-Pacific Strategy, first enunciated in 2016, which aligns with that of the United States, launched in 2017.[41]

## U.S.-FAS Cooperation

From 1946 to 1958, the United States conducted 67 atmospheric atomic and thermonuclear weapons tests over the Marshall Islands atolls of Bikini and Enewetak, including "Castle Bravo," the most powerful nuclear test conducted by the United States. The United States military regularly conducts intercontinental ballistic missile (ICBM) testing and space surveillance activities from the Ronald Reagan Ballistic Missile Test Site (RTS) on Kwajalein Atoll in the Marshall Islands.[42] RTS, to which the United States has base rights at least through 2066,[43] is known as the "world's premier range and test site for intercontinental ballistic missiles and space operations support."[44]

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[38] For further discussion, see the following: Derek Grossman, "America Is Betting Big on the Second Island Chain," *The Diplomat*, September 5, 2020; R. Matelski, "America's Micronesia Problem," *The Diplomat*, February 19, 2016; Andrew S. Erickson and Joel Wuthnow, "Why Islands Still Matter in Asia: The Enduring Significance of the Pacific 'Island Chains,'" *The National Interest*, February 6, 2016; "The Rising Strategic Stock of Micronesia," *PACNEWS*, February 3, 2015; Robert Scher, Deputy Assistant Secretary of Defense, "Department of Defense's Support of The Palau Compact Agreement Review," Testimony Before the Senate Committee on Energy and Natural Resources, June 16, 2011.

[39] For further information, see CRS In Focus IF11208, *The Pacific Islands*, by Thomas Lum and Bruce Vaughn.

[40] Denghua Zhang and Miwa Hirono, "Japan and China's Competition in the Pacific Islands," *The Diplomat*, April 30, 2020; Grant Wyeth, "Japan Keen to Bolster Ties with Pacific Island States," *The Diplomat*, August 12, 2019; Derek Grossman et al., "America's Pacific Island Allies."

[41] Department of State, "A Free and Open Indo-Pacific: Advancing a Shared Vision," November 24, 2019; Derek Grossman et al., "America's Pacific Island Allies"; Tsuneo Watanabe, "Japan's Rationale for the Free and Open Indo-Pacific Strategy [1]," Sasakawa Peace Foundation, October 20, 2019.

[42] U.S. Army Kwajalein Atoll (USAKA), GlobalSecurity.org, at https://www.globalsecurity.org/space/facility/kwaj.htm.

[43] Under the U.S.-RMI Military Use and Operating Rights Agreement (MUORA), the United States makes annual payments of $18 million, plus adjustments for inflation, to the Marshall Islands government, which in turn compensates Kwajalein landowners for relinquishing their property through a Land Use Agreement. The amended Compact of 2003 extended U.S. base rights at Kwajalein Atoll through 2066, with the U.S. option to continue the arrangement for an additional 20 years, to 2086.

[44] Lisa Ferdinando, "Dempsey Visits Strategic, Remote Kwajalein Atoll," *Federal Information and News Dispatch*,

The Marshall Islands, Micronesia, and Palau were members of the U.S.-led coalition that launched Operation Iraqi Freedom in 2003, providing support through their citizens' service in the U.S armed forces.[45] Eighteen FAS citizens reportedly lost their lives serving in the U.S. military, mostly in the Iraq and Afghanistan wars.[46] The FAS have supported the United States in the United Nations, where the RMI and FSM have among the highest rates of agreement with U.S. positions or votes and consensus resolutions.[47]

**U.S. Nuclear Testing on the Marshall Islands and Compensation**

From 1946 to 1958, the United States conducted 67 atmospheric atomic and thermonuclear weapons tests over the Marshall Islands atolls of Bikini and Enewetak. U.S. nuclear weapon tests on the Marshall Islands resulted in dangerous levels of radioactive contamination at four RMI atolls—Bikini, Enewetak, Rongelap, and Utrik. Section 177 of the Compact of Free Association and the Agreement for the Implementation of Section 177 (the "177 Agreement") provided $150 million in the form of a trust fund called the Nuclear Claims Fund as compensation for the four atolls. This was deemed to be part of a "full and final settlement" of legal claims against the U.S. government. Investment returns on the Fund were intended to generate revenue for personal injury and property damages awards, health care, resettlement costs, trust funds for the four atolls for various purposes, and quarterly distributions to the peoples of the four atolls for hardships suffered. In all, the United States reportedly provided over $600 million for nuclear claims, health and medical programs, and environmental cleanup and monitoring.[48] The Marshall Islands government and peoples of the four atolls have long argued that U.S. compensation was inadequate and have made detailed requests and filed lawsuits for additional compensation. The U.S. government and courts found that the Marshall Islands was not legally entitled to additional compensation.[49]

Between 1957 and 1980, the people of the four northern atolls who had been evacuated during the nuclear testing in 1947 and 1954 returned to their homelands (Rongelap and Utrik in 1957; Bikini in 1968; and Enewetak in 1980). However, the peoples of Bikini and Rongelap were re-evacuated in 1978 and 1985, respectively, after radiation levels detected in the soil were deemed unsafe for human habitation. Rongelap reportedly has been remediated to the point that people can safely live there, although many former residents remain wary of returning.

## Strengthening U.S.-FAS Defense Ties

The Freely Associated States have assumed greater importance as U.S. security partners in recent years. In December 2018, the U.S. military reportedly held discussions with the FSM government about building naval facilities, expanding an airport runway for military use, and engaging in military exercises in Micronesia.[50] In September 2020, Palau President Tommy Remengesau Jr. stated in a letter to U.S. Secretary of Defense Mark Esper that he welcomed the establishment of U.S. military bases in Palau.[51] RMI President Hilda Heine, FSM President David Panuelo, and Palau President Tommy Remengesau Jr. met with U.S. President Donald Trump on May 23, 2019,

February 21, 2015.

[45] The FAS do not have their own armed forces.

[46] Sandra Oudkirk, Deputy Assistant Secretary for Australia, New Zealand, and Pacific Islands, Department of State, Statement before the Senate Committee on Energy and Natural Resources, "Hearing on U.S. Interests in the Freely Associated States," July 23, 2019.

[47] Department of State, "Voting Practices of the United Nations, 2019," May 21, 2020. The five countries with the highest voting coincidence with the United States are, in descending order: Israel, Micronesia, Australia, Canada, and the Marshall Islands.

[48] Ronron Calunsod, "Marshall Islands Commits to a "World Without Nuclear Weapons," *Kyodo News*, March 1, 2018.

[49] Department of State, "Report Evaluating the Request of the Government of the Republic of the Marshall Islands Presented to the Congress of the United States of America," November 2004; Warren Richey, "Supreme Court: No Review of Award for U.S. Nuclear Weapons Tests," *Christian Science Monitor*, April 5, 2010.

[50] Ben Kesling, "U.S. Military Refocuses on Pacific to Counter Chinese Ambitions," *Wall Street Journal*, April 3, 2019.

[51] "Palau Invites US Military to Build Bases as China Seeks Regional Clout," *The Defense Post*, September 4, 2020.

in the first joint FAS meeting with a U.S. President. Following this meeting, the United States and the FAS released a joint statement stating the following:

> The United States of America, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia, as Pacific nations, jointly reaffirm our interest in a free, open, and prosperous Indo-Pacific region. We recognize our unique, historic, and special relationships, and reaffirm our countries' commitments to the Compacts of Free Association, resolving to continue our close cooperation in support of prosperity, security, and the rule of law.…[52]

An FY2019 National Defense Authorization Act-mandated report by the Center for a New America,[53] which examines how the United States can advance its goal of "a free and open Indo-Pacific," offers recommendations for U.S. strategy and implementation, including the following: "Renewing and fully supporting the Compact of Free Association with the Federated States of Micronesia, the Marshall Islands, and Palau, which provide irreplaceable access to critical geography"; and "Developing support infrastructure and greater access at existing airfields, and improving runways and infrastructure at key locations in the Compact of Free Association states like Palau and Yap…."[54] The National Defense Authorization Act, FY2020 includes provisions that support U.S. security cooperation with and assistance to Pacific Island countries and the U.S. commitment to the Freely Associated States.[55] Section 364 requires the Secretary of Energy to submit a report to Congress on the status of Runit Dome in the Marshall Islands.[56]

# China's Engagement with the FAS

Although China's influence in the Southwest Pacific is growing, its engagement in the FAS as a whole is relatively limited, due to the U.S. economic and security presence in the Compact states and to the PRC's lack of diplomatic relations with the Marshall Islands and Palau. China's engagement is greater in Micronesia, where it is a major provider of economic assistance and investment, and with which it has a "comprehensive strategic partnership."[57] PRC entities have financed and constructed major government buildings, a sports facility, a bridge and other infrastructure, and upgraded Chuuk International Airport. Other PRC assistance includes other financial assistance; technical assistance; disaster and medical assistance; agricultural, biogas,

[52] Embassy of the Federated States of Micronesia in Washington, DC, "President David W. Panuelo Meets Donald J. Trump," May 23, 2019.

[53] John S. McCain National Defense Authorization Act, FY2019 (P.L. 115-232, Section 1254).

[54] Ely Ratner et al., "Rising to the China Challenge: Renewing American Competitiveness in the Indo-Pacific," Center for a New America, December 2019.

[55] P.L. 116-92, Sections 1250A and 1250E.

[56] Runit Dome is a U.S.-constructed concrete roof built over a nuclear crater that contains over 100,000 cubic yards of radioactive soil left from U.S. nuclear testing on Runit Atoll. In June 2020, the Department of Energy (DOE) released a report on Runit Dome pursuant to the National Defense Authorization Act, FY2020 (P.L. 116-92, Section 364). Despite concerns by local Marshallese about the site's safety, DOE concluded that the dome itself was not in any immediate danger of collapse or failure and that there was no data to suggest that there was any flow of contaminated groundwater from beneath the structure that had a "measurable adverse effect on the surrounding environment" or that would likely cause any adverse effect in up to 20 years. DOE is in the process of establishing a groundwater radiochemical analysis program to provide some understanding of possible effects of "forcing events" such as storm surge and water-driven flooding. Department of Energy, "Report on the Status of Runit Dome in the Marshall Islands: Report to Congress," June 2020; Susanne Rust, "U.S. Says Leaking Nuclear Waste Dome Is Safe; Marshall Islands Leaders Don't Believe It," *Los Angeles Times*, July 1, 2020; Susanne Rust, "How the U.S. Betrayed the Marshall Islands, Kindling the Next Nuclear Disaster," *Los Angeles Times*, November 10, 2019.

[57] Cao Desheng, "President Hails Ties with Micronesia in Greetings," *China Daily*, May 21, 2019.

solar energy, and climate adaptation projects; ship repair; and light utility aircraft.[58] In December 2019, FSM President David Panuelo visited China and received promises of $72 million in further economic assistance.[59]

China exerts some economic influence or pressure in the Marshall Islands and Palau, despite their diplomatic relations with Taiwan. The PRC is one of the principal trading partners of the Marshall Islands, largely reflecting its export of transport vessels to the RMI.[60] The Marshall Islands has one of the world's largest ship registries, but RMI ships entering Chinese ports pay higher fees due to the Marshall Islands not having diplomatic relations with the PRC.[61] In 2018, Beijing banned Chinese tourists from visiting Palau, which is heavily dependent on tourism revenue, reportedly to pressure Palau into switching diplomatic relations from Taiwan to the PRC.[62]

# FAS Migration

FAS citizens are allowed under the Compacts to reside, work, and study in the United States as lawful non-immigrants. They may apply to become lawful permanent residents or naturalized U.S. citizens under regular U.S. immigration laws.[63] An estimated 94,000 "Compact migrants" reside in U.S. areas, divided roughly equally between the U.S. mainland, on the one hand, and Hawaii and U.S. Pacific territories, on the other.[64] From 2009 to 2018, the number of Compact migrants living in U.S. states and territories, particularly from the Marshall Islands and Micronesia, rose by an estimated 68%.[65] The jurisdictions with the largest numbers of FAS migrants, in order of FAS population size, are Hawaii, Guam, Washington, Arkansas, Oregon, California, and Texas.[66]

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[58] The PRC committed and spent assistance totaled roughly $114 million between 2009 and 2018. Lowy Institute, Pacific Aid database; "This Pacific Island Is Caught in a Global Power Struggle," *The Zimbabwean*, August 24, 2017; "US Stresses 'Unique' Pacific Islands Links, as China's Regional Footprint Grows," *Australian Broadcasting Corporation*, June 1, 2016. In 2019, China contributed $2 million to the FSM Compact trust fund. Meaghan Tobin, "Mike Pompeo's Visit to Micronesia Highlights US Anxiety About Rising Chinese Influence in Pacific," *South China Morning Post*, August 5, 2019.

[59] Eric Baculinao, Dawn Liu, and Leou Chen, "Why Is This Tiny Pacific Ocean Nation Getting VIP Treatment in Beijing?" *NBC News*, December 16, 2019.

[60] Trade Data Monitor; U.S.-China Economic and Security Review Commission, China's Engagement in the Pacific Islands: Implications for the United States.

[61] Derek Grossman et al., "America's Pacific Island Allies."

[62] Stephen Dziedzic, "Beijing Intensifies Lobbying of Pacific Nations to Recognize Taiwan as Part of One China," *Australian Broadcasting Corporation*, February 13, 2019; Lauren McMah, "Island Paradise in Peril After Incurring Wrath of China," *News.com.au*, August 21, 2018; "Palau Seeks Help from US and Japan to Counter China's 'Tourist Ban' over Its Links to Taiwan," *Hong Kong Free Press*, July 26, 2018.

[63] Department of Homeland Security, "Fact Sheet: Status of Citizens of the Freely Associated States of the Federated States of Micronesia and the Republic of the Marshall Islands," November 3, 2015.

[64] This estimate includes Marshallese, Micronesian, and Palauan citizens who entered the United States after the Compacts of Free Association went into effect in their countries, and their U.S.-born children younger than 18 years, who hold dual U.S.-FAS citizenship. U.S.-born FAS children are no longer considered as Compact migrants after reaching 18 years of age, at which point they are required to decide whether to retain U.S. or FAS citizenship. Government Accountability Office, "Compacts of Free Association: Populations in U.S. Areas Have Grown, with Varying Reported Effects," June 2020.

[65] Ibid. An estimated one-third of RMI and FSM citizens reside in the United States. Derek Grossman et al., "America's Pacific Island Allies"; Melanie Saltzman, "Marshall Islands: A Third of the Nation Has Left for the U.S.," *PBS*, December 16, 2018.

[66] Derek Grossman et al., "America's Pacific Island Allies."

FAS citizens migrate to the United States for various reasons, including greater economic and educational opportunities and access to quality health care. Many FAS migrants in U.S. jurisdictions work in the hospitality sector, retail and restaurants, caregiving, meat-processing (poultry), and airports.[67] FAS migrant groups reportedly suffer from high rates of hypertension, diabetes, and kidney and other chronic diseases, although they are not eligible for most federal public benefits, including Medicaid.[68]

**Table 5. Compact Impact Funding Distribution, FY2020**

$U.S. millions

| | Percent | Total |
|---|---|---|
| **Guam** | 49.5 | 16.83 |
| **Hawaii** | 43.7 | 14.88 |
| **CNMI** | 6.7 | 2.26 |
| **American Samoa** | 0.1 | 0.03 |
| **Totals** | 100.0 | 34.0 |

**Source:** Department of the Interior, *Congressional Budget Justifications, Fiscal Year 2021, Office of Insular Affairs.*

**Notes:** In 2019, Census Bureau officials discovered an error in enumerations that had resulted in lower allocations, or underpayment, to Hawaii and overpayments to other jurisdictions during 2015-2020.

## Compact Impact Funding

The Compact of Free Association Act of 1985 requires the President to report annually to Congress on the impact of the Compact on U.S. territories and commonwealths in the Pacific and on the State of Hawaii, and to cover the costs "resulting from any increased demands placed upon education and social services" by migrants from the Marshall Islands and the Federated States of Micronesia.[69] The Compact Amendments Act of 2003 mandated $30 million in Compact Impact funds to be allocated annually for 20 years (2004-2023).[70] Since 2012, Congress has appropriated additional discretionary Compact Impact funds of between $3 million and $5 million annually, including $4 million in FY2020.[71] (See **Table 5**.) Hawaii, Guam, and the CNMI reported a total of $3.2 billion in estimated Compact Impact costs during 2004-2018 in the areas of education, social services, and health services, while they received approximately $509 million in Compact-related compensation during 2004-2019.[72] Officials from Guam and Hawaii have cited Compact

[67] Government Accountability Office, *Compacts of Free Association: Populations in U.S. Areas Have Grown, with Varying Reported Effects*; "Policy Brief: Returning Power to Micronesians in Hawaii," Grassroot Institute of Hawaii, November 27, 2016; "Marshall Islanders: Migration Patterns and Health Care Challenges," Migration Policy Institute, May 22, 2014.

[68] Dan Diamond, "'They Did Not Realize We Are Human Beings,'" *Politico Magazine*, January 26, 2020; "From the Islands to the Ozarks," *U.S. News and World Report*, March 6, 2019; "Hawaii's COFA Islanders: Improving Health Access and Outcomes," Woodrow Wilson School of Public and International Affairs, January 2017. Under the Welfare Reform Act of 1996 (P.L. 104-193, Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended), FAS citizens, as nonresident aliens, were no longer eligible for federal means-tested programs.

[69] P.L. 99-239, Section 104(e).

[70] P.L. 108-188, Section 104(e). For costs related to non-immigrants from the Marshall Islands, Micronesia, and Palau.

[71] Department of the Interior, *Congressional Budget Justifications, Fiscal Year 2021, Office of Insular Affairs*. The Trump Administration has proposed to eliminate the discretionary program.

[72] Government Accountability Office, *Compacts of Free Association: Populations in U.S. Areas Have Grown, with Varying Reported Effects*.

migrants' "limited eligibility for a number of federal programs, particularly Medicaid," as a major reason for the costs borne by the affected jurisdictions.[73]

[73] Statement of David Gootnick, Director, International Affairs and Trade, Government Accountability Office, "Compacts of Free Association: Issues Associated with Implementation in Palau, Micronesia, and the Marshall Islands," Testimony before the Senate Committee on Energy and Natural Resources, April 5, 2016.

# Appendix. Selected Pending Legislation Related to the FAS in the 116th Congress

- H.R. 404: United States Territories College Access Act. (Plaskett, introduced January 9, 2019)
- H.Con.Res. 18: Recognizing the rich history, heritage, and strategic importance of the Republic of the Marshall Islands and the Marshallese population residing in the United States. (Womack, introduced February 13, 2019)
- S.Con.Res. 3: A concurrent resolution recognizing the rich history, heritage, and strategic importance of the Republic of the Marshall Islands and the Marshallese population residing in the United States. (Boozman, introduced February 13, 2019)
- S. 555: Mark Takai Atomic Veterans Healthcare Parity Act of 2019. (Smith, introduced February 26, 2019)
- H.R. 1377: Mark Takai Atomic Veterans Healthcare Parity Act. (Meng, introduced February 26, 2019)
- H.R. 1628: Enewetak Atoll Cleanup Radiation Study Act. (Steube, introduced March 7, 2019)
- S. 1222: COFA Veterans Review Act of 2019. (Schatz, introduced April 29, 2019)
- H.R. 2916: COFA Veterans Review Act of 2019. (Gabbard, introduced May 22, 2019)
- H.R. 3309: To direct the Secretary of Defense to report on vulnerabilities from sea level rise to certain military installations located outside the continental United States. (Brown, introduced June 18, 2019)
- S. 2218: Covering our FAS Allies Act. (Hirono, introduced July 23, 2019)
- H.R. 4821: Covering our FAS Allies Act. (Cardenas, introduced October 23, 2019)
- H.R. 5950: FAS School Meals Improvement Act. (Sablan, February 21, 2020)
- H.R. 7797: BLUE Pacific Act. (Case, introduced July 27, 2020)

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