

# U.S. STRATEGY IN THE PACIFIC ISLANDS REGION

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## HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS

UNITED STATES SENATE

ONE HUNDRED EIGHTEENTH CONGRESS

SECOND SESSION

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MARCH 14, 2024  
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## **U.S. STRATEGY IN THE PACIFIC ISLANDS REGION**

**THURSDAY, MARCH 14, 2024**

U.S. SENATE,  
COMMITTEE ON FOREIGN RELATIONS,  
*Washington, DC.*

The committee met, pursuant to notice, at 10:35 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Benjamin J. Cardin, chairman of the committee, presiding.

Present: Senators Cardin [presiding], Menendez, Kaine, Schatz, Van Hollen, Duckworth, Risch, Romney, Ricketts, Young, and Hagerty.

### **OPENING STATEMENT OF HON. BENJAMIN L. CARDIN, U.S. SENATOR FROM MARYLAND**

The CHAIRMAN. This hearing of the Senate Foreign Relations Committee will come to order.

For thousands of years Pacific Islanders have been masters of the sea, navigating oceans by canoe guided only by the stars. With climate change and globalization hitting their shores, they have become innovators on how to save their heritage.

There are over a million and a half Americans of Pacific Island ancestry and over 1,000 citizens from Freely Associated States serving in the United States Armed Forces.

This puts people to people ties at the heart of our relationship to a part of the world that has been vital to the strategic interests of the United States.

During World War II the U.S. Navy built an airstrip on what is now the Nation of Kiribati. But today it is the People's Republic of China that has planned to rebuild the former American airstrip.

Beijing is signing policing deals to provide cybersecurity and community policing assistance in the region. Since the Solomon Islands changed their recognition from Taiwan to China, PRC nationals have moved to the islands, flooding the market with low cost goods, extracting timber and fish and other resources, bringing in tourism practices that threaten the natural environment, in some cases setting up transnational criminal operations that evade the limited capacity of local law enforcement.

All this compounds the forces that drive young people to search for economic opportunities elsewhere, developments that are deeply concerning to the United States and our allies in the region like Australia, New Zealand, and Japan.

At the same time Pacific Island nations are on the front lines of the climate crisis. Many are only a few feet above sea level. This

makes them particularly vulnerable to extreme weather events brought on by climate change.

Not only does this mean many of these nations could be uninhabitable in coming decades, it presents serious threats to important sensitive American military installations.

Earlier this year a series of extreme waves damaged a U.S. military base at the Marshall Islands, a base used as a space and missile test range for the United States Department of Defense with some of the Army's most sophisticated tracking equipment.

So I am pleased that the Biden administration has prioritized our engagement in the region. Building new embassies is not easy—we all know that—especially where land and domestic capacity is limited and ocean levels are rising. But I want to encourage the department to be creative and to move as quickly as possible.

Beijing will not slow down its efforts to gain influence in this important region. Neither should we. Congress recently passed and funded for all three Compact of Free Association nations, and we are glad that the COFA was finally enacted.

For more than 40 years COFA agreements have governed these critical relationships. The Biden administration has called these COFA the bedrock of the U.S. role in the Pacific.

I want to thank Senator Manchin, Barrasso, and Ranking Member Risch for their bipartisan leadership in getting COFA agreements across the finish line and signed by the President. I also want to acknowledge the leadership of Senator Schatz and Senator Hirono in regards to that agreement.

I wish the same spirit of cooperation applied to our China bill and the Administration's outcompete China proposal which has been proposed again in this year's budget.

U.S. competition with China concerns almost every single member of our committee as well as most members of the U.S. Senate.

I appreciate the staff on both sides getting us to about 80 percent there. We now need to reach the finish line. But if we are serious about countering China, I ask the ranking member to work with me and every member of this committee to finish the job in the next work period.

I also want to thank our witnesses for appearing before us today. We have a distinguished panel of witnesses, and I look forward to your presentations.

I hope you will speak about how we can speed up the expansion of our diplomatic presence, how do we work with Australia, New Zealand, and Japan and others to support and foster economic opportunities in the Pacific Islands, what we can do to climate proof our military installations to defend our national security interests in the years to come, recognizing the great risks there.

And finally, I ask that you lay out what is at stake for the United States military in the region if we fail to engage. I look forward to your testimony.

With that, let me turn to the distinguished ranking member Senator Risch.

**STATEMENT OF HON. JAMES E. RISCH,  
U.S. SENATOR FROM IDAHO**

Senator RISCH. Well, thank you very much, Mr. Chairman.

Before I start on my prepared remarks, let me say that on the China issue, like the issues we are talking about today, this is a bipartisan issue, and we should do that.

On February 6, as you know, I wrote you a letter about this, and we have not had a response to that yet. But we should air these things privately, and that will continue on, I am sure. But these are bipartisan issues—nonpartisan issues, not partisan issues.

We have had a long history of friendship with the Pacific Islands, and this hearing comes as we usher in the next chapter of U.S. commitment to the region. Just last week Congress acted to renew the Compacts of Free Association.

As you noted, Mr. Chairman, these agreements are foremost a promise to the three compact countries—Micronesia, the Marshall Islands, and Papua. Through these compacts we partner with them to advance economic prosperity, provide for U.S. military veterans from these nations, provide cooperation in areas of law enforcement and judicial training, and much more.

Further, our security partnership with these states are critical. In World War II we fought our way across the Pacific, costing significant American blood and treasure. We have been in that region for decades, and with these agreements we stay for years to come. They are a strategic investment in our national defense and in our partners in the Indo-Pacific region.

However, in order to maximize these partnerships the Administration must adjust its policies to demonstrate U.S. focus and commitment are not going anywhere. First, our diplomatic presence in this region still need serious work. We have been too slow to get our diplomats permanently on the ground to push back against Chinese influence.

I am also concerned about the lack of support for the diplomats we do have in the Pacific. Nowhere is this more evident than the Solomon Islands. By the time the State Department started paying attention, China was already signing a major security agreement.

When the department asked for personnel for the post it did not ask for a single public affairs officer to push back against the Chinese propaganda.

This is a large globe. There is a lot of countries. But my staff has been monitoring this particular region for the numerous important reasons that I just mentioned.

This is not just about getting our people on the ground. Once there they must be able to do their job and advance U.S. interests. It is clear we are moving at the speed of bureaucracy and not the speed of relevance.

I have sent five letters to Secretary Blinken urging a nuanced expeditionary approach to our diplomatic expansion. I have encouraged using these flexibilities that my Secure Embassies Construction and Counterterrorism Act provides to stand up our diplomatic presence and creating a South Pacific management platform to improve support to these remote missions.

The Solomon Islands example brings me to a second issue, security cooperation. In addition to greater Chinese military and law

enforcement presence in the Solomon Islands, other nations continue to explore security arrangements with China.

Luckily, in May 2022 Pacific Island countries came together and rejected China's push for a region wide security agreement. That was proof of what dedication to sovereignty and regional unity can achieve.

Papua New Guinea, which just signed a new security pact with us last year, has been approached by China about new security and policing arrangements. Chinese police are present in Kiribati and we know China has set its sights on other nations.

I would like the Departments of State and Defense here today to discuss the implementation of our security pact with Papua New Guinea and help the committee understand how this agreement serves our interests region wide.

I would also like an update on where Chinese security cooperation initiatives are causing the greatest concern and how we are working with our partners to address it. I would especially like the Defense Department to discuss Australia's role in security for the Pacific Islands. We all know about AUKUS, but there is certainly more to it than that.

Finally, I would like an update on economic development in this region. I am aware of our work on undersea cables and illegal fishing but want to know what other concrete projects we are pursuing.

I want real details on this, not just descriptions about creating an enabling environment or building stakeholder networks, et cetera, et cetera. We know that some Chinese projects, like a hospital in Fiji, did backfire. But this means the U.S. and our partners need to get our act together more quickly.

With that, I will turn it back to the chairman.

Thanks, Mr. Chair.

The CHAIRMAN. I thank Senator Risch for his opening comments, and we will always attempt to work together on all issues, including this region.

I want to welcome all three of our witnesses to today's hearing. I will introduce you, and then you will have approximately 5 minutes to give your opening statements. Your entire statements, without objections, will be made part of the record.

Welcome, Assistant Secretary Kritenbrink.

He is a career member of the senior Foreign Service and has been an American diplomat since 1994. He has served in numerous posts in the Indo-Pacific region including most recently as the former U.S. Ambassador to Vietnam.

Assistant Secretary Ratner, welcome.

Assistant Secretary of Defense for Indo-Pacific Security Affairs and also along with this committee under then Chairman Biden.

So you get special privileges. You can speak for 5 minutes and 10 seconds.

[Laughter.]

The CHAIRMAN. He has also served as a senior adviser on China to the Secretary of Defense.

And then we have Assistant Administrator Schiffer who is no stranger to this committee, and we welcome his return to SD-419 in his capacity at USAID to talk about his work in the Pacific Island region.



Again, as alum you get the extra—we will give you an extra 15 seconds because you and I worked together when I was chair of that subcommittee.

Mr. Schiffer is a former senior advisor and counselor on the Foreign Relations Committee covering issues related to the Indo-Pacific, so he in theory should be able to anticipate and answer every one of our questions.

Mr. Schiffer also brings an abundance of experience prior to his service on the Senate Foreign Relations Committee, previously served as Deputy Assistant Secretary of Defense for East Asia and as program officer at the Stanley Foundation responsible for the foundation's Asia programs.

With that, we will start.

Senator RICKETTS. Mr. Chairman, can I interrupt for just a moment?

The CHAIRMAN. Certainly.

Senator RICKETTS. I would like to note that Assistant Secretary Kritenbrink is actually from Nebraska so maybe he should get 10 seconds for that.

[Laughter.]

The CHAIRMAN. Absolutely.

Senator RISCH. This committee is getting a little out of hand.

The CHAIRMAN. I can understand that.

Mr. Secretary.

**STATEMENT OF HON. DANIEL J. KRITENBRINK, ASSISTANT SECRETARY OF STATE FOR EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE, WASHINGTON, DC**

Mr. KRITENBRINK. Mr. Chairman, good morning.

Chairman Cardin, Ranking Member Risch, members of this committee, thank you very much for convening this hearing and for the opportunity to testify on U.S. strategy in the strategically important Pacific Islands region.

I am honored to be joined by my colleagues from the Department of Defense and USAID today, and I understand my good friend, the Pacific Island former Secretary General Henry Puna, is here as well and honored by his presence as well.

The United States is a Pacific nation, and we share longstanding historic and cultural ties with our Pacific Island neighbors. As Vice President Harris said in 2022, the history and future of the Pacific Islands and the United States are inextricably linked.

U.S. prosperity and security depend on the Pacific region remaining free and open, prosperous, secure, and resilient. The Pacific Islands are important partners on many global issues, from standing together at the U.N. on human rights and opposing Russia's illegal and unprovoked invasion of Ukraine to contributing to global security through peacekeeping operations and to tackling the climate crisis as well as combating illegal, unreported, and unregulated fishing.

The Pacific Islands face significant challenges to their security and their prosperity, including from climate change and economic shocks, making the region more vulnerable to influence from the PRC.

As Secretary Blinken has said the PRC is the only country with both the intent to reshape the international order, and increasingly, the economic, diplomatic, military and technological power to do it.

That certainly holds true in the Pacific. Through foreign assistance, elite capture, and robust public messaging campaigns, the PRC has moved aggressively to assert itself in the Pacific Islands.

In addition, in recent years three Pacific Island countries have switched diplomatic ties from Taiwan to the PRC. And in 2022, as the chairman and ranking member noted, the Solomon Islands signed an unprecedented security agreement with the PRC, the details of which have not been publicly released.

Of course, as we have often said, we are not in the business of forcing countries to choose, neither in the Pacific nor anywhere else. But we do want to ensure that countries in the Pacific have a choice and the ability to make their own sovereign decisions free from coercion.

Under the Administration's Indo-Pacific strategy and Pacific Partnership Strategy the United States has expanded its diplomatic and development engagement with the Pacific Islands.

President Biden has convened two summits to engage with Pacific Island leaders on shared priorities including climate change, trade and investment, and a free and open Pacific region.

Since the first Pacific Island summit in 2022 we have announced plans to work with Congress to provide over \$8 billion in new funding and programs. We opened embassies in the Solomon Islands and Tonga in 2023, and we will open an embassy in Vanuatu later this year.

We also continue to work with the government of Kiribati on our plan to open an embassy there. We recognize the Cook Islands and Niue as sovereign and independent states. Peace Corps volunteers have returned to Fiji, Samoa, and Tonga, and they are planning to return to Vanuatu later this year and Palau in 2025.

We appointed the first ever U.S. envoy to the Pacific Islands Forum to enhance cooperation with the region's leading foreign policy body.

We have also increased our presence and assistance through the U.S. Coast Guard and maritime domain awareness programs.

In 2023 we signed the Defense Cooperation Agreement with Papua New Guinea, which will increase our engagement with the region's most populous country. We are also working with partners to increase internet access in the Pacific, and together with Australia have pledged \$65 million to finance future submarine cable connectivity for Pacific Island countries.

We have announced our intention to request from Congress \$600 million over 10 years beginning with the fiscal year 2024 request in support of a new economic assistance agreement related to the South Pacific tuna treaty, which is crucial to the region's economy and has been a cornerstone of our relationship in the region for over three decades.

Our strategy is also multilateral. In 2022 the United States, Australia, Japan, New Zealand, and the United Kingdom launched the Partners in the Blue Pacific, an informal strategic coordination initiative guided by Pacific priorities.

Since its inception the grouping has expanded to include additional partners and has announced tangible initiatives on disaster relief, disaster resilience, cybersecurity, and ocean and fisheries research.

The U.S. shares especially close relationships with the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia. Our Compacts of Free Association with these three countries and the economic assistance we provide in support of those compacts are key to maintaining the stability and prosperity of our closest Pacific Island partners and to safeguarding our shared long term defense and strategic interests in the region.

I want to sincerely thank the Congress and the members of this committee for approving the compact agreements and authorizing the necessary funding and authorities on a bipartisan basis that will allow us to move steadily ahead in our partnership with these vitally important countries.

In conclusion, I wish to reiterate the Pacific region's critical importance to the United States and our long term strategic interests. I look forward to working with Congress and this committee to continue our renewed engagement across the Pacific in an era of increased geostrategic competition.

Thank you very much.

[The prepared statement of Mr. Kritenbrink follows:]

**Prepared Statement of Mr. Daniel J. Kritenbrink**

Chairman Cardin, Ranking Member Risch, and members of the committee, thank you for convening this hearing and for the opportunity to testify on U.S. strategy in the strategically important Pacific Islands region. I'm pleased to be joined today by Ely Ratner, Assistant Secretary for Defense for Indo-Pacific Security Affairs, and Michael Schiffer, Assistant Administrator of the Bureau for Asia at USAID.

The United States is a Pacific nation, and we share longstanding historic and cultural ties with our Pacific Islands neighbors. As Vice President Harris said in 2022, "The history and future of the Pacific Islands and the United States are inextricably linked." U.S. prosperity and security depend on the Pacific region remaining free and open, prosperous, secure, and resilient. The Pacific Islands are important partners on many global issues, from standing together at the U.N. on human rights and opposing Russia's illegal and unprovoked invasion of Ukraine; to contributing to global security through peacekeeping operations; and to tackling the climate crisis as well as combatting illegal, unreported, and unregulated fishing.

The Pacific Islands face significant challenges to their security and prosperity including from climate change and economic shocks, making the region more vulnerable to influence from the PRC. As Secretary Blinken has said, the PRC is the only country with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do it. That certainly holds true in the Pacific. Through foreign assistance, elite capture, and robust public messaging campaigns, the PRC has moved aggressively to assert itself in the Pacific Islands. In addition, in recent years, three Pacific Island countries have switched diplomatic ties from Taiwan to the PRC. And in 2022, Solomon Islands signed an unprecedented security agreement with the PRC, the details of which have not been publicly released. Of course, as we have often said, we are not in the business of forcing countries to choose—neither in the Pacific nor anywhere else. But we do want to ensure that countries in the Pacific have a choice, and the ability to make their own sovereign decisions, free from coercion.

Under the Administration's Indo-Pacific Strategy and Pacific Partnership Strategy, the United States has expanded its diplomatic and development engagement with the Pacific Islands. President Biden has convened two Summits to engage with Pacific Islands leaders on shared priorities, including climate change, trade and investment, and a free and open Pacific region. Since the first Summit in 2022, we have announced plans to work with Congress to provide over \$8 billion in new funding and programs. We opened embassies in Solomon Islands and Tonga in 2023 and intend to open an embassy in Vanuatu later this year. We also continue to work

with the Government of Kiribati on our plan to open an embassy there. We have recognized the Cook Islands and Niue as sovereign and independent states. Peace Corps Volunteers have returned to Fiji, Samoa, and Tonga, and are planning to return to Vanuatu later this year and Palau in 2025. We appointed the first-ever U.S. Envoy to the Pacific Islands Forum to enhance cooperation with the region's leading foreign policy body.

We have also increased our presence and assistance through the U.S. Coast Guard and maritime domain awareness programs. In 2023, we signed a Defense Cooperation Agreement with Papua New Guinea, which will increase our engagement with the region's most populous country. We are also working with partners to increase internet access in the Pacific Islands, and together with Australia have pledged \$65 million to finance future submarine cable connectivity for Pacific Island countries.

We have announced our intention to request from Congress \$600 million over 10 years, beginning with the fiscal year 2024 request, in support of a new economic assistance agreement related to the South Pacific Tuna Treaty, which is crucial to the region's economy and has been a cornerstone of our relationship in the region for over three decades.

Our strategy is also multilateral. In 2022, the United States, Australia, Japan, New Zealand, and the United Kingdom launched the Partners in the Blue Pacific, an informal strategic coordination initiative guided by Pacific priorities. Since its inception, the grouping has expanded to include additional partners and has announced tangible initiatives on disaster resilience, cybersecurity, and ocean and fisheries research.

The United States shares especially close relationships with the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia. Our Compacts of Free Association with these countries, and the economic assistance we provide in support of those Compacts, are key to maintaining the stability and prosperity of our closest Pacific Island partners and to safeguarding our shared long-term defense and strategic interests in the region. I want to thank Congress for approving the Compact agreements and authorizing the necessary funding and authorities on a bipartisan basis that will allow us to move steadily ahead in our partnership with these countries.

In conclusion, I wish to reiterate the Pacific region's critical importance to the United States and our long-term strategic interests. We look forward to working with Congress to continue our renewed engagement across the Pacific in an era of increased geostrategic competition. Thank you.

The CHAIRMAN. Thank you.  
Secretary Ratner.

**STATEMENT OF HON. ELY RATNER, ASSISTANT SECRETARY  
OF DEFENSE FOR INDO-PACIFIC SECURITY AFFAIRS, U.S.  
DEPARTMENT OF DEFENSE, WASHINGTON, DC**

Mr. RATNER. Chairman Cardin, Ranking Member Risch, distinguished members of the committee, thank you for inviting me to testify today about how the Department of Defense is contributing to peace and security with U.S. partners across the Pacific Islands.

I am here with my good friends Assistant Secretary Kritenbrink and Assistant Administrator Schiffer to underscore the Administration's whole of government approach.

From a national security perspective the Pacific Islands form an essential part of a strategically vital region. The U.S. military's access and posture in the Pacific Islands are crucial for our logistics, sustainment, and power projection throughout the region.

Moreover, hundreds of billions of dollars in maritime trade flow through the Pacific Islands, and our partners there provide critical linkages between the continental United States and our allies across the Indo-Pacific.

That is why the United States is strengthening our diplomatic, economic, and security ties throughout the Pacific Islands, and it

is why DOD plays a significant role in deepening these partnerships and sustaining our defense posture and presence.

Importantly, this also includes our posture in Hawaii and the territories of Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa. To highlight a few areas, the department is doubling down on our relationships with the Freely Associated States, and we are capitalizing on our momentum with Papua New Guinea after concluding a landmark defense cooperation agreement last year.

We are building capacity through security cooperation, and we are conducting humanitarian assistance and disaster relief activities with our partners.

We are also working together with allies and partners like Australia, Japan, and New Zealand. More than ever, we are devoting attention and resources that reflect the strategic significance of this region.

Mr. Chairman, I would also like to take a moment to underscore the importance of our Compacts of Free Association with the federated states of Micronesia, the Republic of Palau, and the Republic of the Marshall Islands.

For decades our relationships with these partners have been anchored in the economic assistance that the United States has delivered under the compacts. Thanks to strong bipartisan support from Congress including critical leadership by members of this committee, that economic assistance will now extend to the 2040s through the appropriations bill that President Biden signed last week.

Last year our friends at the State Department negotiated strong deals with each of the Freely Associated States to renew our compacts. Providing the necessary funding was one of the most important things Congress could do this year to advance our priorities in the Indo-Pacific.

Defense experts, diplomats, senior military officials, and friends in the region all agreed that we had to get this done and because of you, we did. The compacts ensure that the United States can maintain a military presence in the Freely Associated States, and they enable FAS citizens to serve in the U.S. military.

These agreements provide assured access for our operations, and they prevent would be adversaries from accessing sovereign FAS land, airspace, and territorial waters.

The bottom line is that the compacts help secure a part of the Indo-Pacific that is larger than the continental United States.

Mr. Chairman, we also know that the PRC is drawing from a range of coercive tools in an attempt to erode long standing U.S. partnerships and advance China's own influence.

In recent years these activities have included covert efforts to bribe local officials, economic pressure against sovereign nations that maintain diplomatic ties with Taiwan, and illegal, unreported, and unregulated fishing that harms both the environment and local economies.

But Mr. Chairman, our commitment to the Pacific Islands and to peace, stability, and prosperity in the Indo-Pacific region, will endure. The Department of Defense looks forward to continue to work with Congress in this endeavor.

What we have achieved with our Pacific Islands partners in recent years would not have been possible without your support, and delivering meaningful results in the years ahead will continue to require urgency, attention, resources, and strong partnership with Capitol Hill.

Thank you for your time and attention, and I look forward to your questions, and I yield back my alumni 10 seconds.

[The prepared statement of Mr. Ratner follows:]

#### **Prepared Statement of Mr. Ely Ratner**

Chairman Cardin, Ranking Member Risch, and Members of the Committee: thank you for the opportunity today to discuss how the Department of Defense (DoD) is contributing to peace and security with U.S. partners across the Pacific Islands region.

I am pleased to testify today alongside Assistant Secretary of State Kritenbrink and Assistant Administrator Schiffer, underscoring DoD's commitment to advancing the Administration's whole-of-government approach to this vital region.

#### **RECOGNIZING THE STRATEGIC IMPORTANCE OF THE PACIFIC ISLANDS**

Peace, stability, and prosperity in the Pacific Islands are essential for advancing a free and open Indo-Pacific region. The U.S. economy—and indeed, the global economy—relies upon hundreds of billions of dollars in maritime trade that flows through the Pacific, with the Pacific Islands forming a strategically critical geography. Additionally, as the broader Indo-Pacific region's populations and economies continue to grow, the millions of people who live across the Pacific Islands make important cultural and economic contributions in the world's most dynamic region. That is why the United States has committed to strengthening our diplomatic, economic, and security ties with partners across the Pacific Islands, and the Department of Defense is proud to play an important part.

The United States is a Pacific power. Our defense posture in the Pacific Islands countries, ranging in levels of presence from a permanent footprint to rotational forces is critical for U.S. military logistics, sustainment, and power projection. This also includes our posture in Hawaii and the territories of Guam, the Commonwealth of the Northern Mariana Islands, and American Samoa. The Department of Defense is supporting U.S. efforts to strengthen our partnerships across the Pacific Islands, including through our defense and security ties with the Freely Associated States (FAS), capitalizing on momentum with Papua New Guinea following the signing of a landmark Defense Cooperation Agreement in 2023, building partner capacity through security cooperation, and conducting humanitarian assistance and disaster relief. Importantly, we will also continue to work with U.S. allies and partners across the broader Indo-Pacific region as they deepen their connections with the Pacific Islands.

#### **STRENGTHENING U.S. PARTNERSHIPS ACROSS THE PACIFIC ISLANDS**

Our strategic approach to the Pacific Islands region draws strength from our long-standing partnerships, as well as the geographic proximity of Hawaii, Guam, American Samoa, and other U.S. territories. We share common concerns for our security and prosperity. And when it comes to honoring our shared history, our Defense POW/MIA Accounting Agency, for example, benefits from the strong cooperation of eight Pacific Island countries in their critical mission to provide the fullest possible accounting of missing DoD personnel from World War II.

Across the region, the Department of Defense is supporting the Administration's efforts to deliver on an unprecedented commitment to our relationships with the Pacific Islands.

#### **RENEWING THE COMPACTS OF FREE ASSOCIATION**

The Department of Defense was pleased to see Congress recently pass the Administration's Compact of Free Association Amendments Act of 2024 with a strong bipartisan majority—and we thank the many Members of this Committee who played a pivotal role in advocating for this legislation until its final passage.

The U.S. Government has provided economic assistance to our partners in the Freely Associated States (FAS) for the last four decades; the vast majority of this assistance has been provided under the Compacts of Free Association (COFAs) and related agreements between the Federated States of Micronesia (FSM), Republic of

Palau (Palau), and the Republic of the Marshall Islands (RMI). This assistance supports education, the environment, healthcare, and civilian infrastructure—and it provides a strong economic anchor that complements our defense and security partnership. Last year, the Administration reached agreements with the FAS partners that would extend U.S. economic assistance for an additional 20 years.

Importantly, the Compacts ensure that the United States—and only the United States—can maintain a military presence in the FAS, and they allow FAS citizens to strengthen our All-Volunteer Force through dedicated military service in the U.S. Armed Forces. As part of these agreements, the U.S. military serves as the defense force for FSM, Palau, and RMI, which in return grant the United States assured access for our military operations, as well as sites for critical defense posture in the region. In particular, the Marshall Islands hosts the Ronald Reagan Ballistic Missile Test Site at Kwajalein Atoll; Palau will soon host the highly anticipated Tactical multi-Mission Over-the-Horizon Radar (TACMOR); and we are exploring opportunities for new cooperation, including with FSM on Yap island. The Compacts also limit the access of third country militaries or their personnel, including would-be adversaries from accessing FAS land, airspace, and territorial seas, securing a key area of the Indo-Pacific region. Crucially, FAS citizens serve in the U.S. Armed Forces at higher proportionate rates than most American States, and we are proud of and grateful for their service.

Failure to extend the economic assistance related to the Compacts would have had serious consequences for the economies of our FAS partners, our strategy in the broader Pacific Islands region, and, ultimately, our national security. However, Republicans and Democrats, diplomats and defense experts, and senior U.S. civilian and military officials all agreed: U.S. partners in the FAS—and broader U.S. defense priorities in the Indo-Pacific region—simply could not wait any longer. That is why passing the Compact of Free Association Amendments Act of 2024 marked one of the 118th Congress’ most significant achievements to advance U.S. strategic priorities in the Indo-Pacific region.

#### DEEPENING DEFENSE TIES WITH PAPUA NEW GUINEA

In 2023, the U.S. defense and security relationship with Papua New Guinea (PNG) broke new ground in historic ways. We entered into a Defense Cooperation Agreement (DCA) with PNG that will deepen bilateral security cooperation, strengthen the capacity of the PNG Defence Force, and increase regional stability and security. The agreement will facilitate bilateral and multilateral exercises and engagements in support of regional capacity building priorities and enables the United States to be more responsive in emergency situations, including through humanitarian assistance and disaster relief (HA/DR). Secretary Austin also had an opportunity to discuss the importance of our new DCA with senior leaders in Port Moresby, where he made history as the first U.S. Secretary of Defense to visit Papua New Guinea.

#### BUILDING CAPACITY THROUGH SECURITY COOPERATION

The Department of Defense works with countries bilaterally and on a regional basis to build partner capacity in critical areas like maritime domain awareness, maritime security, border security, and advancing women, peace, and security initiatives. DoD allocated more than \$27 million to building partner capacity through Title 10 programming in Fiscal Year 2023. A significant amount of this maritime security-focused assistance can also support regional partner capacity to address illegal, unreported, and unregulated (IUU) fishing, which has serious economic, environmental, and security consequences for Pacific Island partners.

The important work of U.S. Indo-Pacific Command’s Joint Interagency Task Force West (JIATF West), as well as the U.S. Coast Guard, also helps strengthen maritime domain awareness in the Pacific Islands. In Fiji, for example, JIATF West has supported the local government’s Maritime Surveillance and Rescue Coordination Center with computer equipment and updated software for maritime surveillance activities. Meanwhile, across the region, maritime law enforcement (or “shiprider”) agreements with over one dozen partners in the Pacific Islands allow the Coast Guard to help patrol local exclusive economic zones with counterparts. Together, these efforts help the United States maintain a robust presence, deepen defense and security ties with partners, and help uphold the rule of law in the region.

The Department’s security cooperation efforts extend beyond the maritime sphere. The DoD State Partnership Program plays an important role in the Pacific Islands, enabling the establishment of enduring people-to-people ties while building partner capacity and improving interoperability. The Nevada National Guard is partnered with Tonga, Fiji, and Samoa, and the Wisconsin National Guard is partnered with

Papua New Guinea. We are excited to expand the Guam/Hawaii partnership with the Philippines to the Republic of Palau this year. Another of our most enduring programs is our Civic Action Team in Palau—a tri-military service initiative that supports the community through construction projects, medical civic actions, and community relations.

#### CONDUCTING HUMANITARIAN ASSISTANCE AND DISASTER RELIEF

The Department also continues to strengthen U.S. ties across the Pacific Islands through supporting humanitarian assistance and disaster relief activities, in close partnership with our counterparts at the Department of State and the U.S. Agency for International Development (USAID). In January, the nineteenth iteration of our Pacific Partnership mission concluded after 4 months of strengthening disaster response preparedness and providing critical medical support across the Pacific Islands region. In August 2023, USAID requested the unique capabilities of the Department in response to a request of the Government of Papua New Guinea to support humanitarian assistance following volcanic eruptions at Mount Bagana. The Department was able to provide heavy lift rotary wing and tiltrotor support to USAID through the 31st Marine Expeditionary Unit, moving personnel and supplies in and out of the affected area. In 2022, the USS SAMPSON supported a multinational humanitarian assistance effort alongside France, Australia, New Zealand, the UK, Japan, and others, following a volcanic eruption in Tonga. These operations demonstrate U.S. commitment and strengthen relationships in moments when our partners need us most.

In addition to responding in times of need, we are also working to build our partners' own resilience to respond to such events, including by prioritizing HA/DR-focused exercises to build interoperability and share best practices. By joining with allies and partners in efforts to enhance resilience, we will both strengthen defense relationships and reduce requests for U.S. forces to respond to instability and humanitarian emergencies.

#### CONNECTING THE PACIFIC ISLANDS WITH THE BROADER INDO-PACIFIC REGION

As the United States deepens our longstanding relationships with the Pacific Islands, the Department is encouraged by how likeminded allies and partners across the broader Indo-Pacific region are also taking important steps to further strengthen ties with the Pacific Island countries. These efforts exemplify how, across the Indo-Pacific region, the United States can work with our allies and partners as they advance a shared vision for peace and stability.

In recent years, for example, the Department has launched the Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA) alongside the Indo-Pacific Quad partners Australia, India, and Japan. The IPMDA initiative uses cutting-edge technology, including space-based commercial platforms, to deliver a sharper common maritime operating picture throughout the Indo-Pacific region. With radio frequency data, Pacific Island countries are gaining the ability to address potential violations of fisheries regulations in their waters by detecting vessels that have turned off their transponders. In a region as vast as the Pacific Ocean, where IUU fishing and trafficking remain persistent challenges, the IPMDA initiative will equip the Pacific Islands to protect fish stocks, ensure sustainability, and strengthen the livelihoods of local communities. We are also working on countering IUU fishing and strengthening maritime domain awareness through Partners in the Blue Pacific alongside Australia, Canada, Germany, Japan, New Zealand, the Republic of Korea, and the United Kingdom.

Additionally, the United States and key Indo-Pacific allies and partners are delivering targeted economic and security assistance to strengthen resilience across the Pacific Islands. In 2020, for example, the United States joined with Australia and Japan to support a crucial undersea cable project for Palau that will promote connectivity and protect against interference. Australia has pledged to deliver patrol boats and related infrastructure upgrades to our FAS partners under Australia's Pacific Maritime Security Program. Meanwhile, Japan has also helped donate equipment to the FAS, and assisted with the construction of Palau's Maritime Coordination Center. When our countries work together in these ways to expand our capabilities and connections with each other, we are advancing our shared vision for a free and open Indo-Pacific region.

The United States and our partners, however, are not the only countries that recognize the strategic importance of the Pacific Islands. According to the 2022 National Security Strategy, the PRC "is the only competitor with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do it." That assessment remains true when it comes



to the PRC's approach to the Pacific Islands, where the PRC seeks to erode long-standing U.S. partnerships in the region. In recent years, the PRC has drawn from a range of diplomatic and economic tools to advance its foreign policy goals. This includes through infrastructure projects that lack transparency, pressure against sovereign nations that maintain diplomatic ties with Taiwan instead of the PRC, and support of distant water fleets engaged in harmful practices like IUU fishing throughout the region.

#### CONCLUSION

Mr. Chairman, the achievements in the Pacific Islands region that I have just described would not have been possible without bipartisan attention and robust resources from Congress. At the same time, we also know that continuing to deliver meaningful results will require even greater urgency in the years ahead.

The Administration's Indo-Pacific Strategy concludes by stating that the region's future "depends on the choices we make now." The Department of Defense remains committed to working alongside our partners across the executive branch, as well as every Member of Congress, in support of strong U.S. partnerships across the Pacific Islands and the broader Indo-Pacific region.

Thank you for your time and attention, and I look forward to your questions.

The CHAIRMAN. All right. You are very mindful of this committee's protocol. You know how to get on the good side of the committee.

Administrator Schiffer, there is no pressure on you on time.

#### **STATEMENT OF HON. MICHAEL SCHIFFER, ASSISTANT ADMINISTRATOR OF THE BUREAU FOR ASIA, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, WASHINGTON, DC**

Mr. SCHIFFER. Chairman Cardin, Ranking Member Risch, members of the committee, thank you for inviting me to testify on the strategic importance of the Pacific Islands and how USAID is working to deepen U.S. engagement in the region.

The only way for us to tackle the complex problems of the Indo-Pacific is to align the three Ds of diplomacy, defense, and development, drawing on our successful whole of government approach, as Assistant Secretary Ratner offered.

We have learned the hard way that one D without the others or even two Ds without the third is not a sustainable pathway to success. As a steadfast partner to the Pacific Islands USAID plays a key role in advancing a free and open, connected, prosperous, secure, and resilient Indo-Pacific region.

Our relationships are based on mutual respect, shared history, and our shared values of diversity, fairness, and freedom, and consistent with the Pacific way, it starts with listening.

Last August I had the privilege of joining USAID Administrator Power at the opening of our Pacific Islands mission in Fiji at our country representative office in Papua New Guinea.

It was a critical milestone delivering on a promise made by the President, illustrating that USAID is on the ground to listen, partner, and deliver together with the people of the Pacific Islands. And we have demonstrated that the United States has heard our Pacific partners loud and clear.

Enduring presence matters. Our vision for the Pacific, embodied in our first ever strategic framework for the Pacific Islands, approved in March 2022, reflects our shared aspirations.

It is about listening to the voices of the region and rolling up our sleeves to partner and deliver on our commitments, and we are ensuring that our engagement with the region is guided by the Pacific

Islands, respects the existing regional architecture, and delivers sustainable, tangible benefits to Pacific Islanders, a contrast to the approach of the People's Republic of China.

While we are clear eyed about PRC capabilities and intent, as Secretary Blinken has offered, we have no objection to the engagement in the Pacific by any country, including the PRC. On the contrary, if it helps generate a race to the top, that is a good thing.

However, in recent years we have seen a range of increasingly problematic PRC behavior in the region: Predatory economic activities including illegal, unreported, and unregulated fishing, and investments that undermine good governance and promote corruption.

USAID offers Pacific Island countries a different way, a tailored development model responsive to their needs and their aspirations rooted in economic trade and integration, in inclusivity, in locally led solutions, and in the democratic values that can positively transform our shared planet.

USAID's work is designed to address what the region itself has defined as its own most pressing challenges in climate, health, democratic governance, infrastructure, and economic growth.

Meeting these goals depends on enhancing our cooperation with local communities, individual countries, as well as Pacific led organizations including the Pacific Island Forum in the Pacific community.

In Papua New Guinea, USAID is expanding access to renewable energy, protecting the country's environment, combating the HIV/AIDS epidemic, addressing gender based violence, and promoting peace and stability.

In Palau, we have partnered with Australia and Japan to support the development of an undersea cable spur that will connect the country to the world's longest undersea cable and increase reliable, safe, and secure internet bandwidth to spark economic growth.

In the Solomon Islands we work with partners at all levels to advance the country's economic competitiveness and inclusiveness with specific emphasis on developing the agribusiness sector and improving natural resource governance.

Through the USAID climate ready activity we have mobilized more than \$550 million for Pacific Island countries to improve access to climate finance from various institutions such as the Green Climate Fund, the Adaptation Fund, and the Global Environmental Facility.

We are also responding directly to requests from Pacific Island governments to expand opportunities for economic growth. At last year's U.S. Pacific Island Forum summit, President Biden announced the U.S. will launch a flexible micro finance facility valued at up to \$50 million to expand access to fair and competitive finance for micro, small, and medium enterprises in the Pacific Islands.

USAID and the Development Finance Corporation are now bringing together our comparative advantages to fulfill this commitment.

Last, the United States remains one of the largest bilateral humanitarian and disaster donors in the Pacific, providing year round

disaster preparedness, responsiveness, and resilience to enable the Pacific Island nations to more effectively lead their own disaster responses.

Across all these efforts USAID works directly with like minded allies and partners through mechanisms such as the Quad and Partners in the Blue Pacific, and we do so to ensure that our work is complementary and led and guided by the Pacific Islands.

Mr. Chairman, Senator Risch, members of the committee, USAID's investment in the Pacific Islands regions are a critical part of the U.S. vision for a free and open Indo-Pacific, a vision that animates our activities not just in this region but around the globe.

Thank you for your support and providing us the necessary resources to implement our strategy and our policy with our partners in the Pacific and the opportunity to share with you today what USAID is doing in this important region of the world.

I look forward to your guidance and to your questions.

[The prepared statement of Mr. Schiffer follows:]

#### **Prepared Statement of Mr. Michael Schiffer**

##### INTRODUCTION

Chairman Cardin, Ranking Member Risch, and Members of the Committee: Thank you for inviting me to testify on the strategic importance of the Pacific Islands and how USAID is working to deepen U.S. engagement in the region.

The only way for us to tackle complex problems in the Indo-Pacific is to align the three D's of diplomacy, defense, and development, drawing on our successful whole-of-government approach. We have learned the hard way that one 'D' without the others—or even two 'Ds' without the third—is not sustainable and not a pathway to success.

As a Pacific nation with a state and territories in the region, the United States is committed to, and has a vested interest in, our neighbors' success. We consider our Pacific neighbors to be essential partners in fostering a free and open Indo-Pacific region.

The United States—through USAID and its support from Congress—partners with 12 Pacific Island nations to bolster their ability to lead their countries to democratic, resilient, and prosperous futures. USAID's support to improve the well-being of the Pacific's diverse communities spans the Federated States of Micronesia, Fiji, Kiribati, Nauru, Palau, Papua New Guinea, Republic of the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Hosting a vast proportion of the world's shipping and global fisheries, Pacific waters supply food and income to millions of people in Pacific Island nations and beyond. Yet, being surrounded by these same waters exposes these nations to catastrophic climate-change risks that threaten their very existence. With some Pacific Island nations' highest point only 15 feet above sea level, the most subtle environmental changes—from coastline erosion to storm surge to rainfall—can translate into catastrophic consequences for communities and livelihoods. As natural disasters grow more severe in intensity and frequency, these effects are compounded. Furthermore, the Pacific Islands face numerous challenges to economic development due to distance and disconnection from major markets, inefficiencies related to economies of scale.

##### USAID STRATEGY IN THE PACIFIC

Our vision for the Pacific Islands is about listening to the voices of the region and rolling up our sleeves to partner and deliver on our commitments. We are ensuring our engagement with the region is guided by the Pacific Islands, respects the existing regional architecture, and delivers sustainable, tangible benefits to Pacific Islanders—a contrast to the People's Republic of China's (PRC) approach.

The PRC is seemingly intent on rewriting, for its own narrow advantage, the international rules-based order that has for decades provided a free and open architecture for peace, security, and prosperity. In contrast, USAID offers Pacific Island countries a tailored development model not rooted in debt and dependence, but in

economic trade and integration, inclusivity, locally led solutions, and the democratic values that can positively transform our shared planet.

The PRC government has capitalized on instability and natural disasters in this vulnerable region to make inroads that often come with additional problematic costs. For example, in Tonga, a country with a high level of PRC-financed debt, the PRC touted the speed and extent of its humanitarian assistance vis-a-vis other donors in the wake of the volcanic eruption and tsunami in January 2022, but Tonga is saddled with a high level of PRC-financed debt and the PRC followed up the next year proposing security agreements tailored to PRC's unilateral regional security interests. In contrast, USAID formed partnerships with organizations in Tonga that allowed USAID to swiftly build a \$2.6 million multi-sector response and recovery effort that also prepares Tongan communities to be more resilient to future disasters.

#### EXPANSION OF USAID PRESENCE IN THE PACIFIC

We have heard the importance of robust presence from Pacific Island leaders. Last year, USAID re-opened its Pacific Islands regional mission in Suva, Fiji and we elevated our presence in Papua New Guinea, Solomon Islands, and Vanuatu to a Country Representative Office based in Port Moresby, Papua New Guinea. This allows us to benefit more Pacific Islanders, strengthen our actions on the ground, and build an enduring and genuine partnership with the region.

USAID's work is designed to address what the region itself has defined as its most pressing challenges, specifically to solve urgent climate challenges; strengthen global health security; strengthen democratic values, good governance, and human rights to counter rising autocracy; expand secure and environmentally sustainable digital infrastructure; and develop stronger, inclusive economies. USAID's first-ever Strategic Framework for the Pacific Islands, approved in March 2022, reflects a shared aspiration to advance a more resilient, prosperous, and Pacific Islands region.

Meeting these goals and driving sustainable development progress depends on enhancing our cooperation with individual Pacific Island countries as well as Pacific-led organizations, including the Pacific Islands Forum and the Pacific Community. In addition to reinforcing Pacific regional organizations, USAID is also supporting the Partners in the Blue Pacific, which is a group of likeminded countries committed to more effective development coordination on Pacific-identified priorities. Under Partners in the Blue Pacific, USAID is supporting an initiative that will enhance Pacific Island countries' disaster preparedness and resilience by building national humanitarian warehouses.

#### USAID'S PROGRAMS IN THE PACIFIC

USAID has reaffirmed its commitment to help our Pacific Island partners address existential climate threats, including through additional investments as part of the USG's Pacific Partnership Declaration and the President's Emergency Plan for Adaptation and Resilience (PREPARE). We continue to unlock public and private funding that will preserve the region's rich biodiversity, assist low-lying communities threatened by rising sea levels, and help farmers adopt climate-smart agriculture practices—including those that rehabilitate soil, which improves the quality of crops and, in turn, boosts nutrition and food security. USAID is also partnering with local civil society organizations under our regional grant facility known as the Pacific American Fund to advance Pacific-identified and led solutions to complex development challenges.

In Papua New Guinea, for instance, USAID is expanding access to renewable energy, protecting the country's environment, combatting the HIV/AIDS epidemic, bolstering gender equity, and addressing gender-based violence. USAID's work promoting peace and stability is one facet of the 3D approach under the U.S. Strategy to Prevent Conflict and Promote Stability (SPCPS) in Papua New Guinea, which aims to strengthen regional partnership and elevate locally led efforts to address the shared objectives of strengthening community capacity to prevent, mitigate, and respond to violence; supporting sustainable and equitable economic growth; and improving justice systems and professionalizing security forces. In Palau, USAID partnered with Australia and Japan to support the development of an undersea spur cable—Palau's second—that will connect the country to the world's longest undersea cable and increase the internet bandwidth needed to spark greater economic growth. In the Solomon Islands, USAID works with partners at all levels to advance the country's economic competitiveness and inclusiveness, with specific emphasis on developing the agribusiness sector and improving natural resources governance.

USAID's environment and climate readiness work remains a top priority. Through the USAID Climate Ready activity, which ended only a few months ago, we mobilized more than \$550 million dollars for Pacific Islands countries to improve access to climate finance from various climate institutions such as the Green Climate Fund, the Adaptation Fund and the Global Environment Facility. Building on the success of Climate Ready, USAID is developing a new climate finance activity that will seek to unlock resources from additional sources, bringing traditional multi-donor sources together with private sector and foreign direct investment to become more resilient to climate change and disaster risks.

We are also responding directly to requests from Pacific Island governments to expand opportunities for economic growth. At last year's U.S.-Pacific Islands Forum Summit, President Biden announced the U.S. would launch a flexible Pacific Micro-finance Facility valued at up to \$50 million to expand access to fair and competitive finance for micro, small, and medium enterprises (MSME) in the Pacific Islands. USAID and the U.S. International Development Finance Corporation are now bringing together our comparative advantages to fulfill this commitment. We have received more than a dozen expressions of interest and are now in the process of identifying viable financial institutions to partner with.

Last year, Pacific Island countries joined together to develop, endorse, and launch the Unlocking Blue Pacific Prosperity Initiative. This initiative, led by the Pacific Community, sets a clear and bold vision to protect the region's ecosystem, which is five times the size of the United States, as well as ensure food security and livelihoods for Pacific Islanders. USAID is supporting this Pacific-led initiative by working with the Pacific Community to align donors behind this vision, utilizing our convening power, and by ensuring that UBPP is complementary to other important initiatives in the region. The Pacific Islands Forum Leaders Meeting later this year is a key opportunity for donors, including the United States, to coalesce and to follow through on supporting Pacific-led priorities.

The United States remains one of the largest bi-lateral humanitarian and disaster assistance donors in the Pacific. In addition to our efforts to build countries' resilience through PREPARE, advance progress on shared development priorities, and strengthen our enduring bonds across the region, we provide year-round disaster preparedness and resilience assistance, which enables Pacific Island nations to more effectively lead their own disaster responses.

We do this by supporting early recovery, risk reduction, and strengthening resilience throughout the Pacific Islands. This allows partner countries to lead in figuring out solutions to lessen the impacts of natural hazards and respond more effectively to disasters. USAID's three-pronged approach—to enhance early warning systems, improve disaster preparedness, and strengthen first-responder capabilities—helps Pacific Island nations to strengthen national disaster risk management capacities.

Last year, tropical cyclones Judy and Kevin made landfall over Vanuatu between February 28 and March 4, and affected more than 85 percent of the country's population. USAID responded swiftly by supporting the distribution of emergency relief items and coordination for the humanitarian response. USAID provided a total of \$3.2 million in humanitarian assistance for shelter so that communities could start rebuilding their homes; water, sanitation and hygiene assistance including safe drinking water and supplies; support for humanitarian coordination and assessments; nutrition services; and protection for the most vulnerable people affected by the storms.

Across all of these efforts, USAID works directly with like minded allies and partners in the region, as well as through coordinating mechanisms such as Partners in the Blue Pacific and the QUAD. By doing so, we are able to leverage each other's resources and technical expertise, while ensuring USAID's work is complementary, respects existing regional architecture, and is led and guided by the Pacific Islands.

#### CLOSING

Mr. Chairman, USAID's investments in the Pacific Islands region are a critical part of the United States' vision for a free and open Indo-Pacific that contributes to greater global security and prosperity.

Thank you for your support in providing us the necessary resources as well as the opportunity to share what USAID is doing in this important region. I look forward to your counsel and questions.

The CHAIRMAN. Again, I want to thank all three of our witnesses, not just for their appearance here but for what you do.

It is true that the United States is a Pacific nation, but we have one Pacific Island State, and I am going to yield the place in order for questioning to Senator Schatz who has been our leader on Pacific Island issues.

Senator SCHATZ. Thank you very much, Mr. Chairman, Ranking Member, and thank you all for being here. I also want to recognize Secretary General Puna for our continued and productive engagement—he is in the audience—and also the finance minister of Tonga, Mr. Tiueti, for being here.

I want to start with Mr. Kritenbrink. The United States has provided \$4.5 million to the Pacific Resilience Facility. Can you talk about the importance of PRF and how you see it as a mechanism for the kind of engagement that Secretary Blinken and President Biden have talked about, and I think we are all on a bipartisan basis in the middle of executing.

But as I talk to the PIF, they are prioritizing the Pacific Resilience Facility, and I would like you to just talk about why we made that first investment and maybe why we should consider continued investments.

Mr. KRITENBRINK. Senator, thank you very much for the question and for the opportunity to be here today.

I would just underscore what you have said. Our whole approach to the Pacific Islands is to listen to the Pacific Island leaders what their top needs are, to study the Pacific Island Forum's own 2050 strategy for the Blue Pacific continent, and then to make sure that we meet the needs that are outlined in that strategy, and the number one need that they have outlined is the existential challenge of climate change.

So the Pacific Resilience Facility is one of several steps we have taken to show our support for meeting the Pacific Islanders where they live, so to speak. That initial investment is designed to build local resilience and capacity to help combat climate change, but I do think it is just the beginning of what we are doing and what we need to do, and we will need to do more, going forward.

My colleague Michael Schiffer may have more details on the actual implementation on the ground. But I could not agree more, Senator, with the importance of the climate issue.

Senator SCHATZ. Sorry. Mr. Schiffer, I actually want to pivot a little bit to something that you said in your testimony about predatory economic arrangements with Pacific Island nations, and I think our theory of the case at least in the last 3 or 4 years has been to really listen, to try to respond, to understand these are sovereigns—they are not colonies, they are not insular areas—and to be more sensitive to that, and to understand that they—as sovereigns—get to have whatever economic partnerships that make the most sense to them.

I would like you to make the case a little more explicitly about how these predatory economic arrangements are, in the end, bad for some of our friends across the Pacific.

Mr. SCHIFFER. Thank you for that question, and let me underscore from the outset, and as Assistant Secretary Kritenbrink offered, we fully recognize that our partners in the Pacific are sovereign that they can make their and should make their own choices

and that our role is to support them in that process, and that is what we seek to do.

But as we look around at PRC behavior in the Pacific we see that the PRC is violating many of the rules and norms that have been established by the international community for its own benefit. And that negatively impacts the work that we do, including in the Pacific Island in the economic growth and the development sphere.

So, for example, we have seen a surge in investment by the PRC in the telecommunications sector in recent years, which can leave nations vulnerable to cybersecurity risks and other national security concerns.

And so we see our role as partnering with like minded and partnering with our Pacific Island friends to ensure that they have the options that they need for fast, secure, and reliable connectivity.

Senator SCHATZ. Mr. Schiffer, sorry to interrupt. I just want you to get to what is the catch here? When you go into a partnership with PRC on a harbor or whatever it may be, what is the catch on the back end?

Mr. SCHIFFER. The catch on the back end for the partners is that oftentimes the PRC is not motivated by developing an economically viable and sustainable program, but is motivated by other geostrategic considerations and will work to create a project that is not economic, not sustainable, and leaves a partner saddled with debt on the back side.

Senator SCHATZ. Thank you very much.

A final question for Mr. Krittenbrink.

This is either yes or no or as quick as you can do. How important is it to—I guess it is not yes or no—how important is it to ratify the Law of the Sea?

Mr. KRITENBRINK. Well, Senator, I think Secretary Blinken has spoken to this before. It would be very effective to our diplomacy in the region.

And maybe just on the previous question to underscore my colleague's point where, of course, countries make their own decisions and their own choices. We want to make sure that they can do that freely.

Oftentimes, we find that deals with the Chinese can undermine a country's sovereignty and can lead to giving China leverage over a country that undermines their position.

Thank you, sir.

Senator SCHATZ. Thank you.

The CHAIRMAN. Senator Risch.

Senator RISCH. Well, thank you, Mr. Chairman.

Mr. Krittenbrink, can you describe for us challenges if there are any or difficulties there are of attracting diplomats to serve in the EAP area that you oversee?

Is it difficult? Is it challenging? What is unique about it?

Mr. KRITENBRINK. The challenges of recruiting diplomats to serve in the Pacific?

Senator RISCH. Yes, correct.

Mr. KRITENBRINK. I would say two things. I think there are certain challenges because we need to make sure we have diplomats who are ready to serve, who are truly creative and expeditionary

and can serve in some of our most important but some of our smallest environments.

But I have been really gratified, Mr. Ranking Member, that thus far there has been a lot of enthusiasm for service in the Pacific.

As I noted, in addition to our previously operating six embassies, we have opened two new ones, and we have two more on the way, and I have been gratified that we have had people step up in every instance and including both at the senior level and at the working level.

Senator RISCH. Well, we appreciate that, and we have tried to help.

Mr. KRITENBRINK. Yes, sir.

Senator RISCH. You know, I passed the Secure Embassy Construction and Counterterrorism Act—I assume you are familiar with that—and it was in 2022, and it provides State with much needed flexibilities to stand up our overseas missions—

Mr. KRITENBRINK. Yes, sir.

Senator RISCH [continuing]. Which is especially useful in the Pacific Islands.

Well, since you are here, and your boss is not, you get the opportunity to explain to me why he has only answered two out of the five letters I have written about that subject to him, and one of those two that he answered we just got this week. So—

Mr. KRITENBRINK. I see.

Senator RISCH [continuing]. It has been over a long period of time.

Mr. KRITENBRINK. Mr. Ranking Member, I will—

Senator RISCH. When you see him tell him I want to chat with him about it.

Mr. KRITENBRINK. I will look into that immediately. We are grateful to you and other members of this committee for your support.

Because of your support we have been able to open our two new embassies in the Solomons and Tonga in record speed, and I am confident we will do the same in the very near future in Vanuatu, and we are still working on Kiribati. But grateful for the support.

Senator RISCH. I appreciate that.

Second, that law that we just discussed requires that the Secretary issue official guidance on implementing it. That has not been done, and I do not suppose you can enlighten me as to when that might be done. That is something that—

Mr. KRITENBRINK. I cannot, Mr. Ranking Member, but I will look into it immediately.

Senator RISCH. Would you take that for the record, please?

Mr. KRITENBRINK. Yes, sir. Yes, sir.

Senator RISCH. And I would like to hear about that.

OK.

Mr. Ratner, I have been intrigued by the fact that the Chinese have been modestly successful in these policing agreements that they have entered into with some of the countries.

When we go out to try to work with another country, we offer things in food or medical area or education or human rights or things like that. But the Chinese focus on policing agreements. I



think I know why, but can you enlighten us a little bit maybe why the Chinese focus on that?

Mr. RATNER. Senator, I believe the PRC is focused on policing agreements because it is a mechanism through which they can support and gain leverage over host regimes.

Senator RISCH. And the population itself. Would you agree with that?

Mr. RATNER. Yes.

Senator RISCH. Have we thought about at all offering the same kind of services? Because, look, certainly for the people who run the country, obviously, security becomes number one, particularly their own security, and hopefully, being able to stay in office.

So it seems like that is a pretty attractive bait to put out there for getting countries to bite. So have you guys thought at all about making some kind of offers like that in the same lane?

Mr. RATNER. The Defense Department has a number of security cooperation activities and military to military cooperation activities with countries in the Pacific Islands. We do not do internal policing support in that regard. So I would defer to Assistant Secretary Kritenbrink to talk about some of our programs there.

Senator RISCH. Right. And I understand that, by the way. There are two different lanes, the military and the police in very, very different lanes, obviously, one being domestic one, one not. But maybe you could—

Mr. KRITENBRINK. I could speak to that very briefly, Mr. Ranking Member—

Senator RISCH. Sure.

Mr. KRITENBRINK [continuing]. That we have increased our own law enforcement assistance in the region. But I think perhaps even more importantly we work together with partners in the Pacific family—Fiji, Papua New Guinea, Australia, New Zealand—who have a long standing tradition of helping countries in the region with security and with policing, and I think that has been quite effective to show that there are, obviously, alternatives to PRC policing agreements, which are opaque, and we think, deeply concerning.

Senator RISCH. Yes. I think we are all concerned about that when they first started popping up. I would strongly suggest that you guys revisit your efforts in that regard and see how you might be able to make them more attractive so when they do bite on the hook that it is our hook and not the Chinese.

So thank you. My time is up.

Thank you, Mr. Chair.

The CHAIRMAN. Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

Secretary Kritenbrink, is it fair to say that China remains an important market for Pacific Island countries' natural resource exports and tourism?

Mr. KRITENBRINK. Yes, sir, Senator. I think that is an accurate statement for probably the majority.

Senator MENENDEZ. And is it also right that 10 Pacific Island countries have joined China's Belt and Road Initiative which promotes PRC backed infrastructure development?

Mr. KRITENBRINK. I do not know that figure, but I would not dispute it. Happy to look into that. I will take that at face value. Yes, sir.

Senator MENENDEZ. I would commend it to you. I am pretty sure it is 10.

Mr. KRITENBRINK. Yes, sir.

Senator MENENDEZ. So is it also fair to say that since China is the economic force within that region that we are challenged in terms of our own national interests in meeting that economic force with one that can compete with it?

Mr. KRITENBRINK. Senator, I would agree with that. But I would say having engaged intensively with our Pacific Island leader friends over the last couple of years the demand signal for U.S. engagement is probably as strong as I have ever seen in any region.

Certainly, there are economic engagements with China that are important to these countries, and we are not asking countries to choose. But it is clear to us that our Pacific Island friends want to have options. They have a desire to partner with the United States, and we are doing everything we can to do that.

Senator MENENDEZ. I agree with you they would like to have options. The problem is is that we provide them no option in terms of an economic or trade agenda. There is no trade agenda of consequence with the Pacific Island countries, and for so long as they therefore do not have an option for their economic vitality and well being of their citizens, they are somewhat hostage to China.

Mr. KRITENBRINK. We have certainly tried to meet their needs, and in—

Senator MENENDEZ. How so?

Mr. KRITENBRINK. Well, as I indicated, sir, our strategy is based on meeting their needs in terms of security, combating climate change, infrastructure investment, and the like.

So our focus has been primarily in those sectors. We also promote good governance and people to people ties as well. But those would be the priority sectors.

Senator MENENDEZ. And I appreciate—those are all worthwhile things, Mr. Secretary, some of the things that I have advocated for for the better part of nearly two decades of being here in the Senate and three decades in Congress.

But we have to be realistic that if we do not have a robust trade agenda in the Pacific Island countries that they will not by desire, maybe, but by default ultimately deal with the Chinese.

And the urgency of climate change; there is a lot more that we should be doing as it relates to climate change, which is in our collective interests as well as a global interest that we have, but which is really an existential challenge to our Pacific Island neighbors.

And so I just hope the Administration gets to a better place because IPEF is a nice framework, but it does not deal with any market access, at the end of the day, and without market access I think that we are going to be at a competitive disadvantage with China.

Mr. Schiffer, it is good to see you back before the committee. I see you have adopted the State Department's ways of expanding

beyond the 5 minutes. But I hope that is the only thing that you adopt from that experience.

Let me just say—I think our colleague was trying to get to this—at the end of the day is it not what China often does through its Belt and Road Initiative, is to trap many of these countries in debt diplomacy?

Mr. SCHIFFER. That is exactly the behavior pattern that we have seen where China offers what appears to be an attractive proposition but the back side of debt and entrapment, and then the leverage and the additional openings for corrupt practices create serious problems down the line.

Senator MENENDEZ. And they entrap them not only in debt, but then entrap them in their political diplomatic questions.

Mr. SCHIFFER. Yes. Beijing is very, very skilled at using the leverage that it finds itself to have available.

Senator MENENDEZ. Finally, Secretary Ratner, in March 2022 the Solomon Islands and China signed a security agreement ostensibly aiming in part to address, quote, “internal threats” including protecting Chinese owned businesses in the country.

In 2023 the two countries signed a deal on police cooperation as part of their comprehensive strategic partnership. And while I certainly applaud last year’s opening of an embassy in the Solomon Islands, what tools is the United States using and utilizing to encourage the Solomon Islands’ commitment to continue working with the United States and Australia as security partners?

Mr. RATNER. Senator, again, I would defer to Assistant Secretary Krittenbrink particularly on the question of policing.

But as it relates to the Department of Defense’s role throughout the Pacific Islands, much of our cooperation depends on the nature of the island, the size, and their resident forces.

There are, of course, three Pacific Islands that have militaries—so PNG, Tonga, and Fiji—and we maintain military to military relations with them and maintain status as partner of choice there.

We have a number of Section 333 capacity building programs. We have DOD-State partnership programs through our National Guard programs. We do a number of regular exercises with Pacific Island partners, and we are deeply engaged with Australia, New Zealand, France, Japan, and other partners from a multilateral—

Senator MENENDEZ. My time has expired, but that is not the question I was seeking an answer to.

For the record, Mr. Secretary, since my time has expired would you respond to that question for me, what are we doing to get the Solomon Islands to be aligned with us, particularly in our security partnership with Australia?

Mr. KRITENBRINK. Yes, Senator.

Senator MENENDEZ. I would appreciate hearing that.

Thank you, Mr. Chairman.

The CHAIRMAN. Senator Ricketts.

Senator RICKETTS. Thank you, Mr. Chairman.

Actually, Senator Menendez, I am actually going to follow up with Assistant Secretary Krittenbrink on that as well with regard to the—if you could go into more details.

We have covered a number of the countries already like the Solomon Islands, Vanuatu, Kiribati, Papua New Guinea, that have es-

tablished these security arrangements with the People's Republic of China.

Can you talk more in detail what we are doing to, say, for example, supply the training or international standards, working with our allies like Australia and New Zealand to be able to counter some of the things that the PRC is doing?

You can certainly, again, understand countries wanting to have security but, obviously, the malign influence that the PRC can do once they have a whole security apparatus.

So maybe you could hit upon what we are trying to do to counter it, and also talk a little bit about what the PRC does. For example, we have seen them be able to extradite people from Fiji—Chinese dissidents and so forth—about how that once the PRC gets a hold of that security forces what kind of malign influence they can exercise in those countries.

Mr. KRITENBRINK. Thank you, Senator, for the question.

As we indicated, it is deeply concerning when we see these agreements inked because they are opaque. They have caused concern both within the individual countries and across the region as well, and I think our most effective approach in every instance is we continue to engage with every partner in the Pacific, including those who have signed these agreements.

But I think we are most effective when we work together with others in the region who share those concerns, who can also quietly convey the depth of our concern and to offer alternatives.

And I think, really, that is the crux of our entire approach. We have to give these countries options.

Senator RICKETTS. Can you get into some of the alternatives that you are offering some of these countries?

Mr. KRITENBRINK. Well, for example—

Senator RICKETTS. What can we do to counter China saying, hey, we are going to provide you people that can be on the ground? What can we do to counter that?

Mr. KRITENBRINK. We have our own law enforcement training programs active throughout the Pacific but is providing us an explicit alternative and boots on the ground, so to speak, of security forces that can help these countries.

That is really where partners like Fiji, Papua New Guinea, Australia, and New Zealand, they actually have police forces on the ground in many of these countries.

I think that is the most effective way forward, and again, finding that solution that is comfortable with friends in the Pacific I think is the most effective way forward, and including in the Solomon Islands itself where those countries that I have mentioned have helped to provide security even after this PRC—

Senator RICKETTS. So are we offering new training in places like the Solomon Islands and Vanuatu and—

Mr. KRITENBRINK. I would have to look at the details of each country, but yes, we do provide training in the region, and again, our partners in the Pacific in particular are very active because they actually have police forces on the ground in many of these places.

Senator RICKETTS. OK. Can you also talk a little about PRC linked organized crime in these places, and again, how it under-

mines the security? Can you talk about what we know about that and how that may relate to the security issues?

Mr. KRITENBRINK. Senator, I do not have a great deal of depth on that. I would probably have to bring that back.

But certainly, when you think about some areas where countries ought to be cautious about their engagement with China, part of it is the leverage and the coercive avenues that are opened up for the government, but part of it is related to organized crime as well.

But for any details I would have to take that back, but I would be happy to do so.

Senator RICKETTS. Can you talk in a little detail about, again, when security forces are on the ground in some of these countries and how the PRC then uses that to suppress their dissidents who may be there, or anything like that?

Mr. KRITENBRINK. Well, that is the concern, Senator, the very clear concern voiced by partners, citizens of countries where these forces have been and others in the region.

I am not sure if we have seen much of that yet, but that is certainly the concern, and I think as Assistant Secretary Ratner indicated, when we have seen China do this elsewhere oftentimes they are looking for an avenue to get in the door, so to speak, and to expand security arrangements from there. And so that would be of deep concern, I think, to many in the region, including ourselves.

Senator RICKETTS. OK.

I am going to switch gears on you just a little bit here. Can you talk about—obviously, after the Taiwan elections Nauru switched their diplomatic ties against—

Mr. KRITENBRINK. Yes, sir.

Senator RICKETTS [continuing]. Taiwan to the PRC. How much awareness do we have of that in the State Department? And obviously, this is not the first time it has happened. What are we doing to maybe try and flip them back to Taiwan recognition?

Mr. KRITENBRINK. Well, there is a history for some of these countries flipping back and forth, so there is that precedent. I think what disappointed us in that move is the way it was done, the excuses that were used by the PRC including certain economic inducements and U.N. General Assembly Resolution 2758, which was misused and misinterpreted.

But our message to Nauru and then to the three remaining partners of Taiwan in the region is, again, countries ought to be careful and clear eyed about entering in these arrangements with China.

China will often make many promises that remain unfulfilled and that can have negative consequences. And then with those three remaining partners—three formal diplomatic partners of Taiwan—we worked very carefully and closely with them to make sure their needs are met, and that we try to close off any opportunities for—that China could exploit.

Senator RICKETTS. But do we know that that was going to happen? Did we know that Nauru was going to do that right after the Taiwan elections? Because were they not just talking a lot about it—

Mr. KRITENBRINK. For—

Senator RICKETTS [continuing]. Flights and so forth right before that?

Mr. KRITENBRINK. We had known for some time that there were concerns in Nauru, and we were working with partners to meet those.

But in this instance they decided to flip. There is a history in some of these places of going back and forth, and we will have to see. But I would just say, again, we issued a public statement right after this was done. Every country has the sovereign decision to make their own decision including on these recognition questions. But we do encourage countries to be cautious and careful given the track record of the PRC.

Senator RICKETTS. Great. Thank you, Assistant Secretary.

Mr. KRITENBRINK. Thank you, Senator.

Senator RICKETTS. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Secretary Krittenbrink and Administrator Schiffer, I want to ask you a question related to the local media and information space.

We talk a lot about the need for Western engagement on infrastructure. We recognize that in many cases that China might be the only player in town to deal with some of the infrastructure projects, and therefore, they give a deal that is too good to believe, and it turns out not to be what they thought it was going to be, and then you have the debt diplomacy issues.

But it also seems like the PRC is actively engaged in influencing local media and information in the region, and what is the United States doing to try to counter that activity?

Let me start with the secretary.

Mr. KRITENBRINK. Mr. Chairman, thank you.

Very important question. I will mention two critical efforts at the outset.

First is in every place where we have a presence, and we are on the ground, we are active in the local media space and through our own public diplomacy to make sure that there is alternative messaging to the PRC there so, again, our partners in the region have choice and have accurate information.

And second, we are working on programs to provide many of our partners in the region with access to credible news wires and the like, the AP and others.

So, again, a newspaper, for example, on the ground in island countries not completely dependent on Xinhua for its news but has other options. Those are the two that I would mention at the outset, Mr. Chairman.

Mr. SCHIFFER. Sure, and if I can build on that, Mr. Chairman.

In addition to the cable spur project that I had talked about earlier and the work that we have done with other partners on the East Micronesia cable, we have also been extraordinarily active working with our Department of State colleagues supporting free and independent press in the region, including through a number of journalism fellowships, particularly targeting journalists who are interested in working on natural resource management as that addresses a number of the corruption and governance concerns that we have.

And then we also recently launched with the University of the South Pacific a digital cyber connectivity partnership that allows us to step into the digital space in a more forward leaning way, re-

sponsive to the requests that we are getting from our partners to provide them the digital services that they need to be able to control their own information destinies.

The CHAIRMAN. I think this is an area that we really need to work on.

I am going to turn the gavel to Senator Kaine. I have to be on the floor in regards to our nominee for Haiti. We will be voting on confirming an ambassador for Haiti which, obviously, is extremely important in our foreign policy decisionmaking.

So let me thank you all, and I will recognize Senator Romney.

Senator ROMNEY. Thank you, Mr. Chairman.

I do not watch as closely as I am sure you do to see just what China is doing, but I must admit it strikes me that they have a very comprehensive plan to establish global leadership and to replace us, whether that is in international institutions where they insinuate themselves into people in leadership, whether it is the movement away from democracy generally and the growth in autocracy. Freedom House indicates that trend continued again this year.

They dominate certain raw materials that are the raw materials of the future, whether it is nickel or magnesium or rare earths, and so forth. They either dominate the mining of those things or the processing of them.

They put in place the rail lines to get the raw materials to their ports. They own the ports to get the products to their market. Of course, then they have TikTok which allows them to gather data on the American people and to provide propaganda, as they did in the Taiwan election with the TikTok algorithm there.

They, of course, likewise have Huawei. I mean, you could look through the things they have done. They dominate the—I should not say dominate—they lead in a number of the new technologies and businesses whether it is electric vehicles or solar panels. They have invested in hypersonics, which allow them potentially to threaten our fleet.

I mean, you look at the things they do, and it is a comprehensive plan and appears to be a very effective strategy. If we have a strategy to counter China, it is not working.

So 2 years ago or longer the chairman of this committee and I drafted legislation requiring the State Department to gather internally and with external input experts with different points of view to create options and to develop a China strategy.

We included that in legislation that was passed. It was due to be provided to this committee and to the Congress in July 2022. So it is, obviously, late.

Now, call me old fashioned—I thought that when we passed a law and required the State Department to do something, that they would do it and the State Department has not, or someone has not, and I do not understand why.

Now, I can understand people say, hey, we are late—we will get it to you. But apparently the work has been done, but this has not been provided. By the way, if it is classified, let it be classified.

But China, from what I can tell, has a game plan, and it is succeeding. We do not have a game plan I recognize, and whether we do or not, we are not succeeding.

So, Mr. Kritenbrink, why do we not have this in hand, and when will we?

Mr. KRITENBRINK. Senator, thank you very much.

Senator ROMNEY. You know that was coming, by the way.

Mr. KRITENBRINK. It is good to see you. Thank you, Senator.

I will say two things. We do have a strategy. We have talked about publicly the pillars of that strategy—invest, align, and compete. I would—

Senator ROMNEY. Three words does not make a strategy. I mean, it is a wonderful headline—invest, align, compete—and the Secretary gave a speech of that nature over 2 years ago—3 years ago. And I said, that is terrific. That is exactly right.

But we need a comprehensive strategy. I have just described a few things China has in their strategy. We do not have that, at least it has not been provided to this committee or to the U.S. Congress or the American people, and we are losing, if you will, on the strategic battlefield.

Mr. KRITENBRINK. Senator, I will take this back immediately. I have committed to you before to provide this report, and I apologize that that has not been done, and I commit to doing so, number one.

Number two, the point I would take issue with our strategy, it is a lot more than those three elements, and I think if you look at the actions that this administration is taking, investing in our sources of strength at home, and you are aware of that agenda.

The align piece, which I think has been unprecedentedly successful, all the alignment with our allies and partners and friends around the world in the Indo-Pacific and especially in the Pacific Islands, and then the actions we have taken to compete against China including protecting the sources of our economic strength at home but in many other domains as well.

So I am confident that we have a strategy. I am confident that our China strategy is succeeding—has been successful and is succeeding. But this is an unprecedented challenge. But I commit to being responsive to your request, Senator. Thank you.

Senator ROMNEY. Thank you, Mr. Chairman.

Senator KAINE [presiding]. Senator Duckworth.

Senator DUCKWORTH. Thank you, Mr. Chairman, and thank you to all the witnesses for being here today.

To start, I would like to say congratulations to Special Presidential Envoy for Compact Negotiations Joseph Yun and the team that worked for more than 2 years to successfully renegotiate the Compacts of Free Association with the Republic of the Marshall Islands, Federated States of Micronesia, and Palau. This is critically important to our national security, and I am glad we can highlight it today.

Over a thousand citizens at the Freely Associated States serve proudly in the United States military. They are more than just good neighbors in the Pacific. They serve alongside us, study, innovate, and trade together with us, and they should not be put in a position to doubt our commitment to continuing our decades long partnership nor our willingness and ability to make right the wrongs of the past, including providing compensation for damages caused by past nuclear testing.



Secretary Ratner, I want to dive in a bit more on DOD's vision for Joint Task Force Micronesia. As you know, the fiscal year 2024 NDAA mandated an assessment on the implementation of JTF Micronesia. While we await the results of that report and the related assessments pertaining to Guam, I want to make my interest in this issue clear.

While our plans and reports recognize the vastness of the Pacific, we have to make sure our structure and resourcing also reckons with that vastness sufficiently. For example, our Coast Guard has realigned assets to Honolulu to better meet the heightened demand signal, a signal that is not only coming from our planning process but from our allies and partners who are asking us for more opportunities to work together.

Secretary Ratner, what are your thoughts on the question of how our resourcing in that region currently aligns with the actual vastness of the scale of the region?

Mr. RATNER. Well, thank you, Senator.

And I will tell you that the department is currently looking at the evolution of our command and control structures throughout the Indo-Pacific, not just as it relates to current structures but potential reforms of that.

So what that looks like down the road is something we are taking a look at including as it relates to how we operate in the Pacific Islands.

The National Defense Strategy is laser focused on the PRC as the pacing challenge, and that has informed a lot of our resourcing as it relates to the Pacific Islands, including in major posture initiatives throughout the Pacific Islands, and we have ongoing exercises, and as Assistant Secretary Kritenbrink has said, we are doing everything we can to leverage our allies and partners who have great contributions to make down there.

So we have stepped up our game. We are doubling down in places like Papua New Guinea, and we are looking for additional opportunities.

Senator DUCKWORTH. Thank you.

I sit on both SFRC and SASC. I feel a special responsibility to ensure there is strong interagency coordination to address pressing national security challenges, and last week I spoke to the commanders of CENTCOM and AFRICOM about how important it is to do this in their areas of responsibility.

Secretary Ratner, what can you say about how Joint Task Force Micronesia may include liaisons not only from across the different service branches but also the interagency to ensure robust coordination across diplomatic, developmental, and defense functions directly from the region, as it is already being done at INDOPACOM complementing the work that is done at JIATF West?

Mr. RATNER. Well, thank you, Senator. I will refer to INDOPACOM on the specific staffing. But I a hundred percent agree with your point, and it is a broader point to make here today is that even as it relates to our security issues the work that USAID is doing, the work the State Department is doing, and other departments and agencies are fundamental contributions to our security in the region.

So when we when we talk about concerns about China's influence, concerns about China's military, resourcing and funding some of our economic and assistance programs are critically important, and we work very closely with the State Department and USAID.

I know Admiral Aquilino hosted a regional ambassadors conference recently where Assistant Secretary Kritenbrink attended, and we are taking every chance we get opportunities to integrate our posture and our military strategy with our assistance and diplomacy.

Senator DUCKWORTH. Thank you. I think that speaks very strongly to the importance of our presence in the region.

Secretary Kritenbrink and Administrator Schiffer, I would like to stay on the topic of this interagency cooperation when it comes to implementing the Indo-Pacific strategy through our engagement with the Pacific Island countries in particular and in the context of COFA specifically.

We know that our failure to pass a budget on time did nothing to help make the case for U.S. leadership and reliability in the world, including in the Pacific. But now that COFA funding has passed, I want to understand your assessment of whether the U.S. Government is presenting a unified, consistent presence to our allies and partners, particularly the Marshall Islands, Micronesia, and Palau.

In your opinion is the United States building strategies that project not only our strength but our values that makes a case that the United States is a responsible Pacific power and that democracy actually does deliver because you know that the PRC is making the opposite argument?

Our investments and commitments need to be visibly American, and what more can we do to reinforce our reputation as a reliable partner of choice?

Mr. KRITENBRINK. Senator, thank you very much for the question, for your leadership and support on these issues.

On the issue of our interagency cooperation and implementing the COFA agreements, I am very confident in the work that the three of us have done at this table together with our colleagues at the White House, especially Senior Director Mira Rapp-Hooper, our colleagues at the Department of the Interior as well.

So I am very confident about that, going forward. I fully agree with your point about that our values have to be on display as well.

But Senator, I think my experience over the last couple of years dealing with friends in the Pacific, I feel very well aligned for the most part with many of the leaders and most of the peoples on the ground, and where we do have concerns we worked in particular to build the capacity of our partners.

But I could not agree more. I want to thank you and the Congress for the leadership. Passing the COFA was one of the most important things that we could have done, I think, in the last decade to demonstrate our commitment to this vitally important region. Very, very grateful to you.

Mr. SCHIFFER. And I will add very briefly to Secretary Kritenbrink's comments.

I think we have had exceptional interagency cooperation over the past several years under the Biden-Harris administration really

linking together all of the elements of our national security community to be able to deliver to our partners and as you offered, Senator Duckworth, to be able to present that unified face that demonstrates America's added value as a partner and a friend in the region.

As I offered earlier, our approach has been to listen, partner, and deliver, and to your point delivery is just as critical as any of the other pieces, and I think we have stepped up our game in the past couple of years.

Senator KAINE. And if I could ask you to summarize. We are over time—

Mr. SCHIFFER. Sure.

Senator KAINE [continuing]. And I want to have Senator Hagerty—

Mr. SCHIFFER. My apologies, Mr. Chairman.

I was just going to offer that when the President has made commitments at our recent Pacific Island summits, both the State Department, USAID, the Department of Defense, and other elements of the U.S. Government have moved out quickly to implement and to make sure that we are showing up in tangible ways.

Senator DUCKWORTH. Thank you.

I apologize to Senator Hagerty.

Thank you, Mr. Chairman.

Senator KAINE. Thank you. Good discussion.

Senator Hagerty.

Senator HAGERTY. Thank you, Mr. Chairman, and welcome, Administrator Schiffer, Secretary Ratner, Secretary Kritenbrink. It is good to see all three of you.

I would like to talk with you about the investment strategy that we do undertake. I know that each of you have different tools.

Secretary Ratner, you have got the Office of Strategic Capital I would like to hear about.

Administrator Schiffer, you have got the microfinance program that you are dealing with.

And Ambassador Kritenbrink, we talked about the strategy document that you are putting together.

I am deeply concerned about our ability to show up, particularly when it comes to hard infrastructure in the region, and I may have shared this with some of you, but when I was in my previous role as Ambassador to Japan I was literally reading in Nikkei Asia about a bankruptcy that was underway in the Philippines. The old Subic Bay Port, the Hanjin shipyard there—a South Korean shipyard—was in bankruptcy.

The two bidders' names were of concern to me, and I reached out to the appropriate people and found out that those two bidders were both affiliated with the PRC. They were trying to take control of a very strategic shipyard, one that had been a U.S. Navy post back in the 1980s when I lived in Japan the first time, and I was deeply concerned about that and what we might be able to do.

I will not go into the details of it here, but we put a tremendous amount of effort into trying to address that situation, and that asset now is called Agila shipyard. It is now a U.S. asset. It is a very strategic asset for us in the region.

And the way we got that done was by me making a lot of phone calls, the State Department, the Department of Defense coming together on an ad hoc basis, Cerberus Capital Management in New York taking a very important leading role in doing all of this, and the Japanese government stepping up and helping us as well.

We worked with the Philippine government, with the Japanese government, certainly with the U.S. Government to make all this happen. It probably took the better part of 2 years to get it to work, and the Development Finance Corporation, which I thought would be the tool that we could use to really step up the U.S. Government's participation, was unable to participate in this.

In fact, we were not able to get any U.S. Government direct participation. A lot of effort and a lot of elbow grease, but not direct participation.

So I would like to come to you, and I will start with you, Secretary Ratner, to talk about the new Office of Strategic Capital. Is this a means, a tool, by which you might be able to do hard infrastructure?

I know you talk about technology here, but is that a tool, or are there other tools where you could step up and play a more direct role?

Mr. RATNER. Yes, Senator, I will get back to you specifically on the Office of Strategic Capital as it relates to the Pacific Islands.

What I will say related to infrastructure we have a number of major posture initiatives underway throughout the Pacific Islands, obviously, in U.S. territories such as Guam and CNMI, in the COFA states, in Marshall Islands and Palau we have some major projects underway, and of course, last year concluded a defense cooperation agreement with Papua New Guinea and have already had one INDOPACOM site survey team down and another one on the way to start looking at some of the infrastructure projects that we can do there.

So we do see this as a huge priority. It connects to the development and economic issues that we have been talking about this morning, and we are looking to do more throughout the region, and some of those projects are included in the President's fiscal year 2025 budget request.

Senator HAGERTY. I would encourage you to take a very hard look at the Philippines, too. There are more assets there that I am sure you are aware of. The Chinese Communist Party has great interest in that region. We should have a great strategic interest in projecting our own relationship.

I have been very happy, frankly, with the relationship that we have built with the Philippine government and the direction that is going, but I think we have a lot of opportunity there.

Secretary Kritenbrink, could you speak to this in terms of your thoughts, and as you prepare the strategic document that you promised to Senator Romney, I would love to hear how this infrastructure piece may fit in.

Mr. KRITENBRINK. Well, Senator Hagerty, first of all, thank you for your leadership on the Philippines example you mentioned. It is still one of the best textbook examples we have of a success story.

I would say what we are doing right now is we are focused especially with other partners on trying to catalyze investment in key infrastructure in the region.

Certainly, the subsea cables is probably the place where we have been most active—the East Micronesia cable, work on the Google cable, and elsewhere.

We have also partnered with Australia. We announced in October that we were going to co-finance maritime infrastructure in Kiribati including at Canton wharf and Charlie wharf. So, certainly, we are focused on the infrastructure issues, and again, giving countries options in the region.

Second, to underscore what Assistant Secretary Ratner said, in the President's fiscal year 2025 budget request there is a \$4 billion discretionary request and a \$4 billion mandatory funding request, and the mandatory funding in particular is designed to allow the United States to be able to fund hard infrastructure projects and to invest in what we call these strategic connectivity projects in the region.

Senator HAGERTY. If you all could get back to me with a little more detail on that. I would be very interested to see—

Mr. KRITENBRINK. Yes, Senator. Thank you.

Senator HAGERTY [continuing]. How your plan is unfolding.

Thank you all.

Thank you, Mr. Chair.

Senator KAINE. Thank you to the witnesses.

I will do my questioning now and then call on Senator Young.

I am a big fan of the AUKUS framework in the Indo-Pacific. I think this announced framework by President Biden of a couple years ago can be extremely powerful, going forward.

I have some home state equities involved as well because the pillar one submarine portion of the deal will involve a lot of work at the shipyard in Newport News, Virginia.

I want to tell a funny story about AUKUS that is sort of a thank you to this committee.

Secretary Ratner, about 10 days before the Defense Committee marked up our NDAA in June, the Pentagon sent a group over to meet with me in the SCIF and said, you are the chairman of the Sea Power Subcommittee—we need to get all of this legislative language in the NDAA. Will you help us?

And I said, no, I am not going to help you. And they said, wait a minute. You are an AUKUS supporter. I said, I am. Why will you not help us? Because none of this is jurisdictional in the Armed Services Committee. I cannot get it in the NDAA. It is all on the Foreign Relations Committee.

We then worked together, great members on this committee. Senators Cardin, Senator Menendez, and others really helped get the AUKUS framework through the Foreign Relations Committee so that by the time the NDAA hit the floor we were able to attach the AUKUS legislative framework to the defense bill on the floor.

And so I want to thank this committee for working very expeditiously to make that happen. Obviously, we are still in process in this way while the NDAA has been signed. We have a supplemental bill that is pending in the House that passed the Senate by a 70 to 29 vote, and the one piece of that supplemental that has

not proven controversial is the portion dealing with the AUKUS framework, the investment that needs to be made in the submarine industrial base, to make sure that we can match with our investment what the Aussies are putting in to grow an industrial base to enable us to complete this important part of the project.

Secretary Ratner, just from the Pentagon's standpoint, I would like you to talk about the importance of the AUKUS framework in terms of stability and deterrence in the Indo-Pacific because I do think we need to do more education of the American public and others about this.

So talk about why this is such an important priority for the Administration.

Mr. RATNER. Well, thank you, Senator.

This is an absolute top priority insofar as our undersea capabilities are critical to deterrence in the Indo-Pacific, and they are an area of U.S. overmatch, and it is essential that we keep it that way. And when we apply our allies and partners to that overmatch it is even more powerful deterrence.

So maintaining our undersea advantage is going to be key to maintaining peace and stability in the region. The AUKUS legislation helps to do that.

You mentioned submarine building. The President's budget request for fiscal year 2025 would provide \$4 billion toward the submarine industrial base and the national security supplemental on top of that, and that will be critical to keep pace with the challenge.

Senator KAINE. Just one quick story about submarine building.

The Navy has stood up a manufacturing Center of Excellence in Danville, Virginia, to train the submarine industrial base, and on my last visit to the center it was pretty heartwarming to walk into these classrooms and see not only U.S. shipbuilders from around the country, but also Aussies, Aussies who have been dispatched here from Australian companies to learn side by side with their American counterparts.

And the other thing that I noticed is each of the classrooms I went into also included a number of Afghans, Afghans who served bravely with United States in Afghanistan. They moved to the United States. They are looking for a new career, and they have decided, I am going to be a shipbuilder.

And watching the Aussies and the Afghans and the young people from Danville with all their conflicting accents learning side by side to become part of the U.S. submarine industrial base and the Australian submarine industrial base was really positive.

Secretary Kritenbrink, the other piece of AUKUS is the pillar two, which means sort of anything else. Pillar one is about subs, but pillar two is focused on cybersecurity, AI, advanced technologies, innovation, and one of the opportunities there is for partnerships between research universities in the U.S., Australia, and the U.K., and innovative companies.

My sense is in the same way that the U.S. has alliances that are strong and that that is seen by China as kind of threatening, we also have deep ties between universities in our country and Australia and the U.K. and other nations, and I think that is a kind of an alliance that is pretty powerful.

From the State Department standpoint looking at pillar two, what do you see as ways we can cooperate with Australia and the U.K. to find new, innovative technologies on which we can cooperate to promote stability in the region?

Mr. KRITENBRINK. Senator, I completely agree with the way that you framed it, the tremendous opportunities, I think, under pillar two as well for broader base technological cooperation, certainly among our three countries, as you have outlined, between our universities and our companies.

And as you know, we have also indicated we are open to potentially cooperating with other countries in pillar two as well. So I think this is quite an exciting and strategically important area. Thank you.

Senator KAINE. Well, if the big 12 can have 16 teams, then the Quad can have eight members or AUKUS can have nations whose names are not in the title.

So I am going to now go to Senator Young.

Senator YOUNG. Thank you, Chairman, and I was really encouraged that you asked about pillar two of AUKUS. I have it right here, pillar two. That is what I also was going to follow up on, just emphasizing the importance of that piece of the AUKUS relationship.

There has been a lot less attention focused, at least in the media, on pillar two, but I think the tech sharing opportunities between our research institutions and high tech companies are just—it is really exciting to me. So thank you to the State Department for your emphasis on implementing that.

I would like to turn to the topic of illegal fishing activities. China has by far been the leading aggressor in illegal fishing throughout the region.

It has affected the economies of each country that relies on this important industry. China, through their illegal activities, have diverted all manner of economic resources, and therefore, our armed forces have been doing their part to help. They have conducted missions to counter what we have come to call illegal, unreported, and unregulated, or IUU, fishing.

Mr. Krittenbrink, what diplomatic efforts has the State Department been leading to challenge Chinese IUU fishing in the region, and has any notable progress been made especially on what we call shiprider agreements with our Coast Guard?

Mr. KRITENBRINK. Senator, thank you. Really important question, and that was where I was going to go first, that I think our Coast Guard has been most effective here in the shiprider agreements in particular.

I do not have in front of me the list of all the countries that we have shiprider agreements with, but I think our Coast Guard's presence in the region, cracking down on illegal fishing, especially through shiprider arrangements, helping countries in the region understand what is happening in their maritime domains and to defend their rights is probably the most important thing that we can do. But I could get back to you on those details.

I would say, second, what we have done just across the board more broadly speaking is we have tried to increase partners' mari-

time domain awareness through the Indo-Pacific maritime domain awareness initiative.

Again, the theory of the case is that when countries understand what is happening in their domains, they can better protect them.

And then, third, I think the more we can do to publicize and shine a bright light on this activity. You are correct that we believe that the PRC is by far the country that carries out the vast majority of illegal fishing in ways that is really detrimental to the economies of the region.

Senator YOUNG. Thank you. If you would kindly get whatever information you have.

Mr. KRITENBRINK. Yes, sir.

Senator YOUNG. The list of shiprider agreements—

Mr. KRITENBRINK. Yes, sir.

Senator YOUNG [continuing]. Would be a great start to the committee. We will take a look, please.

And then by way of follow up, when the Chinese government does nothing to control its fishing fleets engaged in illegal fishing, maybe you can tell us how does the U.S. Government differentiate our adherence to international conventions on fishing and maritime boundaries?

Mr. KRITENBRINK. I am sorry, Senator. I did not catch the last part. My apologies.

Senator YOUNG. When they respond—when they do absolutely nothing to control—

Mr. KRITENBRINK. Yes, sir.

Senator YOUNG [continuing]. The fishing fleets that are engaged in this sort of illegal fishing, does that make it difficult to follow international conventions on fishing and maritime boundaries?

Mr. KRITENBRINK. Yes, sir, I understand.

Yes, sir. So I really appreciate your question. I think there are two challenges.

Yes, there is shiprider agreements and our other actions to try to help countries to control their maritime domains, and then there are also waters on the open sea that are overfished and over utilized in ways, again, that is detrimental to the region.

So our effort there is, one, through shining a bright light on these issues, and again, second, trying to build the capacity of partners in the region to understand that in addition to our own operations.

Senator YOUNG. Thank you.

So staying on this topic, the Coast Guard is currently analyzing what resources they require to increase their presence and increase their operational tempo in the Western Pacific.

This follows a directive that I secured in the recent Coast Guard authorization, and these findings should become available and reported to Congress and the State Department as we hit the end of this year.

So can I have your commitment to review those findings as soon as they become available?

Mr. KRITENBRINK. Absolutely, Senator, and can I say Coast Guard leadership in the Pacific has been absolutely tremendous? And when we did the second Pacific Island summit, one of the most effective events we had was at Coast Guard headquarters, and I



think our Pacific Island partners were really encouraged and impressed by the resources and capabilities we can bring to bear.

Senator YOUNG. Thank you. We will look forward to those findings and also any counsel you might have about how this committee can be helpful and informed by those findings, doing whatever is needed to empower State and our Coast Guard to help address illegal fishing activities moving forward.

Thank you so much, Chairman.

Mr. KRITENBRINK. Thank you, Senator.

Senator KAINE. Senator Van Hollen.

Senator VAN HOLLEN. Thank you, Mr. Chairman, and thank all of you for your testimony and your service, and I just want to say amen to Senator Young's questions regarding maritime security and protecting fisheries.

And I know a lot has been covered in this hearing already, and I just want to stress, and I know you all know this, that when we are dealing with China's influence in the Pacific Island region, it cannot just all be no, do not work with China. In fact, quite the opposite.

We need to provide a better alternative both in terms of a vision of the future but also material support. You cannot beat something with nothing. And again, I want to just encourage all of you to continue to use all the tools at our disposal—economic tools, whether the DFC or other agencies, to put forward proposals that support people in this region.

Assistant Secretary Kritenbrink, I do have a specific question about Kiribati, and I know it has been referenced the—China's police presence there. I also know there is an IT component, I understand, to their involvement.

So one question is what are we doing to counter PRC influence in Kiribati, but the larger question is how can we anticipate these kind of challenges and not play whack-a-mole after they come up?

In other words, how can we be proactive rather than just reactive?

Mr. KRITENBRINK. Senator, thank you. Fantastic question, really, and thank you for your leadership and support.

I think the number one thing that we need to do is to be present, to be active in all of these countries, and to, as you said, offer alternatives. Specifically in the case of Kiribati our accredited Ambassador who is a resident in Fiji, Marie Damour, who I understand is visiting right now, again, to hear the needs of our friends in Kiribati and to determine the best way forward.

I know our friends at the Millennium Challenge Corporation have a threshold compact of about \$30 million, if I remember correctly, again, focused on education and building local capacity.

I mentioned a little while earlier some of the work we are doing together with friends in Australia to refurbish the Canton wharf and another wharf there.

And also we are following up on the agreement we have from Kiribati leadership to establish a U.S. embassy in Kiribati as well. So getting that permanent presence on the ground, working on all those alternatives from infrastructure to other areas across the board I think that is the best way.

Both with our friends in Kiribati but across the board in the Pacific we have to be present, we have to be active, and we have to bring alternatives to the table. We think our strategy is designed to do just that.

Senator VAN HOLLEN. I appreciate that. In terms of the diplomatic presence, as you say, if we are not there on the ground, we are not going to be in the game, cannot offer proposals or engage.

Can you just give a brief update on how we have expanded our diplomatic presence in the region and what more we need to do?

Mr. KRITENBRINK. Thank you, Senator.

We have identified four countries in which we want to establish new embassies. We have successfully done so in the Solomon Islands and in Tonga. We will be open imminently in Vanuatu, and then, as I said, we are working diligently to follow up on Kiribati and will need parliamentary approval for that. But we are working actively on that.

In each instance of the two new embassies we have opened thus far, we opened an immediate presence very quickly, and now we are moving to build out that staff, build out the permanent facilities—the long term facilities in which our staff will be there, and then we are also working on the personnel side.

To get opened quickly we basically had to find temporary duty personnel to get boots on the ground and plant our flag, and now we are following up with the full time staff and also together with this committee we hope to be nominating ambassadors to these new countries as well.

But as you said, there is no substitute for presence, and I am confident we will be present in these four countries, and then we will build out that presence. I think it will make a huge difference and already is in the Solomons and Tonga.

Senator VAN HOLLEN. Very good. Thank you.

And I do have one last question on the implementation of COFA for you, Dr. Ratner. I know that Senator Duckworth raised this issue, and I think her focus with some of the work that AID is doing in the aftermath of passing funding for the Compacts of Free Association.

On the defense side what kind of measures are you taking now that that has passed?

Mr. RATNER. Senator, we obviously have a range of activities associated in terms of exercises and operations rotating through the compact states. In terms of major investments underway, we have a couple specific major posture initiatives there and posture sites.

In RMI, Republic of Marshall Islands, hosts the Ronald Reagan Ballistic Missile Testing Site at U.S. Army garrison on Kwajalein, which is a really important location as it relates to space operations and space situational awareness.

And then, of course, we have the TACMOR radar—the Tactical Multi-Mission Over-the-Horizon Radar—in Palau, which is going to give the department and the U.S. military unprecedented situational awareness over a huge swath of the Pacific. So really important posture initiatives underway there.

Senator VAN HOLLEN. I appreciate it. Thank you.

Thank you all.

Thank you, Mr. Chairman.

Senator KAINE. We have been informed that Senator Cruz is on his way, and I am going to give him 2 minutes. So play quietly at your desks, and if he is here within 2 minutes then he will be up next, and then we will conclude the hearing. And if he is not, I will gavel us to a close.

But I will say while we are waiting and those 2 minutes are running, we had an Armed Services Committee hearing right before this and two of the Armed Services members, Senator Ernst and Senator Hirono, had been quite involved in the CONVENE Act, which was very much focused on security agreements with the COFA nations.

I was a co-sponsor of that.

Senator Van Hollen, I think you were as well, and that CONVENE Act was largely included in the NDAA and when I told Senator Hirono that I was coming up to this hearing that was focusing upon the Pacific Islands and strategy and that it was to my recollection the first time that we have had a hearing on this topic in this committee during the time I have been on it, Senator Hirono was very glad and said it is about time.

So there were some happy Armed Services Committee members knowing that this hearing was happening today, too.

And the ranking member and I will now patiently wait for now—I think it is 62 seconds now—to see if Senator Cruz arrives.

[Pause.]

Senator KAINE. As we are counting down I will do the homework, which is there may be members of the committee that want to submit questions in writing, including Senator Cruz.

We will keep the record of the hearing open until the close of business on Friday, March 15. If members do submit questions we would encourage you to respond promptly and thoroughly.

There is a vote ongoing on the Senate floor right now and an important one with respect to our nominee to be ambassador to Haiti—a very timely one. And with that, though, and with the concurrence of the ranking member—

Senator RISCH. Is your guy coming? OK. He is in this building.

Senator KAINE. OK.

With the concurrence of the ranking member we will be slightly graceful to a colleague who is said to be in the building, so and we will wait just a bit longer.

Mr. RATNER. Senator Kaine, do you have any more AUKUS jokes while we are waiting?

[Laughter.]

Senator KAINE. I thought that story would be appreciated. It is a great initiative, and good work moving out on it so quickly.

Mr. RATNER. Yes. Thank you so much for your support on that. That legislation was really critical.

Senator KAINE. Australian sailors training with in the nuclear power program in South Carolina with U.S. sailors. To take a nation that only has—the only nuclear in Australia is medical isotopes, and to go from that to the ability to operate, maintain, and eventually build nuclear subs, the most complex items manufactured on the planet Earth, that is a lot of work. But it is going to be great work to be able to do together.

With that, I am going to decide that the hearing is now to be adjourned.

With the thanks of the committee for your appearance we adjourn, and please do follow up on questions if they are submitted. [Whereupon, at 12:07 p.m., the hearing was adjourned.]

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## ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

RESPONSES OF MR. DANIEL J. KRITENBRINK TO QUESTIONS  
SUBMITTED BY SENATOR BENJAMIN L. CARDIN

### TOPIC: PRC INFLUENCE

There is rising concern among some Pacific Island nations regarding the growing influence of the PRC in the region. We've seen the PRC use economic inducements, threats and economic coercion, disinformation, and old-fashioned corruption in attempts to expand its foothold. Beijing's influence extends beyond infrastructure projects and security agreements to PRC state engagement in the local media and information space.

*Question.* Given very small media markets and limited journalistic capacity in the Pacific Islands region, what is the United States doing to promote a strong and professional media? How do our efforts compare to those of our strategic adversaries?

*Answer.* The United States supports a free media in the Pacific Islands through access to credible sources of news, journalism, and media training opportunities, and by creating strong communities of practice. The State Department provides Pacific Islands journalists regular access to visiting U.S. officials and selects journalists to participate in media-focused exchange programs and trainings.

The United States is working to build capacity through programs including USAID's PROJECT Governance, which has provided financial and investigative journalism training for Pacific Islands reporters and media literacy courses for civil society organizations and academia.

Through the Young Pacific Leaders' initiative, the State Department offers workshops and other engagements for emerging Pacific leaders on a variety of civic leadership issues, including journalistic ethic and media literacy.

Last year, the State Department launched the Digital Communication Network (DCN) in EAP that focuses on building networks within the Pacific Islands. The DCN aims to create a lasting impact by empowering a new generation of global voices to promote ideas in the digital space.

The State Department also recently launched an initiative intending to strengthen balanced media environments in the Indo-Pacific. It will aim to provide free independent wire content to local media outlets and to build their capacity through training, equipment provision, mentoring, and network building. The goal of this program is to strengthen local media outlet resilience as to ensure that the sources available to them are diverse and accurate.

*Question.* How are we countering the PRC's growing influence in Pacific Island media markets? What more can we be doing to implement a pro-active public diplomacy strategy in the region?

*Answer.* In addition to the activities described above to promote a free media in the Pacific Islands through access to credible sources of news, journalism, and media training opportunities, and by creating strong communities of practice, the State Department has doubled its number of academic exchange opportunities for Pacific Islands countries, including the U.S. South Pacific Scholarship Program, Fulbright, and the Global Undergraduate Exchange Program. We are working closely with interagency partners to coordinate messaging and promote the full breadth of USG assistance programming and other activities in the Pacific Islands region, including through human interest stories that will connect with communities across the Pacific.

### TOPIC: INFORMATION SECURITY

Outlets such as Radio Free Asia are attempting to expand its capacity to cover events in Pacific Island countries for their populations.

*Question.* How important is the information space in the Pacific Islands region, and what is the Administration doing to support access to reliable, timely journalism and news in these places where the PRC is exerting its influence?

Answer. The information space is extremely important in the Pacific Islands region. The United States is working to build capacity through programs including USAID's PROJECT Governance, through which we have provided financial and investigative journalism trainings in-region for Pacific Islands reporters in addition to media literacy courses for civil society organizations and academia.

Last year, the State Department launched the Digital Communication Network (DCN) in EAP that focuses on building networks within the Pacific Islands. The DCN aims to create a lasting impact by empowering a new generation of global voices to promote ideas in the digital space. Since its establishment in 2015, the DCN has created a global network of over 10,000 digital communicators and influencers working together to provide accurate and authentic reporting, strengthen independent journalism, support civil society, and advance democratic values.

The State Department also recently launched an initiative intended to strengthen balanced media environments in the Indo-Pacific. It will aim to provide free independent wire content to local media outlets and to build their capacity through training, equipment provision, and mentoring/network building. The goal of this program is to strengthen local media outlet resilience and make sure that the sources available to them are diverse and accurate.

TOPIC: INCREASING U.S. DIPLOMATIC PRESENCE IN THE PACIFIC ISLANDS

The Administration has been committed to increasing our diplomatic presence in the region, including opening embassies in the Solomon Islands and Tonga, and is considering additional locations globally. However, the Department is not practiced at opening new embassies, and particularly not in small island states. As a result, it's taken far too long for us to establish a presence in Honiara and Nuku'alofa. The template for U.S. embassies are large and medium sized embassies with state-of-the-art security standards and room for a significant interagency compliment—not agile and quick-to-open “micro-missions.”

*Question.* For U.S. interests in the Pacific Islands region, what is most important? To what do you attribute the delays in establishing the two new missions in the Pacific Islands region? Do we need to establish small traditional embassy, or is a “micro-mission” approach more appropriate?

Answer. Maintaining a robust and agile diplomatic presence and reinforcing U.S. credibility by living up to our commitments are most important in the Pacific Islands region. Enacting COFA-related legislation this year was a significant milestone in advancing these goals. EAP's approach to the Pacific Islands region is guided by the National Security Strategy, Indo-Pacific Strategy and Pacific Partnership Strategy, the first U.S. strategy for the Pacific Islands.

We opened two new missions in 2023: Embassy Honiara in January and Embassy Nuku'alofa in May. Our missions in Honiara and Nuku'alofa opened less than 1 year after announcing our plans to open them. Consistent with the objectives of SECCA 2022, the Department rapidly processed SECCA waivers and OSPB exceptions to the maximum extent possible, enabling the opening of the missions and ensuring limited staff, per the OSPB exceptions, work from a safe and secure facility until the Department completes construction on longer-term lease-fit-out facilities.

Although the Department has already established its presence in Honiara and Nuku'alofa under the existing opening process, we are developing the Micro Mission operating framework as a new embassy designation for select countries where the Department does not yet have an Embassy presence or where we envision the longer-term presence will remain small. The Micro Mission model has the potential to address some concerns around staff workload at small new missions. The Department is still developing the concept and has not implemented a Micro Mission model but will consider it for future missions.

*Question.* What existing authorities is the Department exercising to accelerate the expansion of U.S. diplomatic personnel in the region? What additional authorities are needed?

Answer. The Department has used SECCA 2022 authorities in opening new posts in Honiara, Solomon Islands, and Nuku'alofa, Tonga. As part of the ongoing implementation process, the Department also streamlined the SECCA waiver process, reducing approval times to 60–90 days. Seventeen SECCA waivers were processed in 2023, more than any other year. An additional five have been processed as of February 2024.

The Department used tools such as the streamlined SECCA waiver process to open embassies in Honiara and Nuku'alofa, putting staff on the ground quickly and safely. We are working toward the same approach for future embassy Port Vila, Vanuatu, which we plan to open later this year.

*Question.* What can we learn from your experience opening embassies in the Pacific Islands that can be applied to small missions being contemplated in other regions, such as South Asia, Africa, and the Western Hemisphere?

*Answer.* The Department continued to refine and expedite its new post opening process using lessons learned and best practices. This includes an accelerated site selection process, phased opening, SECCA 2022 flexibilities, and increased coordination with host governments. The Department is concurrently developing a new model (Micro Missions) for rapidly establishing smaller embassies, incorporating lessons learned from the recent new post openings in the Pacific Islands.

TOPIC: PEACE CORPS

The U.S. has historically had a number of Peace Corps programs in the Pacific Islands, but that number has dwindled over the years for a variety of reasons. When I hear from our Ambassadors in the field, they all say that one of the issues our partners most frequently raise is to bring the Peace Corps back to their country.

*Question.* What are our plans for expanding Peace Corps presence in the islands? What impediments currently exist to realizing these goals and what is State and the Peace Corps doing to work through them so that we can field volunteers?

*Answer.* The Peace Corps currently operates posts in 13 countries in the Indo-Pacific: Cambodia, Fiji, Indonesia, Mongolia, Nepal, Philippines, Samoa, Sri Lanka, Thailand, Timor-Leste, Tonga, Vanuatu, and Vietnam, and is in the process of re-establishing a presence in Palau, which will be supported by the Peace Corps/Philippines post. The Peace Corps recently welcomed back Volunteers to service in Fiji, Samoa, and Tonga and anticipates a return to Vanuatu later this year and to Palau in 2025.

The Peace Corps has received many invitations to initiate or resume Peace Corps programming. Placing Peace Corps Volunteers in remote Pacific islands is both expensive and challenging. The Peace Corps considers invitations from host countries on an individual basis in the context of overall demand, conditions on the ground, and agency resources. There is significant demand from around the world for Peace Corps Volunteers, particularly in the field of English-language instruction, given the youth bulge.

Acknowledging these challenges, the Peace Corps is exploring innovative ways to support countries around the world. The agency launched a Virtual Service Pilot (VSP), in which participants donate their time to provide virtual support to counterparts around the world. Even as Volunteers return to in-person service, the VSP has proven to be very successful, particularly in remote regions such as the Indo Pacific. In addition, last year the Peace Corps launched the Blue Pacific Youth Initiative, a collaborative, pan-Pacific network of programs and activities that mobilize young leaders in support of environmental resilience.

The Peace Corps is a vital part of building strong people-to-people connections between the United States and the Pacific Islands. The agency has and continues to contribute to capacity building, increasing opportunities for youth, and supporting countries around the world to innovate and adapt to our much-changed world.

TOPIC: PUBLIC DIPLOMACY/PUBLIC AFFAIRS

The Biden Administration has significantly increased attention to and investment in the Pacific Islands, including through the announcement of an annual fellowship called the U.S.-Pacific Institute for Rising Leaders. Because of our history, shared values, and strong diaspora ties, we get a disproportionate return on our people-to-people investments.

*Question.* Given the remote and distributed nature of the Pacific Islands region, what are the most effective strategies for doing public diplomacy outreach?

*Answer.* Because of our history, shared values, and strong diaspora ties, the United States benefits tremendously from its people-to-people programs. The State Department is working to increase its physical in-person presence and its number of exchange and cultural program offerings across the Pacific Islands region. The United States has doubled the number of academic exchange opportunities for Pacific Islands countries, including the U.S. South Pacific Scholarship Program, Fulbright, and the Global Undergraduate Exchange Program.

Under the Young Pacific Leaders' (YPL) initiative, the State Department has fostered new collaborations between the Pacific Islands and the United States by working with a growing alumni network. The YPL program connects the North Pacific—Palau, Guam, Hawaii, the Commonwealth of the Northern Marianas Islands, the Federated States of Micronesia, and the Republic of Marshall Islands—to the South Pacific, where the United States has historically had a smaller physical presence.

YPL alumni have pioneered public diplomacy programs in areas where the United States lacks diplomatic presence. With additional funding, the Department could grow this network and establish a YPL Regional Think Tank for greater alumni engagement in addition to an annual YPL train-the-trainer program for alumni to maximize their impact in the region.

The YPL brand is well-recognized in the region. Other governments, regional organizations, and private sector entities have approached YPL alumni for their expertise, knowledge, skills, and connections. Co-branding YPL with other U.S. Pacific programs and fellowships could enhance its reach and impact. Current co-branding opportunities include Oceania Professional Fellows Program, U.S.-Pacific Institute for Rising Leaders Fellowship (Johns Hopkins), Resilient Pacific Islands Leaders Fellowship (East-West Center), Tourism Professional Fellows (East-West Center), Pacific Islands Media Initiatives (East-West Center), Blue Pacific Youth Initiative (Peace Corps), SUSI, and Fulbright.

*Question.* What more can we be doing to implement a proactive public diplomacy strategy in the region?

*Answer.* We are working to establish Public Affairs Officer positions at each of our new embassies across the Pacific. The Public Affairs Officer for Honiara, Solomon Islands arrives in April 2024, and others are scheduled to arrive in the coming months. We are working closely with interagency partners to coordinate messaging and promote the full breadth of U.S. assistance programming and other activities in the Pacific Islands region, including, through human interest stories that will connect with communities across the Pacific.

TOPIC: U.S. DEVELOPMENT FINANCE TOOLS IN THE PACIFIC

One of the most challenging aspects of working in the Pacific Island region is that is that, with a few notable exceptions, it is very challenging to incentivize U.S. investment in the region due to the distance, size and scale of the economies. There are challenges with cyber and digital connectivity, challenges with access to banking and finance, and challenges related to construction capacity and land availability. The PRC is active in these economies, but we have not figured out how to incentivize U.S. private sector investment.

*Question.* As we look to reauthorize the Development Finance Corporation this year, how should we be thinking about encouraging finance and investment in the Pacific Islands region? In addition to the U.S. private sector, what more could we be doing to catalyze the private sectors of U.S. partners and allies?

*Answer.* Investments made by the U.S. International Development Finance Corporation underscore that the private sector, and not only PRC state-owned enterprises, can finance the world's infrastructure needs as DFC provides a quality-based alternative to PRC financing. We are directing U.S. assistance to improve the investment environment for the private sector so that we can advance DFC's investment capabilities across the Pacific. Currently, DFC's investments have primarily been in Papua New Guinea, the region's largest market, but DFC is working to expand its reach across the region, especially through DFC's and USAID's newly launched Microfinance Facility for the Pacific Islands and by utilizing partnerships with Australia, Japan, Korea, and Taiwan to identify co-investment opportunities.

Additional authorities are needed for DFC to expand support for strategic private sector investment projects that, due to distance, size, or other barriers, cannot attract commercial interest in the region. The State Department also encourages Congress to consider urgent short-term authorities, including allowing development finance loans under certain conditions to support public infrastructure. We encourage Congress to consider modifying DFC country eligibility; for example, Palau and Nauru have gone in and out of the World Bank income classification in recent years due largely to their small population size (10–15,000 people), but the "high income" label does not reflect their actual level of development or government capacity.

RESPONSES OF MR. DANIEL J. KRITENBRINK TO QUESTIONS  
SUBMITTED BY SENATOR JAMES E. RISCH

It is clear that the Department needs to streamline and simplify the process for opening new embassies. We need people on the ground quickly, but also with the tools they need to get in the game.

*Question.* Do you support an "embassy in a box" concept for small, remote posts? This would support new embassies regionally and waive certain processes and procedures to prevent small posts from being hamstrung by bureaucracy.

Answer. EAP fully supports exploring a broad spectrum of presence alternatives for small posts in remote locations. EAP also endorses initiatives to support embassies regionally and waive certain processes and procedures so that our people can arrive on the ground quickly and follow through on top U.S. foreign policy goals.

*Question.* What are you doing to clear the red tape, so we don't lose more ground to the Chinese?

Answer. EAP is strategically shifting all post operational management responsibilities for new posts to the Manila Regional Support Service (MRSS). This shift in responsibilities enables diplomats based in these new posts to focus on competing with the PRC. The operational management responsibilities encompass functions such as human resources, financial systems, information systems, and general services (housing, vehicles and transportation, travel, warehouse management, and supplies). Currently, MRSS is supporting all the new embassies, and all management support will fully transfer to MRSS by September 30.

*Question.* How is your bureau supporting getting our diplomats on the ground as soon as possible?

Answer. Currently, the newly established embassies in Solomon Islands and Tonga have four diplomats on the ground—Solomon Islands have two diplomats on long-term temporary duty (TDY), and Tonga has one diplomat on long-term TDY and another who is the first U.S. Direct Hire assigned to Tonga. By the summer of 2024, Solomon Islands will have three U.S. Direct Hires on the ground and Tonga will have two. Among the three is the Public Affairs Officer, who is scheduled to arrive in Solomon Islands as early as next month, April.

For future embassies in Vanuatu and Kiribati, EAP has been proactive in both sending long-term TDYers and staging U.S. Direct Hires in neighboring countries. For Vanuatu, there are currently two long-term TDYers. Additionally, one U.S. Direct Hire will be based in Papua New Guinea. As soon as the embassy in Vanuatu is opened, this person will be deployed to Vanuatu. For Kiribati, one U.S. Direct Hire is based in Fiji, and another will arrive this summer. As soon as the embassy in Kiribati is opened, both will be deployed to Kiribati.

*Question.* Is EAP having any trouble attracting diplomats to these new posts?

Answer. For this most recent bidding cycle, all seven available positions throughout the new posts were filled—three are for Solomon Islands, two are for Tonga, one is for Vanuatu, and one is for Kiribati. Those assigned to Vanuatu and Kiribati will stay in neighboring countries (Papua New Guinea and Fiji, respectively) until these embassies are opened.

Among the seven are the Deputy Chief of Mission positions in Solomon Islands and Tonga. Each received four to five bidders. For the other five positions, which are mid-level, they also received multiple bidders.

*Question.* What is EAP doing to support these new embassies so diplomats on the ground can focus on diplomacy and not bureaucracy? Please be specific.

Answer. Manila Regional Support Service (MRSS) has made great strides in providing support for the new posts, ensuring that diplomats on the ground can focus on diplomacy.

MRSS's Human Resources (HR) section has already hired, onboarded, and is providing online training for 17 local staff in Solomon Islands and Tonga. MRSS H.R. is also in the process of advertising for local staff in Vanuatu. MRSS Financial Management section has already submitted the first budgets and financial targets for all the new posts. MRSS Information Systems has deployed Star Shield in Tonga and is preparing to deploy it to all the new posts to ensure connectivity to these far-flung posts and plans to purchase vehicles for all the new posts.

#### TOPIC: ESTABLISHING NEW EMBASSIES

It is clear that the Department needs to streamline and simplify the process for opening new embassies. We need people on the ground quickly, but also with the tools they need to get in the game.

My Secure Embassy Construction and Counterterrorism Act of 2022 (SECCA 2022) provides State much-needed flexibilities to quickly stand up our overseas missions, which is especially useful in the Pacific Islands.

Kiribati is only a 3½ hour flight from Hawaii. Following Kiribati's switch to recognize the PRC instead of Taiwan in 2019, the PRC has aggressively courted Kiribati elite, and Beijing is increasing security and police cooperation with Kiribati's government.



*Question.* What is the status of PRC influence in Kiribati? Beyond getting permanent U.S. diplomats to Tarawa, what are we doing to provide a true alternative to China there?

*Answer.* We continue to engage with the Government of Kiribati on our interest in opening a U.S. Embassy as a matter of priority. One U.S. Direct Hire in Embassy Suva is wholly dedicated to U.S.-Kiribati relations and travels to Kiribati regularly. This officer's tireless work this February enabled the Coast Guard to conduct its first shiprider operation since 2017.

We are also working to enhance our relationship with Kiribati through bilateral and multilateral cooperation on priority projects. Together with Australia and Japan, we are funding the East Micronesia Cable Project, which will support increased economic growth, drive development opportunities, and help improve living standards. At last year's U.S.-Pacific Islands Forum Summit, the Millennium Challenge Corporation and the Government of Kiribati signed a \$29.1 million threshold program grant agreement to advance economic growth in Kiribati to promote safe, accessible, decent, and inclusive employment opportunities for Kiribati workers and empower youth.

My Secure Embassy Construction and Counterterrorism Act of 2022 (SECCA 2022) provides State much-needed flexibilities to quickly stand up our overseas missions, which is especially useful in the Pacific Islands.

*Question.* Why hasn't the Secretary followed the law and issued official guidance on implementing SECCA? Can you tell me exactly when we will see the Secretary's guidance released?

*Answer.* As part of its work toward full implementation of SECCA 2022, the Department issued interim implementation guidance in March 2023 that exempted posts rated low across the Security Environment Threat List (SETL) from SECCA setback-equivalence requirements and delegated authority to approve SECCA setback waivers for chanceries and consulates to the Under Secretary for Management, except for High Threat/High Risk posts. The Department remains committed to using the full spectrum of authorities afforded by SECCA 2022, to include establishing engineering equivalency design requirements to provide a commensurate level of blast protection at reduced setback distances.

*Question.* How are you and the Department using SECCA to open embassies faster in the Pacific?

*Answer.* To date, the Department has used SECCA 2022 authorities in opening new posts in Honiara, Solomon Islands; Troms, Norway; Victoria, Seychelles; and Nuku'alofa, Tonga. As part of the ongoing implementation process, the Department also streamlined the SECCA waiver process, reducing approval times to 60–90 days; in extremely urgent cases, such as Honiara and Nuku'alofa, approval was obtained within 35 days. Seventeen SECCA waivers were processed in 2023, more than any other year. An additional five have been processed as of February.

The Department utilized tools such as the streamlined SECCA waiver process to open embassies in Honiara and Nuku'alofa prior to executing a lease fit out of the facilities, thus putting staff on the ground quickly and safely. We are working toward the same approach for Port Vila, Vanuatu.

A key function of our new embassies in the Pacific Islands is to deepen U.S. ties with the people of those countries. But both Solomon Islands and Tonga lack consular services, meaning that people of those countries wishing to apply for a visa to travel to the U.S. need to go to other countries to do so—greatly increasing the frictions for business development, education exchange, and people-to-people connections.

*Question.* When can the people of Solomon Islands and Tonga expect in-country consular services?

*Answer.* We are committed to providing consular services as we continue to evaluate options to increase our presence and enhance services in Solomon Islands and Tonga, where we already provide periodic American Citizen Services. With multiple U.S. embassies opening in the Pacific Islands, the Department of State's Bureau of Consular Affairs is evaluating how best to provide in-person nonimmigrant visa (NIV) services. We are committed to enhancing services, are actively exploring how best to do so, and have already begun offering in-country processing in Tonga for NIV applicants who qualify for interview waivers.

## TOPIC: U.S. RELATIONS WITH THE FAS

*Question.* What kinds of U.S. assistance to support the development of National Security Councils in Micronesia and the Marshall Islands are being provided, as required under the CONVENE Act?

*Answer.* The Department continues to engage closely with the governments of Federated States of Micronesia and the Republic of the Marshall Islands on our interest in supporting them to stand up National Security Councils as entities that can help provide coordination and information sharing across a range of topics. Now that negotiations on most of the COFA-related agreements have been completed, we intend to prioritize this line of effort.

*Question.* What support is State providing to the existing National Security Coordination office in Palau?

*Answer.* The State Department supports Palau's National Security Coordination office (NSCO) through the Global Defense Reform Program (GDRP), funded by the Bureau of Political-Military Affairs' Office of Global Programs and Initiatives (PM/GPI). In support of Palau's National Security Strategy, this project aims to strengthen Palau's maritime governance (including efficiency, effectiveness, and accountability) and improve maritime-related interagency coordination. Under GDRP, PM/GPI sends an adviser to embed with the Department of Marine Law Enforcement. The Advisor works with NSCO, the Ministry of Justice (MOJ) including the Office of the Attorney General, and the Bureau of Public Safety's Division of Maritime Security & Fish and Wildlife Protection on the development and implementation of strategy and policies focused on maritime governance, maritime safety, maritime response and recovery, interagency cooperation and coordination, information sharing, and other objectives identified by the NSCO, the MOJ, and other maritime stakeholders. Since December 2020, the GDRP program has contributed to Palau's increasing capability to detect and interdict illegal, unreported, and unregulated fishing vessels, and detect illegal PRC undersea terrain and mineral surveying vessels. Among other things, the Advisor has developed a country action plan that will identify initiatives to strengthen Palau's institutional capacity in maritime domain awareness.

*Topic:* While the U.S. values its ties with all Pacific Islands, our relationships with the Freely Associated States are fundamentally different. Citizens from the FAS can live and work in the U.S. and serve in the U.S. military at very high rates. They also host U.S. troops and form part of our extended defense infrastructure. Now that we are shifting to implementation of the Compacts of Free Association, getting that right will be critical as we develop our ties with the FAS over the next 20 years and seek to compete with an aggressive China.

*Question.* How will State stand up the new Office of Freely Associated States?

*Answer.* The Department of State has taken a number of measures to reflect the priority we place upon the relationship with Pacific Island nations writ large and with the Freely Associated States (FAS) specifically. The Office of Australia, New Zealand, and Pacific Affairs (ANP) within the Department's Bureau of East Asian and Pacific Affairs now has a Pacific bilateral team and a Pacific regional team to increase available resources that address this priority, which includes planning for the implementation of the latest Compact of Free Association-related agreements. ANP team members provide leadership including through membership on and staffing for the Joint Economic Management and Trust Fund Committees for the FSM and RMI, as well as the annual economic consultations with Palau. We intend to implement all the requirements in the Compact of Free Association Amendments Act of 2024, and the Department intends to focus resources and time to these issues.

*Question.* What will State do to ensure that the FAS are given the dedicated attention they deserve, separate from our broader engagement with the Pacific Island Forum and other Pacific Island states?

*Answer.* The United States remains strongly committed to the Compacts of Free Association (COFA) and related agreements with the Freely Associated States of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

In 2023, we finalized new Compact-related agreements with all three countries, which are key to maintaining the stability and prosperity of our closest Pacific Island neighbors and partners. I want to thank Congress for passing the associated funding, which demonstrates our commitment to the region and our ability to follow through on what we promise.

Extending Compact-related assistance is a critical component of the Administration's Pacific Partnership, Indo-Pacific, and National Security Strategies. The 20-year duration and commitment of mandatory funding is reflective of our steadfast commitment to these strategically important friends and partners.

Our focus is on bringing these new agreements into force and providing the Compact-related assistance, including through continuing efforts in the office of Australia, New Zealand, and Pacific Islands in the EAP bureau as well as through the Interagency Working Group on the Freely Associated States. We continue to engage regularly and at a high-level with the Freely Associated States to demonstrate our longstanding commitment.

TOPIC: ECONOMIC ENGAGEMENT

*Question.* What are 2–3 concrete economic projects we are currently spearheading in the Pacific Islands, and what tangible effects are those projects having?

*Answer.* We are working with a growing number of trusted likeminded government and private sector partners on undersea cable projects to provide Pacific Islands with vital and secure connectivity and digital infrastructure. These initiatives, which will have outsized economic benefits around the Pacific but especially in countries being connected to high-speed Internet for the first time, have demonstrated to our Pacific Islands partners that we can be responsive to their needs and provide a true alternative to the PRC.

We are working with Australia to jointly fund port refurbishments in Kiribati, including Kanton Island. The projects will unlock key sources of economic growth for Kiribati and advance strategic connectivity with Kiribati's trading neighbors.

The United States is working to expand economic engagement in Tuvalu in areas that respond to key Pacific priorities, as identified by the islands themselves. We are working to help Tuvalu access quality internet infrastructure, develop community-level solutions to rising domestic fuel costs, and increase its resilience to economic coercion and sea-level rise.

Fundamentally, we have proven that we can coordinate and pool funding with allies, likeminded partners, and private sector partners to provide a strong alternative to the PRC in the infrastructure space.

*Question.* Which U.S. Government economic agencies are the most active in the Pacific Islands, other than State and USAID?

*Answer.* The United States has adopted a whole-of-government approach to expand our influence in the Pacific Islands. The Departments of Treasury, Commerce, Transportation, the Millennium Challenge Corporation, and the Development Finance Cooperation, among others, have all made recent and important contributions to our Pacific Partnership Strategy.

Recent contributions from USTDA, in particular, have accelerated U.S. assistance for infrastructure projects. As we work to secure additional funding for projects, USTDA's project preparation work has allowed us to identify projects and take initial steps early in the development so that we can later find ways to support development of those projects with the private sector, pool funding with partners, or transfer the project to a trusted partner.

Apart from economic agencies, U.S. Coast Guard (USCG) and DOD are also very active in the region. For example, USCG has shiprider agreements with 12 Pacific Islands countries. DOD engages in a variety of ways, most notably in the Freely Associated States, conducts training exercises with militaries in the region, and implements the State Partnership Program through the National Guard.

*Question.* Are there any needed changes in authorities that would make it easier for the United States to increase economic and commercial engagement in the Pacific Islands?

*Answer.* The mandate of the Development Finance Cooperation and our Export Import Bank underscore that only the private sector, and not PRC state-owned enterprises, will be able to finance the world's infrastructure needs. We are directing U.S. assistance to improve the investment environment for the private sector so that we can deploy DFC and EXIM in additional markets in the Pacific. At present, DFC and EXIM assistance has primarily been in Papua New Guinea, the region's largest market.

However, additional authorities are needed to expand support for strategic economic projects that, due to distance, size, or other barriers, cannot attract commercial interest. The President's fiscal year 2025 Out Compete China proposal requests the authorities and resources required to achieve vital national security interests. We also encourage Congress to consider urgent short-term authorities, including al-

lowing development finance loans under certain conditions to support public infrastructure. Finally, we encourage Congress to consider expanding DFC eligibility to high income Pacific Islands countries; Palau and Nauru have gone in and out of this classification in recent years due largely to their small population size (10–15,000 people), but the “high income” label does not reflect their actual level of development or government capacity.

TOPIC: PRC POLICING PRESENCE

*Question.* Which policing agreements between the PRC and Pacific Island nations are of greatest concern to the United States, and why?

*Answer.* We are concerned about the potential implications that security agreements, including on policing, with the PRC may have on the sovereignty and autonomy of Pacific Islands nations.

This is due to the vague, opaque nature of such agreements, including the absence of knowing what was promised by supported governments, in exchange for PRC support. Additionally, such agreements allow for the PRC to increase its security and surveillance capabilities in countries where it has agreements, which actively facilitates PRC government efforts to repress members of ethnic and religious minority groups. Furthermore, since only three Pacific Islands countries have military forces, policing agreements with the PRC may serve as an entry point for the eventual establishment of dual-use facilities that would threaten U.S. national security. We do not believe importing PRC security forces or policing methods will help any Pacific Islands country, and our assistance provides an alternative. I would be happy to discuss potential security concerns pertaining to the PRC and specific countries in a classified setting.

*Question.* Please provide a full accounting of all judicial and law enforcement training provided by the Department of State over the previous 3 fiscal years. Please include: Numbers broken down by Pacific Island country; illustrative examples of judicial and law enforcement training and their impact; any relevance to countering PRC inroads via policing agreements, if applicable.

*Answer.* In the last 3 years, the Department of State has obligated over \$34 million in INCLE-funded assistance to the judicial and law enforcement sectors across 13 Pacific Islands countries. Most INCLE programs in the Pacific are regional efforts that cover multiple countries, allowing our programs to be more efficient and effective. Papua New Guinea received more than \$9.1 million overall in bilateral INCLE programs over the last 3 years, the largest share among the Pacific Islands, due mainly to its status as a priority country identified in the U.S. Strategy to Prevent Conflict and Promote Stability under the Global Fragility Act. The rest of the Pacific Islands benefit from an overall \$23 million in regional INCLE projects to advance the Indo-Pacific Strategy, which amounts to an average of \$1.7 million per country over 3 years.

An illustrative example includes U.S. Coast Guard (USCG) led trainings on maritime law enforcement that cover 13 Pacific Islands countries. Enabled by mobile training teams (MTT), funded by the Bureau for International Narcotics and Law Enforcement Affairs (INL), this assistance has improved maintenance and operations of maritime assets, as well as increased enforcement capabilities, most notably when trainings are paired with USCG shiprider operations. One recent MTT in Vanuatu involved the successful boarding of several PRC-linked fishing vessels suspected of engaging in illegal, unregulated, or unreported fishing in February 2024. The USCG training and subsequent shiprider operations demonstrated to ni-Vanuatu officials the severity of the PRC’s encroachment and may strengthen Vanuatu’s reported intent to remove long-term PRC police presence seeking to establish agreements with the Vanuatu Police Force.

*Question.* Has the Department of State, in conjunction with other partners, considered providing policing services in any Pacific Island countries?

*Answer.* The United States supports law enforcement training and capacity building programs in several Pacific Islands countries, as detailed above. Many such programs are coordinated closely with our likeminded partners and with regional security organizations. The Department of State’s Bureau of International Narcotics and Law Enforcement Affairs (INL), in general, does not utilize INCLE funding to directly fund police operations, salaries or associated services. INL-provided training and provision of equipment leads to improved police capacity and more efficient police operations, thereby enabling more sustainable and effective method of strengthening police, along with enhanced interoperability with U.S. Federal law enforcement and the police forces of likeminded partners.

*Question.* Since fall-out from the unrest in the Solomon Islands in 2022, have partners such as Australia and New Zealand been providing any policing services? Are there other nations that would be better placed to do so?

*Answer.* The Solomon Islands International Assistance Force, comprised of police from Australia, Fiji, New Zealand, and Papua New Guinea, have been committed security partners on policing with Solomon Islands. They will stay in Honiara to assist with security until a prime minister is elected and a government is formed. Australia and New Zealand also have long-term policing capacity building programs in Solomon Islands.

*Question.* Other than the public statements by Deputy Secretary Verma and others, how is the United States engaging with Papua New Guinea in light of news that China has offered a policing agreement to them?

*Answer.* The United States has consulted with the government in Papua New Guinea to identify opportunities to pursue under the Defense Cooperation Agreement and shiprider agreement. Following a successful initial engagement in 2023 to assess unexploded ordnance (UXO) contamination hazards, the United States is facilitating Papua New Guinea's request for more persistent conventional weapons destruction (CWD) programming to address UXO priorities and reduce illicit proliferation of small arms and light weapons. Additionally, INL is actively negotiating a bilateral Letter of Agreement with the Government of Papua New Guinea, which would expand law enforcement and security assistance in PNG and establish an INL section at the U.S. Embassy in Port Moresby.

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RESPONSES OF MR. DANIEL J. KRITENBRINK TO QUESTIONS  
SUBMITTED BY SENATOR ROBERT MENENDEZ

TOPIC: NAURU RECOGNITION OF CHINA

In January, Nauru switched diplomatic recognition from Taiwan to the PRC, a significant move as Taiwan's remaining allies in the Pacific now include the Marshall Islands and Palau. This diplomatic realignment underscores the intensifying competition between Taipei and Beijing for regional support and influence. In light of these developments, it becomes imperative to examine the implications of Nauru's decision on the broader strategic objectives of the United States in the Indo-Pacific.

*Question.* How does Nauru's diplomatic shift from recognizing Taiwan to China affect the broader strategic interests of the United States in the Indo-Pacific region, and what steps is the Administration taking to mitigate challenges?

*Answer.* The opaque inducements that Beijing offers to countries to switch diplomatic ties are extremely concerning. These deals are highly transactional in nature and are designed to benefit the PRC first and foremost. The PRC often makes promises in exchange for diplomatic relations that ultimately remain unfulfilled. Moreover, it is in the U.S. interest to encourage more countries to work closely with Taiwan because it is a force for good in the world.

The United States offers alternatives consistent with Pacific Islands countries governments' national priorities and the Pacific Island Forum's 2050 Strategy for a Blue Pacific Continent. We are listening to the region and, working with our likeminded partners, responding to their asks.

*Question.* Given the Compacts of Free Association with countries like the Marshall Islands and Palau, what measures is the Administration implementing to ensure the security and stability of these nations while safeguarding U.S. interests in the region?

*Answer.* The United States remains strongly committed to the Compacts of Free Association and related agreements with the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

For decades, our relationships with the Freely Associated States (FAS) have contributed to a secure, stable, and prosperous Pacific. Under the terms of the Compacts, we have full responsibility and authority for security and defense matters in or related to these three countries.

In 2023, we finalized new Compact-related agreements with all three FAS, which are key to maintaining the stability and prosperity of our closest Pacific Island neighbors and partners. The 20-year duration and commitment of mandatory funding is reflective of our steadfast commitment to these strategically important friends and partners.

*Question.* How can the United States address the financial vulnerabilities that is forcing Pacific islands to deepen relations with the PRC, especially with China being a main trading partner and source of investment and infrastructure for countries throughout the region?

*Answer.* The United States is stepping up its efforts to help meet the most pressing infrastructural and economic challenges in the Pacific. Our efforts support increased economic growth, drive opportunities, and help to improve living standards. For example, we are enhancing secure, resilient digital connectivity, including through working with likeminded partners to support new undersea cables, working with private sector partners including Google and APTelecom. In the Freely Associated States, we provide annual grants for key infrastructure, including for schools and hospitals. Through the Pacific Islands Infrastructure Initiative, the U.S. Trade and Development Agency is supporting project preparation for a range of regional infrastructure and development projects.

We are also supporting enabling environments and technical assistance on infrastructure for economic development. Through the U.S. government's contribution to the IMF's Pacific Technical Assistance Center, we are promoting macrofinancial stability and capacity, strengthening the resilience of Pacific Islands economies against economic shocks, and promoting inclusive growth. The United States also recently renewed our commitment to provide funding in connection with the Pacific Region Infrastructure Facility (PRIF), which provides regional technical assistance and capability building to support climate-resilient infrastructure development.

TOPIC: CHINA-SOLOMON ISLANDS SECURITY AGREEMENT

In March 2022, the Solomon Islands and China signed a security agreement, ostensibly aiming in part to address "internal threats," including protecting Chinese-owned businesses in the country. In 2023, the two countries signed a deal on police cooperation as part of their comprehensive strategic partnership.

*Question.* What tools is the United States utilizing to encourage the Solomon Islands' commitment to continue working with the U.S. and Australia as security partners?

*Answer.* The United States has significantly increased its engagement with Solomon Islands in recent years and continues to do so. We opened a new embassy in Honiara in January 2023 and are working to increase its staffing and grow its footprint in Solomon Islands. We have also engaged at a high level with the Government of Solomon Islands at the 2022 and 2023 U.S.-PIF Summits in Washington, DC, and in the region in 2023.

The United States is expanding its cooperation with Solomon Islands on several areas of mutual interest, including unexploded ordnance (UXO) removal in coordination with the Royal Solomon Islands Police Force, growing USAID presence in the country, and the Millennium Challenge Corporation signing a \$20 million Threshold Agreement with the country in 2022. These tangible outcomes, which are coordinated with our likeminded partners, such as Australia, strengthen our bilateral ties with Solomon Islands and encourage ongoing cooperation.

Pacific leaders have consistently said Pacific Islands countries have the capability and proven record of meeting the region's policing and broader security needs. PIF members Australia, Fiji, New Zealand, and Papua New Guinea have long been committed security partners on policing with Solomon Islands and continue to provide support via the Solomon Islands International Assistance Force.

*Question.* What are the national security implications if China uses the agreement to establish a military foothold in the Solomon Islands?

*Answer.* The Administration takes the PRC's expansion of its overseas logistics, basing, and collection infrastructure extremely seriously. As the Department of Defense has assessed in its 2023 China Military Power Report, the CCP has tasked the PLA to develop the capability to project power outside China's borders and immediate periphery to secure the PRC's growing overseas interests and advance its foreign policy goals. To respond to this challenge, the Department of State works closely with interagency partners, including the NSC, the Department of Defense, and IC to address this governmentwide priority.

The Department of State maintains awareness of and takes action in response to proposed PRC military installations abroad in multiple regions of the world. The Office of China Coordination and regional and functional bureaus work collectively to address PRC efforts to gain access. We continue to engage at high levels with governments that are considering hosting PRC military installations and share information with them about the risks, and we coordinate with allies and partners to amplify those concerns.

## TOPIC: U.S. INDO-PACIFIC STRATEGY

In February 2022, the Administration published its Indo-Pacific Strategy, which includes the goal of promoting a free and open Indo-Pacific. However, this goal is unattainable with the PRC's continued encroachment in the region through its diplomatic, economic, and military efforts. Analysts have consistently noted that Chinese foreign investment projects through their Belt and Road Initiative often carry heftier price tags than advertised, engaging in "debt-trap" diplomacy. Furthermore, many of these projects serve a dual purpose, as they provide the PLA's air and naval forces potential centers of operation, expanding their capacity to position military resources in these countries.

*Question.* How does China's expanding influence in the region impact the U.S.'s goal of a free and open Indo-Pacific region? What steps is the Administration considering to prevent other nations from aligning with the PRC?

*Answer.* We have seen a range of increasingly problematic behavior from the PRC in the broader region, including entering into opaque security arrangements with Pacific Islands countries, predatory economic activities including IUU fishing; environmental degradation; and investments that undermine good governance and promote corruption.

Additionally, we do not believe importing PRC security forces will help any Pacific Islands country. We reiterate our concerns over the expansion of the PRC's internal security and surveillance apparatus, which actively facilitates PRC government efforts to repress members of ethnic and religious minority groups. We are concerned about the potential implications that security agreements with the PRC may have on the sovereignty and autonomy of Pacific Islands nations. We will continue to engage with Pacific Island countries' governments on these concerns. At the same time, we will continue to build on our strong relationship with the region, in response to the demand signals and priorities expressed by Pacific Islands countries.

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RESPONSES OF MR. DANIEL J. KRITENBRINK TO QUESTIONS  
SUBMITTED BY SENATOR PETE RICKETTS

*Topic:* In April, the Solomon Islands will hold a general election that will be critical for the trajectory of the country. Under Prime Minister Sogavare, the Solomon Islands has strengthened its relationship with the People's Republic of China (PRC), including switching its diplomatic recognition and establishing a comprehensive strategic partnership. This has concerningly led to a secret security pact and policing agreement with the PRC. The PRC is fully aware of what's at stake in this election, and in the past, has resorted to bribes and other forms of malign influence to meddle in Solomon Islands affairs.

*Question.* Are there actions that we or our allies and partners in the Pacific Islands Forum are taking to limit the PRC's malign influence in these elections to ensure that they are both free and fair?

*Answer.* We are coordinating closely with our likeminded partners to support free and fair elections in Solomon Islands. Australia and New Zealand are providing significant electoral support to the Government of Solomon Islands. USAID also plans to send elections observers to monitor conditions on the ground.

The United States is also supporting a free media in Solomon Islands through support to local outlets to access credible sources of news, for example the Associated Press.

*Question.* Are you concerned that Prime Minister Sogavare will utilize PRC security forces in the event of any unrest or to crack down on political opposition during or following the election?

*Answer.* The Solomon Islands International Assistance Force (SIAF), composed of police from Australia, Fiji, New Zealand, and Papua New Guinea, will continue to operate in Honiara through June 2024 to assist with security for the national elections. These efforts by our likeminded partners should be sufficient to quell any potential unrest, mitigating the need for PRC assistance.

We do not believe importing PRC security forces will help any Pacific Islands country. We reiterate our concerns over the PRC's expansion of internal security and surveillance apparatus.

*Question.* If so, what plans are we developing with our allies and partners in the region to address this contingency?

*Answer.* We are coordinating closely with Australia and New Zealand, both of which are contributing contingents of police officers to the Solomon Islands Inter-

national Assistance Force that will continue to operate in Honiara through June 2024 to assist with security for the national elections.

We continue to communicate to the Government of Solomon Islands our concerns over the expansion of the PRC's internal security and surveillance apparatus.

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RESPONSE OF MR. DANIEL J. KRITENBRINK TO A QUESTION  
SUBMITTED BY SENATOR TODD YOUNG

*Question.* What Pacific Islands countries does the United States Coast Guard have shiprider agreements with?

*Answer.* In the Pacific, the United States Coast Guard (USCG) has 12 bilateral maritime law enforcement “shiprider” agreements. These are with Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Republic of Marshall Islands, Nauru, Palau, Papua New Guinea, Samoa, Tonga, Tuvalu, and Vanuatu. USCG has C175 authority to negotiate and conclude these agreements.

Shiprider agreements are valuable tools for the United States to engage with Pacific Islands countries and are popular in the region. These agreements respond to a tangible need for Pacific Islands to better monitor their large EEZs to promote economically viable fisheries, enforce immigration and customs policies, and counter drug trafficking and transnational crime.

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RESPONSES OF MR. DANIEL J. KRITENBRINK TO QUESTIONS  
SUBMITTED BY SENATOR TIM SCOTT

*Topic:* In 2022, China and the Solomon Islands signed a security pact granting China the right to conduct naval visits, logistical operations, and potentially station military forces in the Solomon Islands. This agreement has raised questions about the possibility of China establishing a military presence in the Solomons.

*Question.* Which other Pacific Island nations are considering similar arrangements?

*Answer.* The United States respects the right of nations to make sovereign decisions in the best interests of their people. Nevertheless, we are concerned about the potential implications that any security agreement with the PRC may have for any Pacific Islands nation's autonomy, security, and data privacy.

The PRC's pattern of offering vague, confidential deals with little regional consultation has provoked public concern in the United States, in Pacific Islands countries, and around the globe. I would be happy to discuss potential security concerns pertaining to the PRC and specific countries in a classified setting in conjunction with my DoD colleagues.

*Question.* What are China's immediate strategic objectives, and how do these fit into its long-term strategy in the South Pacific region?

*Answer.* The Indo-Pacific region faces mounting challenges, particularly from the PRC. The PRC is combining its economic, diplomatic, military, and technological might as it pursues a sphere of influence in the Indo-Pacific. The PRC's attempts to undermine international norms and standards span the globe, but they are most acute in the Indo-Pacific.

As Secretary Blinken has said, the PRC is the only country with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to do it. That certainly holds true in the Pacific. Through foreign assistance, elite capture, and robust public messaging campaigns, the PRC has moved aggressively to assert itself in the Pacific Islands region. In addition, in recent years, three Pacific Islands countries have switched diplomatic ties from Taiwan to the PRC. And in 2022, Solomon Islands signed an unprecedented security agreement with the PRC, the details of which have not been publicly released. Of course, as we have often said, we are not in the business of forcing countries to choose—in the Pacific or anywhere else. But we want to ensure that countries in the Pacific have a choice, and the ability to make their own sovereign decisions, free from coercion.

I would be happy to discuss this question in more depth in a classified setting.



RESPONSES OF MR. ELY RATNER TO QUESTIONS  
SUBMITTED BY SENATOR BENJAMIN L. CARDIN

Importance of the Pacific Islands to the U.S. Military: The Pacific Islands region is important to the U.S. military for a variety of reasons from force projection to transit and resupply—and the same is true for the PRC Navy and Coast Guard.

*Question.* Why does the Department of Defense view the Pacific Island region as so strategic? What is at stake for the U.S. military if we do not maintain a relationship with these countries, who instead choose to work more closely with China?

*Answer.* Peace, stability, and prosperity in the Pacific Islands are essential for advancing a free and open Indo-Pacific region. Our defense posture in the Pacific Islands, ranging in levels of presence from a permanent footprint to rotational forces, is critical for U.S. military logistics, sustainment, and power projection.

We know that the People's Republic of China (PRC) is using all tools available—including coercive economic and political measures—to advance its interests in the region. We are particularly concerned by PRC efforts to develop policing arrangements with the Solomon Islands, and increase the presence of PRC police elsewhere, like in Kiribati. These arrangements often lack transparency and could be used to undermine the sovereignty of Pacific Island nations. Importantly, the PRC likely seeks to use these arrangements to justify other destabilizing security activities in the region.

*Question.* From the U.S. military side, given how few militaries there are in the region, what does our engagement with Pacific Island nations look like?

*Answer.* There are three Pacific Island countries with militaries: Fiji, Tonga, and Papua New Guinea (PNG). We have regular exercises with these nations, these nations also participate in larger exercises alongside several partners, and other exercises routinely take place in the Pacific Islands. Finally, PACIFIC PARTNERSHIP remains a hallmark of U.S. engagement in the region; the 19th iteration of the exercise concluded in January after the USNS MERCY hospital ship made stops in the Republic of the Marshall Islands, Solomon Islands, Palau, and the Federated States of Micronesia.

In addition, we have robust security cooperation engagements with partners in the Pacific Islands. The Department of Defense State Partnership Program has partnered the State of Nevada with Fiji, Tonga, and Samoa; the State of Wisconsin with Papua New Guinea; and most recently, the State of Hawaii/Guam with Palau. These partnerships promote enduring people-to-people ties, military-to-military engagements, and important community projects. Meanwhile, security cooperation programs under 10 U.S.C. 333 have built partner capacity to address a range of issues in the Pacific Islands.

Finally, our defense posture in the Pacific Islands region is critical for U.S. military logistics, sustainment, and power projection. Through the defense provisions of the Compact of Free Association, the Department retains the right to establish defense sites in the Republic of the Marshall Islands (RMI), Palau, and the Federated States of Micronesia (FSM). RMI hosts the U.S. Army Garrison at Kwajalein and the Ronald Reagan Test Site. We are working to establish additional defense sites within the Compact States under this framework. In addition, we signed a landmark Defense Cooperation Agreement with Papua New Guinea in 2023, which will deepen bilateral security cooperation and strengthen the capacity of the Papua New Guinea Defence Force.

Compact of Free Association Agreement (COFA): The Congress recently passed legislation that renews and fully funds the Compacts of Free Association (COFA) agreements with the Republic of Palau, the Republic of the Marshall Islands (RMI) and the Federated States of Micronesia (FSM). Text was ready for inclusion in last year's NDAA, but an insistence of an offset in the House delayed its passage. The delay raised questions about U.S. commitment to the three COFA States and the region more broadly and served as an entry point for PRC encroachment. This is an exercise that we go through only once every 20 years, and it was a much smoother process this time than it was previously.

*Question.* For the record and for colleagues that will be here in 20 years when these agreements come up for renewal again: could you explain the strategic value of the COFA agreements from DOD's perspective?

*Answer.* The U.S. Government has provided economic assistance to our partners in the Freely Associated States (FAS) for the last four decades; the majority of this assistance has been provided under the Compacts of Free Association (COFA) and related agreements between the Federated States of Micronesia (FSM), Republic of Palau (Palau), and the Republic of the Marshall Islands (RMI). This assistance sup-

ports education, the environment, healthcare, and civilian infrastructure—and it provides a strong economic anchor that complements our defense and security partnership. Last year, the Administration reached agreements with the FAS partners that would extend U.S. economic assistance for an additional 20 years, and the enactment of the Compact of Free Association Amendments Act of 2024 marked one of the 118th Congress’ most significant achievements to advance U.S. strategic priorities in the Indo-Pacific region.

Importantly, the Compacts ensure that the United States—and only the United States—can maintain a military presence in the FAS, and they allow FAS citizens to strengthen our All-Volunteer Force through dedicated military service in the U.S. Armed Forces. As part of these agreements, the U.S. military serves as the defense force for FSM, Palau, and RMI, which in return grant the United States assured access for our military operations, as well as sites for critical defense posture in the region. The Compacts also limit the access of third country militaries or their personnel, including would-be adversaries, from accessing FAS land, airspace, and territorial seas, securing a key area of the Indo-Pacific region. Crucially, citizens of the FAS serve in the U.S. Armed Forces at higher proportionate rates than most American States, and we are proud of and grateful for their service.

*Question.* Would it be possible to replace the benefits we receive from this arrangement if our COFA agreements were to disappear in the future? How would this impact our broader national security interests?

*Answer.* Failure to extend the economic assistance related to the Compacts would have had serious consequences for the economies and security of our FAS partners, our strategy in the broader Pacific Islands region, and, ultimately, our national security. Failure to renew the Compacts would have sent the wrong message not only to the Compact States, but to the broader Indo-Pacific region. It could have also aided PRC efforts to build ties with these countries by providing an alternative to lost U.S. assistance. The strategic value of our presence in this key geographic area cannot be replaced.

U.S. Security Alliances in the Region: Beyond our partnerships with Pacific Island nations, our continued engagement with close allies in the Indo-Pacific, including Australia, New Zealand, and Japan, among others, establishes a broader security architecture that will maintain peace and stability in the region and deter PRC aggression.

*Question.* Given the absorptive capacity of the islands, are we paying close attention to coordinating and scaling the assistance we provide?

*Answer.* We are working with our regional partners—including Australia, France, Japan, and New Zealand—to synchronize our programming while continuing to emphasize the importance of right-sizing and sequencing our own security cooperation programs and activities in accordance with Pacific Island partners’ absorptive capacity.

*Question.* What can we be doing more effectively with our partners to mitigate the PRC’s influence in the region?

*Answer.* The Department is focused on strengthening the capacity of our Pacific Island partners, including in the areas of maritime domain awareness, maritime security, cybersecurity, humanitarian assistance/disaster response, and defense force professionalization. We are also coordinating with other likeminded partners in the region—including Australia, France, Japan, and New Zealand—to determine where we can complement each other’s unique authorities and capabilities to maximum strategic effect. Together, we are committed to advancing a shared regional vision for a free and open Indo-Pacific, including with our Pacific Island partners.

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RESPONSES OF MR. ELY RATNER TO QUESTIONS  
SUBMITTED BY SENATOR JAMES E. RISCH

TOPIC: PAPUA NEW GUINEA

*Question.* How does our security agreement with Papua New Guinea support U.S. defense requirements, and how is implementation going?

*Answer.* The Defense Cooperation Agreement (DCA) is a foundational agreement that enables the United States to greatly strengthen its security cooperation with Papua New Guinea (PNG) by modernizing and clarifying the commitments underlying our partnership. The DCA will deepen ties with PNG, strengthen cooperation between our forces, and help the United States more effectively support humani-

tarian assistance and disaster relief and other regional crises. It also allows the Department of Defense to invest in infrastructure projects, and U.S. Indo-Pacific Command has conducted a site survey to scope potential requirements with plans for follow up surveys to establish requisite needs. The DCA will further allow us to increase the scale and scope of our joint exercises with PNG, including in conjunction with Australia.

TOPIC: FAS NATIONAL SECURITY

*Question.* What is being implemented in terms of U.S. assistance to support the development of National Security Councils in Micronesia and the Marshall Islands, as required under the CONVENE Act?

*Answer.* The Department of Defense is standing by to support the Department of State with implementation of the CONVENE Act as needed. DoD is a strong proponent of the establishment of “national security councils” or similar formal coordinating bodies in both the Federated States of Micronesia and the Republic of the Marshall Islands.

*Question.* Relatedly, what support is the Department of Defense providing to the existing National Security Coordination office in Palau?

*Answer.* In establishing the National Security Coordinator position in Palau, DoD offered resources through the Asia-Pacific Center for Security Studies to support the establishment of a National Security Policy, alongside the Department of State. DoD does not otherwise provide material or financial support to Palau for the National Security Coordination office, but, when appropriate, liaises closely with the office to coordinate on defense-related issues.

While the U.S. values its ties with all Pacific Islands, our relationships with the Freely Associated States are fundamentally different. Citizens from the FAS can live and work in the U.S. and serve in the U.S. military at very high rates. They also host U.S. troops and form part of our extended defense infrastructure. Now that we are shifting to implementation of the Compacts of Free Association, getting that right will be critical as we develop our ties with the FAS over the next 20 years and seek to compete with an aggressive China.

*Question.* As we begin working on implementing the renewed COFA agreements, what will the Department of Defense do to ensure that the FAS are given the dedicated attention they deserve, distinct from our broader engagement with the Pacific Islands? Are current U.S. military installations in the FAS adequately resourced?

*Answer.* The Freely Associated States (FAS) are a priority for DoD because they are home to existing installations, like the U.S. Army Garrison at Kwajalein and the Ronald Reagan Test Site RMI. The exclusive access and strategic denial rights we enjoy in the FAS make them a focus for future defense site designation. We also implement security cooperation programming focused on the FAS, in addition to broader regional efforts.

FAS citizens serve in the U.S. military at the highest rates per capita. When they return home, they often encounter serious problems in getting the care they were promised as veterans.

*Question.* How does DOD work with Veterans’ Affairs to address those issues?

*Answer.* DoD is grateful to citizens from the FAS who have or are currently serving in the U.S. Armed Forces. We have an obligation to ensure that those who wear the U.S. military uniform and other eligible DoD beneficiaries have access to care. For veterans not otherwise eligible to receive care from DoD, we respectfully refer your question to the Department of Veterans Affairs.

China-linked organized criminal organizations are all over the Pacific Islands.

*Question.* How can the Department of Defense assist the FAS to combat PRC-linked organized crime, which often functions as an enabling force for strategic corruption?

*Answer.* DoD provides support to the FAS as part of a broader, whole-of-government effort. This activity occurs primarily through Joint Interagency Task Force-West programming.

*Question.* How can Joint Interagency Task Force-West (JIATF-West), JAGs, or others from DoD work with the FAS to give them the legal tools they need to combat PRC strategic corruption?

*Answer.* In carrying out its counter-drug mission, Joint Interagency Task Force-West (JIATF-West) supports U.S. law enforcement working with the FAS by providing both information related to criminal activity and capacity building efforts to

counter it. JIATF-West provides information support to counter-drug and related investigations to the FAS upon the request of a U.S. law enforcement agency. This information support furthers investigations by identifying maritime transit routes, container shipments of interest, and criminal networks.

JIATF-West also bolsters the capability and capacity of law enforcement agencies in the FAS through partnerships with U.S. law enforcement and U.S. embassies. Over the past several years, for example, JIATF-West has facilitated counterdrug-related courses for FAS law enforcement partners.

JIATF-West also supports the Pacific Island Forum Fisheries Agency (FFA), headquartered in Honiara, Solomon Islands, to support its 17 member nations with enhanced maritime domain awareness and information sharing. The FAS are members of the FFA and benefit from the enhanced maritime domain awareness that assists with countering illegal, unreported and unregulated fishing as well as any associated and other transnational organized crime.

*Question.* Please describe the role the Department of Defense can play within the interagency in combating PRC political warfare in the Pacific Islands, with a particular emphasis on the FAS.

*Answer.* DoD is working as part of a whole-of-government effort to strengthen relationships and people-to-people ties with our partners in the FAS, including through security cooperation programming. Beyond the FAS, in Papua New Guinea, Tonga, Fiji, Samoa, and soon in Palau, the DoD State Partnership Program supports an enduring U.S. presence focused on long-term relationships with eligible security forces of partner nations in Oceania.

TOPIC: PRC DUAL-USE INFRASTRUCTURE

*Question.* What are the most concerning PRC dual-use infrastructure projects either completed or under development, from the perspective of the Department of Defense?

*Answer.* The Report on Military and Security Developments Involving the People's Republic of China underscores that the PRC seeks to expand its overseas logistics and basing infrastructure to sustain military power at greater distances. We also know that the PRC is very likely already planning for additional military logistics facilities to support power projection, and has considered Pacific Island countries for potential locations. Specifically, the PRC is likely considering locations in Vanuatu, Papua New Guinea, and the Solomon Islands, using its growing defense relationships with these countries to advance its military logistics goals.

The Department is also particularly concerned by policing arrangements offered by the PRC, which often lack transparency and seek to undermine the sovereignty of Pacific Island nations. These arrangements can also be used to justify destabilizing People's Liberation Army security activities and access in the region.

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RESPONSES OF MR. ELY RATNER TO QUESTIONS  
SUBMITTED BY SENATOR PETE RICKETTS

DEFENSE VULNERABILITIES OF GUAM

Guam is the westernmost part of the U.S. and houses Naval Base Guam—the Navy's only submarine base in the western Pacific—as well as Anderson Air Force Base—which hosts strategic bombers and fighters. However, despite its importance, Guam remains surprisingly vulnerable. For decades, the PRC has developed both ballistic and cruise missiles that could strike Guam. While the U.S. has missile defense capabilities, there are still significant gaps in our ability to defend Guam against PRC cruise missiles. The threats don't stop at just missiles—they also exist in the cyberspace. Last year, PRC state-sponsored hacking group, Volt Typhoon, targeted unnamed critical infrastructure organizations on the island, including those in the communications, maritime and government sectors. These cyberattacks could sabotage any U.S. response to a PRC invasion of Taiwan.

*Question.* What is the administration doing to ensure Guam is properly protected from all forms of PRC missile attacks?

*Answer.* As the Missile Defense Review makes clear, Guam is a part of the United States and any missile attack on Guam or any other U.S. territory would be met with an appropriate response. The Department's efforts include active missile defenses, enhanced regional deterrence and defense posture, ally and partner assurance measures, and increased readiness.

*Question.* What is the administration doing to strengthen the cybersecurity of our critical systems and infrastructure in Guam in the wake of these cyberattacks?

*Answer.* Enhancing cybersecurity of critical systems and infrastructure on Guam is an important issue and a priority for the Department. The Department is diligently working across the U.S. Government to synchronize efforts. I can offer more details at a classified level.

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RESPONSE OF MR. ELY RATNER TO A QUESTION  
SUBMITTED BY SENATOR TIM SCOTT

*Question.* Since fiscal year 2011, the Navy has been procuring two Virginia-class submarines annually to bolster its submarine fleet. However, the recent fiscal year 2025 budget request includes plans for only one Virginia-class submarine. Please explain the reasoning behind this decision.

Additionally, how will this impact our strategy to counter China's growing naval capabilities?

*Answer.* This decision directly supports U.S. strategy to maintain military advantages. The fiscal year 2025 budget is a strategy-driven budget that reflects the prioritization and significant investment of undersea warfare capabilities, and prioritizes reaching a production cadence of one Columbia-class and two Virginia-class submarines (SSN) by fiscal year 2028. The President's budget funds 9 SSNs across the 5-year budget and contains \$11.4 billion in Submarine Industrial Base (SIB) funding to ensure the Navy, working with industry, can get SSNs on track by 2028. There are currently 14 SSNs in various stages of construction, of which 6 are beyond their contracted delivery date. The President's budget maintains advanced procurement funding to ensure stable and predictable work for smaller subcontractors. Not procuring a second SSN in fiscal year 2025 will help the SIB address the current backlog and will allow the U.S. SIB to produce at the level needed to enhance combat credible deterrence.

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RESPONSES OF MR. MICHAEL SCHIFFER TO QUESTIONS  
SUBMITTED BY SENATOR BENJAMIN L. CARDIN

*Question.* Building Climate Resiliency: The Pacific Islands are on the frontline of climate change, facing rising sea levels, increasing temperatures, and extreme weather events that threaten the very survival of its nations. Given the strategic significance of the region, U.S. engagement on climate change initiatives is also critical for bolstering regional stability and security. By working closely with Pacific Island nations, the United States can help build resilience against climate change impacts, while also strengthening alliances and fostering cooperation in a region increasingly influenced by geopolitical competition.

Could you provide an overview of USAID's strategies and initiatives aimed at addressing climate change in the Pacific Islands?

How does this engagement support the U.S.'s broader objectives of enhancing regional resilience, securing alliances, and promoting stability in the face of evolving environmental and geopolitical challenges?

*Answer.* The Pacific Islands' vulnerability to threats from climate change rank as the region's top priority and is a prevailing challenge to the region's resilience and stability. Furthermore, the magnitude of the challenge requires that a broad and diverse network of partners, including host country governments, communities, development partners, and other organizations, join together to build the region's climate resilience. USAID's long-standing partnership with Pacific Island countries on climate and disaster preparedness is foundational to establishing an enduring and credible partnership with the region as well as supporting broader U.S. efforts and objectives in the region, including building the region's long-term resilience and prosperity.

For example, USAID is supporting Pacific regional organizations and initiatives that are led and owned by the region, such as Unlocking Blue Pacific Prosperity (UBPP). UBPP is driven by the Pacific Community (SPC), the region's leading technical organization and aims to achieve 100 percent effective and sustainable ocean management, healthy and productive Pacific people with robust food systems, and fit-for-purpose financing to support sustained efforts. USAID is collaborating closely with SPC and Pacific leaders to coalesce development partners like Australia, Japan, South Korea, and Canada around the expanding initiative as well as bring-

ing to bear our proven climate finance expertise and other assistance on coastal fisheries and food security.

Recognizing that climate and disaster risks are the greatest existential threats to the Pacific, USAID has been partnering with countries in the region for more than a decade to build their resilience to climate impacts through a robust climate, environment, and disaster assistance portfolio. We have designed our programs to respond to the needs and priorities that Pacific Island leaders, civil society, and communities have identified. Among these include unlocking climate finance, and preventing ocean plastic pollution across the Pacific, and protecting Papua New Guinea's vulnerable biodiversity and expanding their energy access.

USAID is currently at the final stages of designing two new climate finance initiatives announced at the August 2024 Pacific Islands Forum Leaders Meeting in Tonga. The activities will be: (1) a 5-year effort to help Pacific nations access and manage climate finance; and (2) a new Climate Finance Development Accelerator, aimed at partnering with the private sector in Fiji and Papua New Guinea to scale local climate solutions. These new initiatives will build on USAID's track record of success under its now-closed Climate Ready activity, which mobilized over \$562 million for adaptation projects from major international financial institutions like the Green Climate Fund, the Global Environment Facility, and the Adaptation Fund. USAID also supports local solutions and organizations through the Pacific American Fund, which provides small grants to locally led projects.

Papua New Guinea is one of 17 "megadiverse" countries, containing approximately 7 percent of the world's biodiversity and with forests covering approximately 60 percent of the land and storing carbon. PNG is a Tier 1 country under USAID's Biodiversity Policy, meaning it is among the highest priorities for Agency conservation investments. This ranking is based on the Global Environment Facility's Global Benefits Index for Biodiversity and the list of globally significant ecoregions as determined by the World Wildlife Fund's Global 200 list. USAID implements two bilateral biodiversity programs in PNG. USAID's Lukautim Graun Program (LGP) aims to reduce threats to PNG's rich biodiversity by focusing on the management of customary lands and waters in key biodiversity areas and strengthening local knowledge and capacity for greater conservation, governance, and livelihood development. USAID's Sustainable Landscapes program is helping to reduce the drivers of deforestation that generate greenhouse gas emissions by strengthening landscape governance and providing sustainable economic alternatives.

Through the global Clean Cities, Blue Oceans program, USAID is piloting localized approaches to address waste management challenges in the Federated States of Micronesia, Fiji, and PNG. USAID is implementing holistic strategies that address each step in the waste value chain—from production to end use—prioritizing the most inclusive, economically viable, and environmentally sustainable solutions.

*Question.* Supporting Sustainable Fisheries: The economy and vitality of the Pacific Islands is inextricably linked to the health of their marine ecosystems, which support local economies, cultures, and livelihoods. Sustainable fisheries are essential for the food security and economic stability of Pacific Island nations. However, the threat of illegal, unreported, and unregulated (IUU) fishing, particularly activities attributed to PRC fishing fleets, undermines these objectives, leading to overfishing, habitat destruction, and significant economic losses. In this context, the United States' engagement in promoting sustainable fisheries and combating IUU fishing is crucial.

How does USAID's programs foster sustainable fisheries management in the Pacific Islands?

How does our work on fisheries management and maritime domain awareness tie into our larger objective of supporting Pacific Island nations sustain their diverse ocean ecosystems and counter the PRC's and other countries' IUU fishing?

*Answer.* USAID partners with the Pacific Islands to counter illegal, unreported, and unregulated fishing by strengthening sustainable community-driven fisheries management and improving broader national and regional level fisheries protection.

USAID's OurFish OurFuture activity addresses the drivers of IUU fishing overfishing that are degrading coastal fisheries and biodiversity, negatively impacting community livelihoods, impacting food security for communities, and threatening maritime security and sovereignty in the region. The program uses a culturally sensitive and ecosystem-scale fisheries governance system through: (1) inclusive and transparent decisionmaking processes that are informed by traditional knowledge and science, and (2) increased stakeholder engagement with measures to address IUU fishing and other threats to ecosystem-level biodiversity. Additionally, USAID is strengthening the resilience and engagement of marginalized actors (e.g., women and youth) in sustainable coastal fisheries.

To combat IUU fishing, an area where we have seen increasingly problematic behavior by PRC, USAID is working with Pacific Island partner governments to increase their capacities for monitoring, control, and surveillance (MCS) of their fisheries. Through the Pacific Coastal Fisheries Management and Compliance activity, USAID supports fisheries agencies to have appropriate MCS programs with the capacity, training, and systems to support sustainable coastal fisheries co-management at all levels, improves coordination mechanisms with civil society to support local-level coastal fisheries co-management, and supporting the development of MCS frameworks, best practice guidelines, operating procedures, and training and outreach materials.

USAID is also partnering with Pacific Island countries and the private sector, including Walmart, to expand investment in fisheries and dock-related infrastructure across the region so that local communities can benefit from sustainable use of their natural resources. USAID is helping to prepare Pacific International Inc. (PII), a private sector company in the Marshall Islands (RMI), to secure financing to expand its current dock infrastructure, which will allow RMI to land and offload tuna to supply Walmart stores under the Pacific Island Tuna initiative. Through leveraging the purchasing power of the private sector, this partnership has increased sustainable fishing practices, promoted improved monitoring, helped RMI adopt other sustainable practices throughout the supply chain, and ensured a continuing market for RMI fishers. To build on this work, USAID aims to leverage private sector resources to scale these efforts across other target countries in the region. USAID plans to organize a series of virtual roundtable discussions to convene public, private, and civil society stakeholders focused on supporting Pacific Island countries' increased participation in the tuna fisheries value chain.

*Question.* Branding and Communications on U.S. Assistance: The United States provides a lot of assistance per capita in the Pacific, including through multilateral channels, but we do a poor job of "taking credit" for the assistance that we provide. One way to address this is through updating our branding policy and deploying more effective communications strategies.

How are we thinking about the issue of branding and communication in the context of the assistance that we provide in the Pacific Islands region? How does this shape the way that our assistance is perceived in the region?

What should we be doing more, differently or better?

*Answer.* To maximize visibility and amplify public acknowledgement of the re-establishment of USAID's Pacific Islands Mission and the elevation of our presence in the Pacific, USAID has been prioritizing affirmative messaging that clearly communicates the tangible benefits of our development and humanitarian assistance at the government and community level. USAID is currently planning procurement for media products, unprecedented in their amplitude, that will reach multiple audiences across the Pacific. In addition, USAID has established staffing positions to expand our public outreach and communications across the region.

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RESPONSES OF MR. MICHAEL SCHIFFER TO QUESTIONS  
SUBMITTED BY SENATOR JAMES E. RISCH

*Question.* What are 2–3 concrete economic projects we are currently spearheading in the Pacific Islands, and what tangible effects are those projects having?

*Answer.* Across the region, USAID is partnering with like-minded countries to deliver on Pacific priorities by leveraging our tools and pooled resources to provide viable alternatives to PRC investments. In Papua New Guinea (PNG), USAID is part of a multi-country partnership, alongside Australia, Japan, and New Zealand, that is supporting the Government of PNG to meet its goal of expanding access to electricity from 13 percent of the population in 2018 to 70 percent by 2030. USAID's PNG Electrification Partnership (PEP) activity is facilitating new on- and off-grid household electricity connections, supporting the financial viability of the state-owned power authority, PNG Power Limited (PPL), and strengthening the institutional capacity of the newly established regulator, the National Energy Authority. Since 2020, USAID's PEP activity has helped increase the number of people with electricity and improved energy services for more than a million people in PNG.

In Palau, USAID has partnered with Australia and Japan to support the development of an undersea spur cable—Palau's second—that will connect the country to the world's longest undersea cable, increasing the internet bandwidth and extending connectivity to remote areas to spark greater economic growth. Additionally, USAID has partnered with Australia and Japan on the East Micronesia Cable, which will connect the Federated States of Micronesia, Kiribati, and Nauru; and provide faster,

higher quality, and more reliable and secure communications to approximately 100,000 people across the three countries.

USAID is also partnering with Pacific Island countries to foster economic growth through tailored programs that deliver sustainable, tangible benefits to Pacific Islanders, providing a contrast to the PRC's approach. In the Solomon Islands, USAID works with government and private sector partners to advance the country's economic competitiveness and inclusiveness, with specific emphasis on developing the agribusiness sector and improving forest management. USAID's largest bilateral activity in the Solomon Islands is the Strengthening Competitiveness, Agriculture, Livelihoods and Environment (SCALE) Program. Through SCALE, USAID has helped 40 community groups and organizations formally register and provided small grants to pursue locally identified environmental and livelihood activities. For example, the largest cocoa exporter in Solomon Islands is working with local farmers to extend their network into previously unserved areas, and public, private, and CSO partners have worked together to identify 11 agribusiness infrastructure projects across the pilot province.

In Papua New Guinea, USAID worked to establish the latest American Chamber of Commerce (AmCham) in the region, AmCham Coral Sea, in 2022. As part of this initiative, USAID provided expert consultancy to help AmCham Coral Sea refine its mission, plot a strategic pathway, and design tailored services and solutions to bolster U.S. corporate engagement in the Pacific Islands. This partnership is aimed at bolstering sustainable economic growth, driven by the private sector. Through this initiative, we are promoting a development vision that empowers local and international businesses to play a pivotal role in regional development.

*Question.* Which U.S. Government economic agencies are the most active in the Pacific Islands, other than State and USAID?

*Answer.* The Pacific Islands face numerous constraints to economic growth including geographic distance, small economies, and dispersed populations, which requires a whole-of-government approach.

USAID has been strengthening its partnership with interagency partners, including the International Development Finance Corporation, to bring to bear our unique tools in the Pacific Islands. USAID and DFC are helping micro, small, and medium enterprises (MSME) expand their access to financing critical to support and build their businesses. USAID and DFC are launching a flexible Pacific Microfinance Facility valued at up to \$50 million to expand access to fair and competitive finance for MSMEs in the Pacific Islands.

USAID has also utilized the Transaction Advisory Fund (TAF) to provide legal and technical assistance needed to ensure sustainable, transparent, and high-quality infrastructure development in the Pacific Islands. USAID implements TAF in close coordination with the interagency, including State, the U.S. Trade and Development Agency, and the Treasury Department. USAID is supporting the project management unit to lead the management and implementation of an undersea cable to Palau and legal advisory support for the East Micronesia Cable, which will connect the Federated States of Micronesia, Kiribati, and Nauru. In the Marshall Islands (RMI), USAID is also using TAF assistance to help prepare a private sector company to potentially secure financing from the DFC to upgrade a dock. The project will allow RMI to increase its capacity to land and offload sustainably caught tuna as well as enable better catch documentation and enforcement of legal fishing.

*Question.* Are there any needed changes in authorities that would make it easier for the United States to increase economic and commercial engagement in the Pacific Islands?

*Answer.* For the Pacific Islands, there are no changes in authority needed. The only restrictions for fiscal year 2024 we are closely tracking are for PNG (Trafficking In Persons for which there is a waiver) and Nauru, which has a restriction on assistance for the central government and no waiver as it is in violation of §7047(c) for recognizing the occupation of Georgian territories of South Ossetia and Abkhazia.

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RESPONSES OF MR. MICHAEL SCHIFFER TO QUESTIONS  
SUBMITTED BY SENATOR ROBERT MENENDEZ

*Question.* U.S. Indo-Pacific Strategy: In February 2022, the Administration published its Indo-Pacific Strategy, which includes the goal of promoting a free and open Indo-Pacific. However, this goal is unattainable with the PRC's continued encroachment in the region through its diplomatic, economic, and military efforts.



How can the United States address the financial vulnerabilities that is forcing Pacific islands to deepen relations with the PRC, especially with China being a main trading partner and source of investment and infrastructure for countries throughout the region?

Answer. Pacific Island countries (PICs) are vulnerable to PRC economic coercion given their limited economic diversification, vast geographic expanse, and dependency on loans and assistance. The United States offers attractive alternatives to PRC investment by strengthening collaboration between USAID and the International Development Finance Corporation (DFC). For example, USAID and DFC launched a Pacific Microfinance Facility at the September 2023 U.S.-Pacific Islands Forum Summit. This facility will mobilize up to \$50 million in loans, loan portfolio guarantees, and technical assistance to support the growth of micro, small, and medium enterprises across the region. By providing targeted financial support to these businesses, the initiative strengthens local economies, fosters inclusive growth, and enhances economic stability across the region, reducing economic dependency on the PRC.

Additionally, USAID focuses on driving high-quality public and private sector investments into the fisheries sector, as this is a key source of economic benefit for numerous PICs. In the Marshall Islands, USAID and DFC are working to develop a fisheries dock infrastructure project at the Port of Majuro, which will allow RMI to derive more economic benefits as a part of the tuna value chain. USAID is providing business and financial advisory services to prepare a local Marshallese-owned company to potentially receive DFC financing to upgrade and expand their fisheries dock. USAID is working to identify additional opportunities to scale fisheries investment, so more PICs can participate in the lucrative global tuna trade.

Through these investments, USAID is providing credible, competitive, and transparent financial alternatives and facilitating targeted investments in critical sectors, like fisheries, which build trust in U.S.-backed efforts and diminish the appeal of PRC's often opaque and debt-laden investment practices.

*Question.* How effective has the opening of the USAID/Pacific Islands Mission been in advancing the economic and social development goals of Pacific Island countries?

Answer. Since opening the Pacific Islands Mission August 2023, USAID has been focused on building a lasting partnership with the region and individual countries by listening to and partnering with the region's priorities laid out in the 2050 Strategy for the Blue Pacific Continent. To do this, USAID has been expanding its physical presence and development programming. On presence, USAID anticipates growing to at least 51 positions by August 2025, with 30 positions under the Pacific Islands Mission and 21 positions under the Country Representative Office in Papua New Guinea. These new staff are critical as PICs value consistent, on-the-ground relationships as foundational to effective, long-term partnerships with governments, leaders, civil society organizations, and communities.

USAID is already deepening relationships with key regional organizations like the Pacific Islands Forum (PIF) and the Pacific Community (SPC) and delivering on their requests for USAID support. For example, USAID has been supporting SPC's Unlocking Blue Pacific Prosperity (UBPP) from the early days including by providing guidance, strategic planning, and utilizing our convening power to coalesce support among development partners for the initiative. At the August 2024 PIF Leaders Meeting in Tonga, USAID rallied Australia, Canada, Japan, and the Republic of Korea to endorse a partner statement in support of Pacific-led initiatives like UBPP. This marked a significant step in uniting international support for Pacific-led efforts to improve the lives of people across the Blue Pacific Continent, and it underscores that USAID is a trusted partner who listens to and prioritizes the region's development aspirations and respects their values, culture, and traditions, which is a contrast to other actors like the PRC.

In terms of programming, USAID focuses on the areas of climate resilience, sustainable fisheries, good governance, economic growth, access to transparent and high-standard infrastructure financing, digital connectivity, and health systems strengthening, which align to the 2050 Strategy for the Blue Pacific Continent. Building the region's resilience to the impacts of climate change remains among the top priorities given the region's unique vulnerabilities. USAID has been responding to the region's calls to scale up sustainable climate finance by mobilizing over \$550 million from various international funds to help Pacific Island governments and regional bodies receive accreditation to be able to access multi-donor funding resources that have historically been difficult to access given the complex application process and limited institutional capacity.

At the 2024 PIF Leaders Meeting, USAID announced the launch of two new complementary climate finance activities, which will build on our previous track record of success. The first is a new 5-year effort to help Pacific countries and regional institutions access and manage climate finance from a variety of sources, including multi-donor trust funds, bilateral donors, philanthropies, and the private sector. The second is a new line of effort through the USAID Climate Finance Development Accelerator to catalyze new partnerships with the private sector to scale up successful local solutions and approaches to climate change adaptation in Fiji and Papua New Guinea.

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*Submitted by Senator Benjamin L. Cardin*

LEGISLATIVE HISTORY MEMORANDUM

“Compact of Free Association Amendment Act of 2024”

(Consolidated Appropriations Act of 2024, U.S. Public Law 118-24, March 9, 2024, Division G, Title II)

Prepared by Howard L. Hills

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March 28, 2024

Summary/Introduction

In order to affirm and sustain the overall COFA geo-political and strategic affairs success story, the COFA Amendments Act of 2024 (P.L. 118-42, “COFA III”) constructively corrects specific material anomalies embedded in COFA alliance instruments by what proved to be ill-advised provisions of the COFA Amendments Act of 2003 (P.L. 108-188, “COFA II”). As explained in this memo, the new COFA III law continuing all three bilateral COFA alliances importantly includes bipartisan, bicameral mandates by Congress intended to restore defining principles of the original COFA framework established by Congress in the COFA Act of 1985 (P.L. 99-239, “COFA I”).

Specifically, as detailed below, COFA III establishes mechanisms for preserving and strengthening COFA I principles of democratic self-determination, sovereign self-government and a freely chosen alliance between the U.S. and the Freely Associated States (FAS) as international partners with unprecedented political relations under COFA. These new COFA III policy, program and accountability provisions address the record before Congress in 2024, identifying opportunities to improve and enhance good order in COFA implementation.

The record before Congress of imbalances and anomalies in COFA implementation revealed during Congressional oversight inquiries and investigation in the 2020-2024 period too often confirmed that staff level officials at the U.S. Department of State and Department of the Interior acquired and asserted bureaucratic control of COFA I and COFA II implementation without adequate direction and supervisions from more senior interdepartmental political leadership. To the extent that became problematic in some respects under COFA I and COFA II, it was due to the need for more adequately informed and disciplined interagency participation and coordination.

The history and terms of the COFA alliance require the government parties to preserve continuity in bilateralism upholding principles of free association embodied in COFA as a non-colonial political status alliance. To enable future consistency in affirmation of core COFA principles and features, including more informed oversight by U.S. political principals responsible for COFA implementation, Section 208(d) of the new COFA III law establishes an Interagency Group on Freely Associated States (IAG-FAS). The purpose is to enable more robust and disciplined interagency policy-making and program management under new mandates assigned by Congress to Interior, State, Defense, Treasury, and other agencies as deemed necessary.

In testimony on COFA ratification that confirmed the intent of Section 208(d) and other COFA III reforms, Special Presidential Envoy for COFA Negotiations, Ambassador Joseph Yun, urged U.S. House of Representatives, Committee on Natural Resources, on October 19, 2023, to ensure that IAG-FAS principals:

“...must be of senior enough rank...more emphasis is needed from the Committees and from Congress...this Interagency Group must have senior personnel present...ultimately how much this group does will depend of seniority of the actual group.”

Under Section 208 the Secretary of the Department of the Interior and Secretary of State typically will delegate and designate their powers as Co-Chairs, which in the case of Interior includes monitoring and management of all COFA funding, and in the case of State conducting diplomatic relations and bilateral consultations and negotiations. Of course, Treasury, Defense and all other federal agencies will participate at the call of either Co-Chair, so neither State nor Interior will be able to monopolize and/or prevent action by the IAG-FAS.

It is in the context of COFA III implementation that the efficacy of bipartisan, bicameral remedial course corrections mandated by Congress in the new COFA law will be determined. For example, in addition to the COFA III provisions in Section 208 constituting the IAG-FAS interagency policy and program oversight process, COFA III Section 205, Section 206 and Section 207 impose qualifications requirements to ensure the competence of the appointed U.S. members of the FSM, RMI and Palau joint committees for implementation of COFA Economic Assistance and Compact Trust Funds.

Those Section 205, Section 206 and Section 207 COFA III reforms address directly the deficiencies in COFA II provisions that allowed unqualified State and Interior staff at the Office Director level and below, with no relevant or sufficient experience in federal fiscal management or financial management, to control investment and use of billions of U.S. taxpayer dollars in COFA Economic Assistance and COFA Trust Fund contributions. Under COFA II that resulted in reported overpayment of financial consultants and underperformance of COFA resource investments, and enabled staff collusion to keep policy and program management at the staff level, selectively involving more senior political officials in decisions and actions.

Formalizing qualifications and duties of the COFA joint FAS-U.S. committees controlling COFA annual Economic Assistance grants and Federal Programs and Services as well as the separate joint committees for COFA Trust Funds will enable and facilitate referral of informed policy decisions to more senior decision makers. That will help prevent the ad hoc anomalies abuse or authority and neglect of responsibility too often encumbering U.S. administration of COFA relations in the past.

#### Policy/Program Course Correction

COFA III Section 208(a) provisions on authority of U.S. Comptroller General are critical accountability provisions, warranted by the history of COFA II. The same is true with regard to the GAO (See, e.g. <https://www.gao.gov/products/gao-22-104436>).

In addition to oversight and regulatory capacity, the COFA III reforms that seek to enhance COFA I and COFA II accountability for COFA implementation make it relevant to understand and confirm the blended international and domestic policy and program model at the core of COFA I, COFA II and COFA III. That understanding begins with the fact that the U.S. imposed the blended international/domestic model for federal actions intended to balance the burdens and benefits of American administration under the U.N. trusteeship from 1947 to 1986. Indeed, as noted below, the U.N. Trusteeship Agreement authorized the U.S. to govern islands under the domestic federal territorial law applicable in U.S. domestic territories.

That balancing of federal programs and services to promote political, social and economic development was intended to off-set conspicuous burdens of the trusteeship period. Those burdens included 67 high yield atmospheric nuclear tests at Bikini and Enewetak, as well as the ICBM program at Kwajalein. Both those strategic operations were possible only in the trust territory, and gave the U.S. an otherwise irreplaceable advantage in the Cold War arms race, but it also resulted in dislocation and radiation effects people and environment today.

That is one of the many reasons why, during the Carter and Reagan administrations, it was determined the limitations on strategic operations under the U.N. trusteeship and Security Council oversight did not allow the U.S. to respond the threat of the Soviet Navy in the Pacific, and would not allow necessary expansion of the U.S. strategic mission in the Asia-Pacific region. That included development of the Strategic Defense Initiative, through missile range testing possible at Kwajalein which would be difficult and costly if not impossible to duplicate.

This history of past and future political-military mission in the trust territory led to U.S. action in the late 1970's and early 1980's to bring about the termination of the U.N. role under the trusteeship. That was achieved in 1986 for FSM and RMI, for Palau in 1994, based on U.N. observed plebiscites in which the people approved the non-colonial political status of free association under COFA. For each new FAS, COFA I continued features trusteeship era balance of benefits and burdens, including the U.S. right of strategic denial, and the blend of international and domestic federal law and policy features, as explained in detail below.

In contrast to COFA I, in COFA II renewal negotiations there emerged a State Department staff narrative regarding simplification of COFA. That included reduction or phase-out for some if not most of the trusteeship era domestic model programs, policies and benefits, while not only retaining but expanding international strategic alliance features. This bureaucratic shift from COFA I retention of the blended domestic and international model began after the end of the Cold War in 1992, seeming to many at the State Department to diminish the importance COFA II in 2003.

Instead, in 2003 the War on Terror was the focus of Washington, and COFA had receded in world of U.S. diplomatic priorities. In that context, the policies favoring contraction of the domestic features of COFA I were by advanced by the Department of State staff in charge of the COFA negotiations, without adequate oversight by senior political leadership at State, in the administration or Congress.

Beginning under COFA I, but gaining momentum and reaching criticality as COFA II negotiations began, there was a shift to interagency policy-making on COFA management,

limiting deliberations to a more-narrow State Department clearance process at the staff level, rather than full NSC/OMB policy and program review process, institutionalized by bureaucratic measures including:

- Closing the NSC connected interagency Office for Freely Associated State Affairs established at State under an Executive Order of the President in 1986 to coordinate COFA implementation, a State action defining COFA as primarily a matter of “State Department equities” rather than all-of-government responsibility.
- Demonstrated control of COFA policy and programs at the Desk Officer and staff attorney level, too often based on staff narratives without open discussion much less diverse viewpoints necessary for informed senior policy oversight.
- U.S. Chief Negotiators on future political status of the Pacific islands under the U.N. trusteeship were appointed in the Ford, Carter and Reagan administration by the President, but starting in 2003 the State Department and Department of the Interior appointed departmental contractors as negotiators, held only one pro forma interagency meeting and relied on departmental coordination without the all-of-government interagency capacity and reach of the NSC directed process that produced successful COFA in 1986.
- Specific high profile controversial actions taken without measured consideration, including, for example, State Department strident opposition to a *political* proposal to Congress by RMI, allowed by COFA I, for additional nuclear testing compensation based on “changed circumstances,” followed by State Department shift to an even more adamant assertion of a generalized *legal* bar to all additional compensation, even though additional measures specifically are allowed by the COFA I under a settlement that has no expiration date.

By 2018, however, it had become well-established and clear the rise of China and threats to peace in the Pacific related to North Korea and Taiwan restored COFA to a top priority. That was well indicated by the White House meeting in 2019 by the U.S. and FAS heads of state to launch COFA renewal negotiations. Two years later the President would refer to as the “cornerstone” of U.S. national security in the Pacific (U.S.-Pacific Summit, Sept. 2022).

Committee oversight hearings were conducted in Senate and House on COFA negotiations in 2021-2022. Members of Congress sent clear bipartisan and bicameral communications to the

President on changes needed in State Department and Department of the Interior negotiating positions on several issues as discussed below.

Members of Congress also called for appointment chief negotiator appointed by the President, supported the process with briefings and hearings. When sufficient progress had been made, Committees drafted legislation to approve COFA III with the new policy direction reviewed below, and that legislation was drafted and introduced after all three COFA renewal agreements were signed.

Perhaps inevitably, there was an attempt to hold the COFA hostage to House/Senate linkage with policy on Israel, Ukraine, budget “off-sets” and border control, but full House and Senate as well as Committee leadership stepped forward when the moment of truth came and got COFA renewal legislation done.

The U.S. finally recognized COFA delay was hurting our allies and helping our adversaries in the FAS and region. In approving COFA III, the U.S. did six months late what could have done before letting COFA II expire. But the COFA III is now in full effect until October 1, 2043, so this memo is focused on implementation of the new COFA law, not primarily on how it got passed into law.

#### COFA III Corrections/Reforms/Enhancements

Section 208(c): Due to long standing dereliction of State and Interior responsibility for federal compliance with COFA terms for reimbursable costs of the U.S. Postal Service operations in the FAS, in 2020 the State and Interior staff proposed to “explore” ending USPS under COFA. Instead, without authorization State told USPS it could opt out of COFA III, and States offered to support FAS membership in the Universal Postal Union. That would inflate postal rates and end services in effect for decades under the trusteeship, COFA I and COFA II. When the NSC and Ambassador Yun took over management of this issue USPS was fully funded for another 20 years under COFA Section 208(c).

Section 208(g-h): Anomalies and imbalanced policies too often seeming to include the abuse of authority by U.S. officials implementing COFA I and COFA II have been enabled by the complexity of COFA instruments that constitute the legal framework of COFA. Section 208(g-h) requires a compilation and publication of applicable COFA laws so that U.S. and FAS citizens can know what the law is under U.S. COFA statutes. This is a vital step to sustain the success of the COFA.



Section 209(a): Authorizes the Department of Veteran's Affairs to extend medical and other programs to FAS citizens who have served in the U.S. military. This had to be done and must be implemented.

Section 209(b): State Department, Interior Department and Education Department proposed to allow authorization of important federal education programs in FAS to end. Section 209(b) corrects that imbalanced policy by authorizing and continuing availability of U.S. federal education programs for the FAS. This is a dramatic and vitally important rejection of the State, Interior and Education departmental positions during the 2020-2022 period before a presidential negotiator was appointed.

Section 206: As noted above, under COFA I the State Department and Interior Department adopted a revisionist legal position that the COFA Section 177 Agreement settling RMI nuclear testing claims in the U.S. courts was fully funded, and the U.S. not only *should not as a matter of policy but supposedly as a matter of law could not* provide further funding beyond \$150 million paid in 1986 to settle court claims, even if mutually agreed. The basis for State's opposition to further compensation, even though allowed if by mutual agreement in the settlement, is that it would re-open the settled claims. State asserted that *legal* theory to oppose a *political* proposal for additional compensation based on a "changed circumstances" clause that in the settlement that has not impartial adjudication process and is a political question for Congress. When presented with this State position in 2003, Congress was silent on State legal position but amended and extended the Section 177 Agreement subject to RMI request by adding in Section 103 of COFA II provisions under which an additional \$200 million has been paid in addition to the \$150 million paid in 1986. State since has revised its legal position and asserts that the \$200 million provided since 2003 under COFA II was "ex gratia," but that is also a legal hoax since ex gratia and mutually agreed additional compensation are indistinguishable in this context. Accordingly, it was a condition of RMI agreement that Section 206 retains and confirms by statute the Section 177 Agreement provisions that have the following effects:

- Section 177 and the Section 177 Agreement remain in full force and effect, can be amended or terminated only by mutual consent of RMI and U.S.
- The Section 177 Agreement incorporates both mutually agreed and ex-gratia payments into the terms for settlement of claims and compensation, which is also compatible with COFA III Section 209(k) continuation of the COFA II Section 105(c)(2) authorization for appropriations including ex gratia payments relate to nuclear testing.
- Changes in the population size of affected communities should be taken into account.

- Past and future mutually agreed food security, radiological monitoring and health programs, as well as “additional programs and activities as may be mutually agreed” continue, consistent with COFA II Section 177(b) and continued further implementation of the Section 177 Agreement, including with funds provided under the COFA III, Compact Trust Fund Agreement, Article 18.

#### COFA Strategic Overview

The U.S. right of “strategic denial” under COFA enables America to foreclose a vast and vital region of the Pacific to military forces of all other nations. As such, the “strategic denial” power is the load bearing pillar upon which rests the entire political, economic, legal, budgetary and national security architecture of the Compact of Free Association.

That right of military foreclosure first was secured as a power of the American government under international and domestic law pursuant to a Trusteeship Agreement approved by the U.S. Congress and the Security Council of the United Nations in 1947, establishing the U.S. administered Trust Territory of the Pacific Islands (TTPI). See, S/RES/21(1947)

Specifically, Article 15 of the Trusteeship Agreement provided U.N. agreement on behalf of the international community and under international law that the U.S. right of strategic denial could not be terminated without U.S. consent. The trusteeship did not confer U.S. national sovereignty over the TTPI, but upon being designated Administering Authority of the trusteeship by the Security Council the U.S. exercised pursuant to Article 3 full legislative, executive and judicial powers of government in the TTPI.

Beginning in the 1970’s the U.S. responded to democratically expressed aspirations of the people in each of six districts within the TTPI to end the trusteeship in favor of a fully self-governing political status. Accordingly, the U.S. approved integration and territorial status with U.S. sovereignty and American citizenship for the Northern Mariana Islands district in 1976. And, in 1986, the U.S. initiated termination of the 1947 agreement with the U.N. by entering into separate bilateral international agreements with the governments of three sovereign Pacific island nations that democratically adopted national constitutions.

The Compact of Free Association for Palau, Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI) defined for each of these new nations the political status of free association as recognized under applicable resolutions of the U.N. and the United States.

Of central significance, the terms of those agreements preserved in the post-trusteeship era the U.S. right of strategic denial that had been secured under the 1947 trusteeship.

As had been the case under the trusteeship, the COFA prescribes a U.S. strategic denial right that does not expire, but rather continues unless and until the U.S. agrees to amend or terminate the separate agreements within the COFA framework that secure American military closure and control rights in the lands, waters and airspace of each party to the alliance.

Specifically, under the Compact of Free Association with Palau, FSM and RMI, separate agreements were concluded pursuant to Section 321 and Section 323 of the COFA with FSM and RMI, confirming that without U.S. agreement to amend or terminate the strategic denial power, that right continues even if COFA Title One political relations, Title Two economic relations and Title Three defense relations otherwise are terminated pursuant to the provisions of Title Four. In the case of Palau, strategic denial right is secured by COFA Section 453.

This extraordinary strategic right of the U.S. has been retained for over 75 years, as a permanent legal right and power of the United States, even if the COFA itself is terminated by any party acting unilaterally or by mutual agreement in conformity with Title Four of each COFA.

Under the terms of each bilateral COFA and the Act of Congress approving the agreements under U.S. federal statute, the political free status of free association must be freely entered and remain freely terminable at will consistent with self-determination. That is recognized by the terms of U.S. federal law in each act of Congress approving the COFA I, COFA II and COFA II agreements, and consistent with international law principles including U.N. Resolution 2625 (1970), as a political criterion for free association to constitute a non-colonial and democratic form of sovereign national self-government.

Of course, unlike the 1947 trusteeship agreement that precluded unilateral termination by the U.N. Security Council, as a matter of international law recognized by the U.S. the COFA strategic denial right is subject to the sovereign right of all nations to renounce treaties and address the legal and political consequences of doing so. Of course, the U.S. would have the sovereign right to assert its legal position regarding strategic denial under those circumstances.

It is to preclude any such scenario that the COFA strategic agreements cited herein expressly recognize the mutual interest of the U.S. not only in the strategic and mutual security provisions of the agreement, but also in close social, political and economic relations that sustain the

bilateral viability of the alliance. Thus, the COFA and the separate agreements on “Friendship, Cooperation and Mutual Security” that secure the strategic denial rights under Section 321 and Section 323 of the RMI and FSM COFA, as well as Section 453 of the Palau COFA, expressly recognize U.S. commitments to economic well-being of the peoples in COFA partner nations.

This long term strategic partnership and the periodically renewable economic assistance provisions sustain the interdependence of security and defense relations and political/economic commitments first established under the 1947 agreement with the U.N. until 1986, and continued for the FSM and RMI under COFA I until 2003, followed by COFA II until 2023. For Palau that same mutual reliance on strategic security and political/economic commitments existed under COFA I from 1994 to 2010, and under COFA II until 2024 (although Palau’s COFA III has now been enacted by the COFA Amendments Act of 2024 in full synchronicity with the FSM/RMI COFA III).

Approval of COFA III by Congress was achieved on March 8, 2024, and upon enactment by signature of the President on March 9 implementation of a new 20-year package lasting until 2043 is now underway for all three COFA partner nations.

This new set of agreements strengthens the alliance by continuing annual grant assistance in addition to rather than dependence on the 2003 FSM/RMI and 2010 Palau COFA trust funds. This means the retained U.S. strategic denial power has a sustained and renewed purpose and value in American strategic planning to promote political and economic stability, mutual security and peace, based on democratic self-determination and strong U.S. alliances in the Indo-Pacific.

This renewed and revitalized strategic alliance in the western Pacific, at the center of the Blue Continent comprising Oceania and threshold of Asia, makes the investment of over \$7 billion for implementation of COFA III during the next 20 years not only sound fiscal policy, but among the most effective uses of U.S. defense dollars anywhere in the world.

That would be true even if the COFA did not enable the U.S. also to benefit strategically from the billions invested in the TTPI and under COFA over the decades since 1947 for development of offensive and defensive strategic weapons systems, as well as global and space based strategic capabilities, derived from the U.S. Army’s diversified mission at Kwajalein in the Marshall Islands.

Similarly, now that Compact III has renewed political and economic commitments in the COFA with all three partner governments, the U.S. Air Force has announced plans under the

COFA with the Federated States of Micronesia to invest \$400 million in a new modern strategic air base within the State of Yap. This will augment and complement U.S. regional defense capabilities developed by recent installation under COFA of TACMOR over the horizon radar facilities in the Republic of Palau.

Relevant History of U.N. Trusteeship and COFA

After WWII hostilities ended in 1945, the disposition of the American occupied Pacific islands formerly ruled by Japan under the 1922 League of Nations reflected unique and in some respects paradoxical geo-political conditions and strategic circumstances in the 1945-1947 period that included:

- Recent liberation of these islands from Japanese tyranny at the cost of over 100,000 American lives
- U.S. commitment to the self-determination and decolonization principles of the Atlantic Charter incorporated into the U.N. Charter
- U.S. responsibility for territories in the Pacific historically under American sovereignty that included Hawaii, American Samoa and re-captured American territories of Guam and the Philippines
- Immediate potential of the former Japanese rules islands of Micronesia to play a critical role in the post-war nuclear arms race.

In response to the important challenges and opportunities presented for America in the changing world order of 1945-1947, the U.S. government enlisted a combined effort by several federal departments and their traditional Congressional oversight committees to promote coordination and collaboration in the exercise of federal powers to secure U.S. national interests.

In that context, the National Security Council was established to ensure conventional domestic or international policy and traditional departmental perceptions of bureaucratic equities would not impeded national security priorities.

As part of that federal response to post-WWII national interest priorities, an interagency model had to be adopted. There was a need coordinate with Interior, State and other agencies the Department of Defense role in the domestic U.S. territories of the Pacific under restored American sovereignty (including recaptured Philippines and Guam), as well as the U.S. occupied islands formerly governed by Japan under the League of Nations mandate but not under American sovereignty.

The need soon arose for both the restoration of civilian governance and continued military and diplomatic roles in a combination deemed most consistent with the national interest. Accordingly, the U.S. military occupied and governed the islands from 1945 to 1947, after which the U.S. governed the former Japanese mandate islands from 1947 to 1986 under international law pursuant to the U.N. trusteeship system. Thus, in addition to Defense and Interior, State had a role to play in organizing restored civilian government.

However, as noted, under terms approved by the U.S. Congress in Article 9 of the Trusteeship Agreement between the U.S. and the U.N. Security Council, the U.S. domestic law model for civil governance of Guam, American Samoa and other island territories under U.S. sovereignty was the primary paradigm adopted for the former mandated islands, which were organized under federal law as the Trust Territory of the Pacific Islands (TTPI).

Accordingly, in 1951 administration of the TTPI was transferred from the Department of the Defense acting under the authority and command of the U.S. Navy to the U.S. Department of the Interior. The international law features of the trusteeship did not include U.S. sovereignty, but the terms recognized the U.S. had full governmental authority under the U.N. Charter and federal law implementing the trusteeship agreement.

That blend of international law sources of authority and domestic implementing law also did not include collective naturalization as U.S. citizens. But the domestic law features included non-immigrant access to the U.S. for education and employment, as well as extension of many features of domestic federal territorial law, policy and programs.

As a result, the U.S. civil administration in the TTPI included U.S. Postal Service, civil aviation services including FAA air traffic control, disaster relief including FEMA capabilities, National Weather Service (NOAA), and over 20 other federal programs and services ranging from federal environmental protection, federal education programs and labor standards to public health, agriculture, infrastructure and private sector economic development programs.

The authorizing and appropriations committees in both Houses of Congress responsible for the U.S. domestic territories, including American Samoa, Guam, Puerto Rico and the U.S. Virgin Islands, retained primary jurisdiction over the TTPI from 1947 to 1986.

Because the TTPI was the only U.N. trusteeship among 11 classified as “strategic” and therefore under the authority of the Security Council rather than the General Assembly, the U.S. retained national security authority that included “strategic denial” of access to the islands of the TTPI by military forces of any other nation. The trusteeship agreement with the U.N. also recognized U.S. authority to conduct military operations in the TTPI, and to close all or part of the islands for security purposes to “promote international peace and security.”

Since the U.S. had already begun nuclear weapons proving tests in the Marshall Islands under military occupation in 1946, a year before advent of the trusteeship agreement, foreclosure authority for international security was understood and openly debated in the U.N. before and after approval of the Trusteeship Agreement by the U.N. and Congress. That provided the framework for 67 U.S. atmospheric nuclear tests conducted at Bikini and Enewetak until 1958, as well as strategic operations including the U.S. Army ICBM missile range Kwajalein in the Marshall Islands.

The State Department facilitated U.S. international affairs related to the TTPI, including U.S. annual reporting to the U.N. of administration of the trusteeship.

#### U.S. Redeems Self-Determination Principles

A primary purpose of the trusteeship was to promote capacity building for democratic self-government and self-determination leading to a political status freely chosen by the peoples of the TTPI.

In 1960, the U.N. General Assembly adopted Resolution 1541, affirming that the non-self-governing people, including the populations of trust territories, could choose political status options of independent nationhood, integration into an existing nation, or an association between an emerging nation and an existing nation on terms freely chosen by the people of both associated states.

That was followed by U.N. adoption of Resolution 2625 in 1970, affirming that free association must be terminable at will by either party in order to be a non-colonial status.

In 1976, the people of the Northern Mariana Islands district of the TTPI chose in a U.N. observed plebiscite to become U.S. citizens and transition to U.S. territory status. Congress ratified the territorial constitution and federal relations agreement in P.L. 94-241.

In 1978, the Carter Administration signed the Hilo Accords with the constitutional leaders of the Palau, Marshall Islands and Federated State of Micronesia districts in the TTPI. That statement of principles set forth the terms for a Compact of Free Association consistent with the provisions of the U.N. Charter and applicable U.N. resolutions recognized by the United States.

In 1986, after approval by the peoples concerned in U.N. observed plebiscites, the U.S. Congress approved mutually agreed COFA terms for FSM and RMI under P.L. 99-239, which entered into force in that year. The COFA for was approved in and for Palau under P.L. 99-658 and entered into force in 1994.

COFA replaced the U.N. trusteeship as the international law framework for relations between the U.S. and peoples of the COFA partner nations, including separate nationality and citizenship, as well as separate sovereignty.

The 1986 COFA also continued some structural features of the TTPI based on the domestic territorial policy and law preserving the close social, political and economic relations including federal programs and services. Another feature Not to mention visa waiver access to the U.S. for residence as lawful non-immigrant aliens.

RMI and FSM COFA I was amended and renewed in 2003 by P.L. 108-188 (FSM/RMI "COFA II"). The Palau COFA was amended and renewed in 2010, but mandatory funding was delayed for eight years (See, P.L. 115-91, 131 Stat. 1687, Dec. 12, 2017).

Because of the unprecedented blend of federal territorial law and policy with national security and diplomatic functions, the COFA portfolio has never been primarily a conventional defense function or diplomatic affairs matter.

That blended operational model with domestic and international features has been recognized for purposes of federal law and policy, as well related subject matter jurisdiction of federal agencies, Congress and even the federal courts.



### Additional Historical Background

The late second half of the 19<sup>th</sup> and first half of the 20<sup>th</sup> century saw the final surges of European, Asian and American imperialism in the Asia-Pacific region now referred to as the Indo-Pacific.

In addition to scaled military activity, the U.S. presence in the Pacific arena of colonial expansion included the American whaling industry and overseas missionary endeavors sponsored by American churches. It has been said the harm done to island cultures by sailors often set the stage for cross-cultural success of missionaries.

The U.S. became an imperial power in the Pacific islands region upon acquisition of sovereignty by conquest or purchase of the Philippines, Guam and Hawaii, and by bilateral agreement in the case of American Samoa, along with other annexed island possession at the dawn of the 20<sup>th</sup> century.

As ocean borne militarism, conquest and aggression flourished, Japan joined U.S. and British forces in defeating Germany in WWI. As a result, Tokyo was rewarded by League of Nations mandate with responsibility to govern the Caroline Islands of Micronesia in the mid-Pacific, from Palau in the west to the Marshall Islands in the east.

In subversion of its international mandate, Japan's civil administration was exploited as cover for secret militarization of the islands and prelude to alliance with Germany and Italy against the U.S. and Britain in WWII. These military capabilities ultimately were employed in support of the attack on Pearl Harbor.

Japanese militarization also included major strategic installations that become infamous for historic battles in the island-hopping campaign that was expected to take combat between the forces tyranny and freedom to the Japanese homeland. That included the battles of Kwajalein, Roi-Namur, Truk Lagoon, and the legendary invasion of Peleliu in which the U.S. per capita death rate was higher than Normandy on D-Day.

That history is one reason why, as noted, every U.S. President since Truman and every U.S. Congress from the 80<sup>th</sup> in 1947 to the 118<sup>th</sup> in 2024 has recognized that control of third nation

military access to greater Micronesia is a transcendental strategic imperative for the United States. That includes the vital strategic sea lines of communication through the islands waters and airspace of Pacific islands straddling the equator like a bridge between North America and Asia.

Since 1986 the U.S. Congress has mandated preservation of U.S. strategic interests in the Micronesian region under the Compact of Free Association (COFA), which followed termination of the former U.S. administered U.N. Trust Territory of the Pacific Islands.

COFA represents continuity in the developing and evolving relationship between the U.S. and the nations of Palau, Federated States of Micronesia and the Marshall Islands, including benefits as well as the burdens of those relationships that began under the U.N. trusteeship.

Legislation to approve the Compact of Free Association (COFA) was transmitted in a Message to Congress from President Reagan on March 30, 1984. The first international agreement defining free association under American law was proposed to create the closest alliance between the U.S. and any foreign nations in American history.

The COFA for Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI) was approved in a 1985 bipartisan vote in the House with support of House Speaker Tip O'Neill and Minority Leader Robert Michel.

The FSM/RMI COFA was then approved in the U.S. Senate with support of Majority Leader Robert Dole and Minority Leader Robert Byrd, before being signed into law by President Reagan on January 14, 1986.

In the same manner, the COFA for Palau was proposed by President Reagan in a Message to Congress on April 9, 1986, then approved in a bipartisan vote in both House and signed into law by President Reagan on November 14, 1986.

However, the history of bipartisan support in Congress and the White House for COFA's unprecedented purposes in furtherance of international peace and security, due primarily to the strategic location of what currently are the island nations of FSM, RMI and Palau, did not begin or end in 1986.

Rather, the success of the U.N. trusteeship and the balance of burdens and benefits for the U.S. and the peoples concerned began when President Truman asked a Congressman from Montana named Michael Mansfield to undertake an inspection trip to the Pacific islands occupied by U.S. forces at the end of WWII. Truman asked Mansfield to prepare a report upon his return, recommending disposition of the status and governance of the islands Japan had administered under the League of Nations between World War I and WWII.

Congressman Mansfield returned and advised the President and Congress, consistent with the Atlantic Charter signed by President Roosevelt and British Prime Minister Churchill on August 14, 1941, the U.S. should not annex the islands as American territories. Instead, Mansfield recommended to the President and spoke on the floor of the House in 1947 supporting the White House proposal for the U.S. to administer the islands, liberated at a cost of 100,000 American lives, under the U.N. trusteeship system established under Article 75-85 of the U.N. Charter.

This was, again, consistent with renunciation of “territorial aggrandizement” and annexation by conquest in the Atlantic Charter. Notably ironic, in that FDR convinced Britain to embrace the anti-imperialist and anti-colonial principles of government by consent that inspired the Declaration of Independence and revolution ending British empire in America. Those very principles we adopted as the core principle of all human rights under the U.N. Charter.

In urging Congress to redeem the American idea of government by consent of the governed, expressed as “self-determination” in the U.N. Charter and Trusteeship Agreement, Mansfield also emphasized to his Republican and Democrat colleagues that the proposed trusteeship for the Pacific islands would be under an agreement with the Security Council.

This was in contrast to the ten other General Assembly trusteeships that were established in the same period. Because the agreement proposed by President Truman would be classified as “strategic” under Articles 82-83 of the U.N. Charter, enabling the U.S. to exercise the great power veto over an U.N. action that interfered with U.S. strategic priorities.

The strategic powers of the U.S. under the Trusteeship Agreement Between the United States and the Security Council of the United Nations in 1947 were critically important. One reason was because the U.S. military government had already begun nuclear weapons proving tests at Bikini in the Marshall Islands in 1946.

The U.N. was aware of U.S. nuclear testing and other strategic requirements in the region, and as Mansfield had advised Congress in 1947, the U.S. authority to continue and preserve its strategic operations and interests were confirmed in Article 5 of the Trusteeship Agreement.

Similarly, Article 13 of the Trusteeship Agreement recognized the authority of the U.S. to foreclose access to the trusteeship territory or any part thereof for security purposes, including access by military forces of any third country.

It was in that context that Article 15 of the Trusteeship Agreement provided that its terms could not be amended, modified or terminated without U.S. consent. That meant the strategic imperatives of the U.S. were secured without expiration or terms of the duration for as long as the U.S. determined.

As noted, Article 3 of the Trusteeship Agreement the U.S. had all powers of government and law, but was not sovereign, and instead exercised those powers under the Trusteeship Agreement. Thus, in addition to the strategic international peace and security measures taken under Article 5 and 13, at the same time, as provided under Articles 1-7 of the Trusteeship Agreement, the U.S. supported political, social and economic development for the peoples of the trust territory.

As noted, in 1951 powers of government over civilian affairs was transferred from the U.S. Navy military government established in 1946 to the U.S. Department of the Interior. The U.S. Congress authorized, and orders of the Secretary of the Interior carried out, appointment of the TTPI a High Commissioner to oversee Trusteeship Agreement implementation.

Also, as noted, under Article 9 of the Trusteeship the U.S. administered in the Trust Territory of the Pacific Islands (TTPI) many of the same federal policies, programs, services and laws applicable to U.S. domestic territories under U.S. sovereignty. That included U.S. Postal Service, FAA civil aviation services, National Weather Service, Department of Agriculture, Department of Education, Department of Health and Human Services, Department of Labor and other programs by numerous federal agencies.

At the same time, also as provided under Article 1-7 of the Trusteeship Agreement, the U.S. promoted democratic political development leading to self-determination and establishment of institutions of self-government in the TTPI. The establishment of the Congress of Micronesia by the TTPI administration accelerated political development.

This led to the cited petitions by the Northern Mariana Islands district of the TTPI for annexation and territorial status under U.S. sovereignty, which Congress approved under P.L. 91-241 in 1976.

Beginning in the mid-1970's, as the NMI pursued territorial status, other local governments in the TTPI and their representatives from Palau, Yap, Truk, Ponape and Marshall Islands petitioned for political status negotiations. Those island peoples wanted to pursue "free association" as a district political status that had been most fully conceptualized in U.N. Resolution 2625 (XXV) adopted by the U.N. General Assembly in 1970.

Between 1976 and 1978 the FSM Constitution was approved by Ponape, Yap, Truk and Kosrae. The RMI and Palau adopted separate constitutions. In 1978, representatives of the Carter Administration met with representatives of FSM, Palau and RMI in Hawaii and signed the Hilo Principles that set forth the terms for the Compact of Free Association.

After a policy review in 1982, President Reagan determined the draft COFA was the best option for preserving an optimal balance of benefits and burdens to the U.S. and FAS. That meant that termination of the Trusteeship Agreement would best serve both U.S. strategic interests and the relationship between the U.S. and the new democracies emerging from the post-WWII trusteeship.

In the decades that followed his original role supporting establishment of the trusteeship, both as a legendary Senate Majority Leader and later as U.S. Ambassador to Japan, former Congressman Mansfield remained a vigilant advocate of U.S. strategic interests in the Pacific, as well of the self-determination and humanitarian responsibilities of the U.S. under the Trusteeship Agreement of 1947.

The Compact of Free Association proposed by President Reagan in 1984 preserved self-determination rights, humanitarian commitments, "strategic denial" powers of the U.S. and base rights established at Kwajalein Atoll in the RMI during the trusteeship. Accordingly, in 1986 Mansfield would play yet a new vital role in sealing Reagan Administration support for termination of the trusteeship based on the proposed COFA.

Thus, from 1946 to 2023, the trusteeship and COFA represents the best tradition of American politics a bipartisan national interest success story.

The 1947 agreement between the U.S. and the U.N. Security Council was not a Senate ratified treaty under U.S. constitutional law, but rather an international agreement submitted by the President for approval by Congress as a federal statute, also known as a Congressional-Executive agreement.

Many core features of the Trusteeship Agreement between the U.S. and the Security Council were incorporated into COFA I. That includes the “strategic denial” provision of COFA that emanates from the provisions of the Trusteeship Agreement that give the U.S. military control and the power to close the area for security purposes

As noted, from 1947 to 1986 the roles played by the Department of Defense, Department of the Interior and Department of State in U.S. trusteeship administration were blended and adapted to combine domestic and international federal capabilities in a newly improvised governance mission demanded by changing times.

Interior was enlisted to ensure orderly governance of civil affairs leading to democratic self-government. The role of the Defense Department was to ensure the islands would never again be used to attack American territories and allies among nations of the region. The Department of State facilitated Interior and Defense by confirming the merits of U.S. measures to promote political, social and economic development in the TTPI before Congress and in U.N. trusteeship oversight proceedings.

However, to ensure those very U.N. proceedings would not delay or impede development of U.S. offensive and defensive weapons at Kwajalein, in the late 1970's the Defense Department supported a policy review to identify post-trusteeship political status options for the TTPI island districts that would be based on integration with the U.S. or international agreements that would preserve the strategic rights of the U.S. under the trusteeship agreement.

Concomitantly, Interior supported a status in which the major island groups of the TTPI would assume a greater measure of responsibility for political, social and economic development.

Recall, as noted, that the early result of U.S. support for self-determination in TTPI was the 1976 Commonwealth Covenant under which the Northern Mariana Islands became a U.S. territory (P.L. 94-241). That was followed a decade later by the 1986 COFA under which FSM

and RMI as well as Palau became sovereign nations in free association with the United States (P.L. 99-239, P.L. 98-658, respectively).

And so, in that manner it came to pass that in the period beginning after WWII the U.S. has established an historically unprecedented political relationship with the peoples of Palau, central Micronesia and the Marshall Islands based on self-determination, as had been attained as well for CNMI, albeit based on a different path to political status resolution.

But in 2003 the 2003 COFA II agreement for FSM and RMI altered without what many informed observers viewed as full and adequate internal U.S. deliberations the allocation of rights and responsibilities of the U.S. and its COFA partners under the agreement. The same can be stated with regard to the 2010 COFAII renewal agreement with Palau.

In retrospect, it can be observed that in 2003 the Cold War was over, China had not become a recognized strategic threat, and the focus was on terrorism in other regions of the world.

In that context, the U.S. State Department officers responsible for COFA implementation openly expressed ambivalence about whether the U.S. viewed COFA and free association more as a transition from TTPI dependency to full independence than a sustainable long term political status.

That ambivalence was manifested in proposals the State Department contract negotiators present to the FSM and RMI in 2003. That included State Department supported withdrawal of the pledge of U.S. full faith and credit for agreed economic assistance, replaced by "mandatory" funding an increasingly large portion of which was diverted by COFA II into COFA trust funds that would replace annual grant assistance for education and health care if the U.S. did not choose to renew economic assistance in 2023.

The U.S. offer for COFA II also eliminated or phased out authorization of U.S. Department of Education programs that began under the TTPI during the trusteeship. The U.S. also shut the door on both legally authorized as well as mutually agreed additional measures to address the impact of U.S. nuclear testing in the RMI that helped deter nuclear war during the Cold War and saved the U.S. hundreds of billions of tax-payer dollars over two decades.

In 2003, the Congress restored economic assistance, federal program and nuclear testing compensation the State Department had denied and refused to even discuss in the COFA II negotiations. See, Section 103, COFA Amendments Act of 2003, P.L. 108-188.

In 2023 COFA III negotiations the State Department COFA Desk Officer and staff attorney updated the 2003 COFA II negotiating outlines and continued to seek reductions in economic assistance, federal programs and refused to discuss RMI nuclear testing concerns directly.

The latter based on State legal positions deemed non-meritorious by attorneys who had represented State in the COFA I negotiations and federal court litigation in which courts upheld the Section 177 settlement.

The NSC failed in 2003 and again in 2020-2022 to broaden and discipline the interagency coordination process that had produced successful results in the 1976 status resolution process for CNMI, and the successful NSC-directed interagency Office for Micronesian Status Negotiations that produced the 1986 COFA for Palau, FSM and RMI.

It is in the context of the COFA strategic success story that it more broadly can be understood that the COFA Amendments Act of 2024 mitigates and corrects some important imbalances and anomalies in the mutually agreed political status terms imposed under provisions in the COFA Amendments Act of 2003 ("COFA II"). In doing so, COFA III restored, renewed and expanded important features of the COFA Act of 1985 ("COFA I").

In the 1986 agreements under COFA I the United States entered with the Pacific island nations of Palau, Federated States of Micronesia (FSM) and Republic of the Marshall Islands (RMI) were an overall political and strategic success story well into the second decade of implementation. Yet, when the first round of negotiations to renew expiring economic assistance grants and federal programs came in 2001, it was clear economic development continued to be limited by inherent challenges persisting before and after U.S. administration of the islands began under U.N. trusteeship in 1947.

Economic development previously also had been slow from 1947 to 1986 during U.S. administration of the U.N. trusteeship over islands now comprising Palau, FSM and RMI. Too often impressive examples of local commercial successes and effective use of public funds to improve quality of life throughout the TTPI were matched by examples of failed private sector ventures and TTPI government fiscal management and public project deficiencies. That



remained as true as it had been under the U.S. trusteeship regime during the COFA I period from 1986 to 2003, as well as COFA II from 2003 to 2023.

Yet, both the TTPI and later relations under COFA remained a U.S. strategic, international relations and democratic self-determination success. That is because every President since Truman and every Congress since 1946 recognized that U.S. ability to deny unregulated and unpermitted access to the lands, waters and airspace of islands the former TTPI, which we now know as Palau, FSM and RMI, is a transcendental strategic imperative for U.S. national security.

Economic assistance and federal programs provided to island peoples in the former TTPI and under COFA generally has been regarded as the most cost-effective way to secure necessary strategic rights. In the past and currently, arguably the U.S. taxpayer gets a return on investment of defense dollars than under COFA that is unsurpassed by any other military spending.

The balance of benefits and challenges for the U.S. and COFA I partners was sustained primarily by the Defense Department strategic and military operations, as well as administration of civil affairs and fiscal relations with the U.S. federal government by the Interior Department. The original 1986 COFA terms and measures constituting the free association political status model were negotiated by presidentially appointed ambassador rank chief negotiators in the Executive Office of the President during the Carter and Reagan administrations.

The White House negotiating team included Defense, Interior and State staff, and acted under authority of National Security Council policy directives. Once signed, COFA I was approved by the U.S. Congress as a joint resolution of both Houses and enacted as federal statute not a Senate ratified treaty.

As noted, it was recognized under Article 9 of the U.N. Trusteeship Agreement during the TTPI period and under COFA I as necessary and proper to blend the domestic U.S. federal law and policy features of territorial government in the American territories with the national security role of the Defense Department, supported by State to the extent diplomatic affairs were implicated. That is why the Defense and State authorizing and appropriations committees in Congress deferred to the lead jurisdiction of the Interior authorizing and appropriations committee with respect to both the TTPI and COFA I implementation, as well as the U.S. territories in the Pacific (American Samoa, Guam, Northern Mariana Islands).

By 2003 the Defense and Interior roles were being played by those two Cabinet departments under COFA I, as Congress had intended under in 1986. But responsibility for negotiating

renewal of COFA I economic provisions in 2003 for FSM and RMI, and in 2010 for Palau, had been relinquished by NSC, and shifted to the State Department office that managed COFA Title One diplomatic relations with the COFA governments through embassies in each island nation. This downgrading of negotiating authority was undertaken without adequate foresight and contemplation of unintended consequences.

Instead of reactivating the NSC interagency process that produced the overall COFA I success story, when COFA II economic renewal negotiations approached State eliminated the original NSC-directed interagency office established in 1986 within State by Executive Order 12569 of the President in order to implement COFA I. The result was that in 2003 State hired contract negotiators and relied on State Department interagency authority, rather than NSC directed interagency authorities and presidentially appointed chief negotiators with-all of-government reach that produced COFA I.

What follows, then, is a description of the transformation of COFA I brought about by COFA II in the name of improved economic and fiscal metrics. Understanding how State Department control over internal development of negotiating authorities and instructions to negotiators in 2003 and again 2020-2022 is essential to understanding the weaknesses of COFA II and strengths of COFA III

That critical analysis is meaningful because State relied in 2020-2022 on the 2003 State game plan, and doubled down on reduction of economic assistance and federal programs, thereby contributing to the failure of the U.S. and its COFA partners to renew economic grants supporting U.S. defense rights before COFA II expired in 2023.

As noted, State's internal view by 2003 was that the domestic territorial law features of COFA should be significantly reduced if not phased out altogether by 2023. U.S. positions taken by State through its contractor negotiators in 2020-2022 were consistent with that assessment of State Department intentions by COFA partner governments reported in the press and to Congress.

For example, in 2020 the State Department reacted to U.S. Postal Service demands for reimbursement of costs not covered by revenues and COFA funding for services provided under COFA II by proposing to terminate USPS services under COFA III. State acted unilaterally to pursue a policy supporting COFA nation membership in the international Universal Postal Union. Interior intervened, noting that would increase postal rates to a level people in COFA nations could not tolerate, end a popular feature of COFA, while also undermining pro-U.S. leaders and rewarding pro-PRC factions in the COFA nations being manipulated by Beijing.

Similarly, the State desk officer for COFA II and attorney in the Office of Legal Adviser advised FEMA it could opt out of COFA III at its discretion. As with USPS it took Interior Department intervention with the NSC to reverse the State Department's ill-advised proposal, after delaying negotiations for months

As noted, State also proposed to the COFA partner governments that COFA III should allow provisions enabling U.S. Department of Education programs under COFA II to expire, including early childhood school lunch programs in communities where malnutrition contributes to high rates of children with stunted growth.

With the same indifference to the propaganda windfall it enabled Beijing to exploit, State adopted a legally non-meritorious position that the U.S. cannot provide even mutually agreed additional compensation to address the U.S. nuclear testing legacy due undefined risk of further claims. Yet, the COFA Section 177 Agreement settled all claims and authorizes additional mutually agreed compensation without re-opening those claims.

These and several other similarly ill-advised positions imposed through the State Department process for authorization of treaty negotiations delayed COFA negotiations for three years. That process may produce negotiating instructions for conventional treaties, but the blend of international and domestic law and policy under COFA required a process consistent with the Section 177 Agreement based on its unprecedented one-of-a-kind settlement terms. Instead, State lawyers were misapplying and even making up international law to control domestic policy features of COFA.

#### Special Presidential Envoy Salvaged COFA

The disarray in the U.S. approach to COFA renewal negotiations caused RMI and Palau to suspend further talks until the U.S. reversed these positions. That prevented timely conclusion of COFA renewal agreements starting in 2020, until a White House chief negotiator was appointed in 2022.

Numerous leading journalists, scholars and experts, including witnesses in House and Senate hearings on COFA renewal, reported that failure to preserve continuity between COFA I and COFA II prevented COFA III from being concluded in a timely way, and materially encouraged PRC political warfare in each COFA nation targeting supporters of the U.S. alliance.

Because of intensified PRC political warfare, including disruption and corruption of internal political processes, and economic coercion through private and public pathways, delay in COFA renewal from 2020 to 2024 was contrary to U.S. interests. This was due primarily to State Department promoted negotiating positions that were later rejected by both the COFA partner governments and Congress. This is widely viewed as having helped our enemies and hurt our friends, with potential future negative impacts for the U.S. and our allies.

The extent of harm done to pro-U.S. interests may escape our discernment even now, since COFA III has been approved and is being implemented to good effect. What we do know is that positions taken by State and rejected by COFA partner governments in 2020-2021 resulted in RMI and Palau requests that a presidentially appointed chief negotiator be provided before COFA negotiations could be continued successfully.

That in turn led to revelations and disclosures by the Special Presidential Envoy appointed in 2022 to the NSC and Congress that resulted in rejection of State Department COFA negotiating positions in 2020-2023. Those rejected 2020-2023 positions by the State Department were based on State policy that produced imbalances and anomalies, as noted, in the COFA II agreements with FSM, RMI and Palau.

That gives substantial significance to the COFA III terms recognizing both Title Two economic assistance (Section 211) as well as Title Two federal programs (Section 221) can be extended by mutual agreement after 2043. This mitigates to a material degree the uncertainty created by the COFA II scenario of reliance on COFA II Trust Fund after Title Two economic assistance and programs were subject if not expected to be reduced or ended after 2023.

That COFA III change was especially needed after GAO reported in 2019 that COFA II trust funds were inadequate to sustain COFA partner fiscal stability. This was a wake-up call for the U.S. only because the State Department had been asleep at the wheel.

Meanwhile, for years the PRC had been escalating economic and political incentives for COFA nations to hedge bets instead of counting on post-2023 continuity in U.S. terms for COFA renewal. PRC's courtship of COFA nations was as a prelude to the economic coercion and political warfare that followed.

Imbalances and anomalies in COFA II that were not mitigated or corrected fully by the COFA Amendments Act of 2024, include failure to confirm that COFA migrants who acquire U.S. citizenship are not included in the enumeration or classification of COFA migrants now eligible for a wider menu of federal social safety net programs under COFA III, Section 209(1)(2). That is an important correction still needed because GAO and Interior have failed to recognize U.S. citizens are not present in the U.S. “in accordance with” or “pursuant to” under COFA Section 141, and do not need Section 141 based eligibility for federal programs under COFA, including Section 104(e) of COFA II.

COFA III also does not mitigate or correct the anomalies arising from COFA II Section 354 linkage of FSM and RMI Title Three and post-Title Three strategic denial and defense veto provisions COFA Trust Fund access.

Specifically, Section 354 purports to provide that upon termination of Title Three by a COFA partner government, the U.S. could reclaim its contribution to the COFA Trust Fund or deny access by the concerned COFA government if it failed to comply with a U.S. “defense” veto of its sovereign acts deemed by the U.S. to be incompatible with its defense rights. However, that transposes the “defense veto” that exists under Title Three into a post-Title Three context.

This presupposes a fully independent former COFA nation would be subject to a Title Three restriction after termination of Title Three, in the form of a U.S. defense veto over any internal or external act the U.S. decides to vitiate. That would be inconsistent with the sovereignty of a former COFA government, and COFA government resistance as well as opposition could well become arguably justifiable non-compliance, compromising not only the defense veto but also the strategic denial provision that Section 354 also links upon Title Three termination, should it ever occur as provided for in the agreements.

That does not strengthen but rather weakens and invites disregard of the defense veto, and in doing so increases political risk that strategic denial might be disregarded. For that reason, Section 354 should be amended to conform with the COFA I model of strategic denial not linked legally to COFA Trust Fund access.

It is, again, to ensure U.S. officials will not allow in 2043 the same intergenerational breakdown of policy continuity that produced disarray in State Department COFA II and COFA III negotiations that this case study is provided.

In no respect was the problem of State Department reliance in 2020-2023 on the 2003 negotiation tactics more damaging to U.S. interests than the positions taken regarding the RMI nuclear testing claims. Extensive authoritative rebuttal here would be gratuitous, so suffice to say that State perpetrated a legal hoax to the effect that any further mutually agreed measures to address the nuclear testing legacy would “re-open” claims settled in 1986. When that theory was thoroughly debunked State changed its position to be that any such measures would undermine “other international settlements,” yet another false legal narrative easily disproven.

Rather than repeat a legal debate State lost on the merits and rationalized by agreeing funds could be used for such measures as long as the U.S. pretends that is not the intent, here is an accurate description of how COFA III properly can be understood:

- Article 18 of the RMI COFA Trust Fund Agreement provides \$700 million for purposes that include but are not limited to further compensation under the Section 177 Agreement. Such additional mutually agreed measures, which have the same purposes and effect if referred to as “ex gratia” measures, are authorized by the terms of the Section 177 Agreement, and are compatible with Article X and Article XII thereof, as well as Section 103(e) of the COFA Amendments Act of 2003 regarding settlement of all claims in U.S. courts within the scope of Article X and Article XII.
- The RMI COFA Trust Fund terms set forth in its Article 18 “Extraordinary Circumstances” funding provisions properly can and will be used by the RMI, without being impeded by any infringement by the RMI-U.S. COFA Trust Fund Committee, to implement Section 177(b) of COFA II and/or Section 105(c)(2) of P.L. 108-188, which remain applicable under COFA III, to meet needs and provide measures directly related to the effects of the U.S. nuclear testing on the people and environment of the RMI, including the continuing displacement of communities due to radiological contamination of their homelands.
- The addition to RMI CTF Article 18 of references to a “small” island community not recognized under Section 177 as a nuclear test “affected” atoll, has no plausible legal merit or effect as a pretext for claiming the purposes and allowed uses of Article 18 funding are not inclusive of needs related the nuclear testing program and claims that are not within the scope of those settled under Article X and Article XII of the Section 177 Agreement.
- Such unsettled claims and needs include any further RMI proposals for additional compensation under the “Changed Circumstances” provisions in Article IX of the settlement agreement, for which there is no evidentiary or adjudicative standard, but

rather enables RMI to present information in addition to that known to RMI in 1986, and propose more just and adequate compensation in a manner that presents a political rather than quasi-judicial question to Congress. That understanding of Article IX is consistent with the full and final settlement of all claims within the scope of Article X and Article XII of the Section 177 Agreement

- These understandings of the terms of the Section 177 Agreement are also entirely consistent with the rulings of U.S. federal courts in the *Juda, Nitol, Peter and Antalok* lawsuits (1987) and the *People of Bikini and Ishmael John (Enewetak)* case (2009-2010). The latter ruling rejected the argument that awards of the Section 177 RMI Nuclear Claims Tribunal should be adjudicated further and payment ordered in federal courts notwithstanding Article XII extinguishment of federal court jurisdiction over those claims. That outcome of the 2009-2010 rulings does not prevent federal court actions seeking further determination of whether the “just and adequate” standard set forth by Congress in Section 177(b) has been met as recognized by the ruling in *Juda v. United States*, 13 Claims Court 667 (1987), p. 689.

The exhibits and documents attached hereto provide substantiation of the COFA history outlined above.

All views expressed are those of Howard L. Hills, not any other person or organization. All information is from public record.

**OPINION PAGES**

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# Compact insider: Why US policy hurts FAS relations

HOWARD HILLS\*

The current President of the FSM recently expressed concern about the “fiscal cliff” his nation could face if the US Congress does not approve full funding agreements to carry out long term development plans under a new 20-year Compact of Free Association (COFA) III economic assistance package. Temporary funding under stop-gap budgets and unplanned disbursements from COFA II trust funds is precisely the fiscal disarray COFA III agreements awaiting legislative approval are intended to prevent. Meanwhile, the concerns expressed over destabilizing economic relations with Washington are music to the ears of Chinese Communist Party (CCP) agents and surrogates in the FSM, RMI and Palau.

Seemingly clear bipartisan support for COFA renewal in both Houses of Congress encourages hopes COFA III agreements will be attached as a rider on a “must pass” legislative vehicle. Still, forcing the Administration to come up with funding off-sets is being debated precisely because COFA is a strategic priority with bipartisan support to counter PRC disruption of American interests in the Pacific.

Yet, even the staunchest budget hawks agree \$7.1 billion over 20 years under proposed 2023 COFA III agreements represents both sound fiscal and strategic policy for the US and the three Freely Associated States (FAS). After all, in 2020 US negotiators offered the FAS a funding package that averted a fiscal cliff or disbursements from COFA trust funds by continuing COFA II levels of funding, and the current 2023 agreed COFA III significantly increases the 2020 US offer in proportion to evolving US strategic goals and objectives.

Still, even if Congress now approves COFA renewal agreements before the end of calendar year 2023, miscalculations in US negotiating positions advanced by the US Department of State have complicated transition from COFA II to COFA III. That has impeded not only COFA renewal but

## First in a three-part series on the Compact negotiations

“Upon approval by Congress, there will be a transitional period of adjustment to a new bilateralism, and interagency protocols intended to engender a more agile all-of-government oversight process.”

US diplomatic and security interests in the region.

Ironically, it was not the Biden Administration or Congress that brought the US to its senses on COFA renewal terms in 2021-2022. Rather, it was tenacious FAS diplomatic initiatives in which the RMI government played a leadership role that salvaged the COFA negotiations sufficiently for signature of the full agreement package by all four governments by mid-October of 2023.

That came too late to prevent failure of the original mission assignment for US negotiators, which was to get the COFA III approved before COFA II expired at the end of Fiscal Year 2023 on September 30. That uncompleted purpose required Congressional intervention to recommend appointment of a White House Special Presidential Envoy for COFA Negotiations, and to modify or limit the effect of failed US State Department negotiating positions.

Revision in 2022-2023 of what had been State Department controlled policy enabled the US and FAS to sign MOU's in early 2023 confirming principles for completion of negotiations. In June, hastily prepared and incomplete draft legislation proposed by State Department and Interior Department was sent to Congress before any of the FAS had signed a full package of agreements.

The draft State/Interior legislation was deemed “sloppy,” so a bipartisan Congressional working group led by senior

staff at the Senate Committee on Energy and Natural Resources produced a formal bill for approval of COFA agreements. When full and final COFA renewal agreements were signed, the draft Senate bill was handed over in a bicameral spirit of cooperation to the House Committee on Natural Resources (HCNR).

Introduced as HR 96, the Senate bill was reviewed and modified only superficially in perfunctory hearings and approved by unanimous consent, followed by no further action in Congress since. That parliamentary action precluded debate on amendments to address issues over which Congress historically has exercised vigilant jurisdiction for 75 years.

Whether that set the stage for bicameral COFA approval or was about HNRRC washing its hands of COFA perhaps will become clear when we see if COFA renewal is added as a rider to must-pass legislation before Congress goes home for the holidays.

If there is indecision in Congress about COFA renewal and budget politics, the one contributing cause could be the lack of a deeper dive in the HNRRC legislative oversight and ratification process. As we saw in the first State Department controlled COFA negotiations in 2003, where international agreements are approved in both house of Congress by federal statute instead of Senate treaty ratification, failure of Congress to address vital issues left ambiguous by State Department negotiators can do real damage to the overall

COFA success story.

Upon enactment as US federal law, provisions of HR 96 will reject and replace State Department 2020-2022 directives limiting negotiators to deal-breaker US positions that included but were not limited to:

- Termination of US Department of Education program authorization and reduced education sector grant funding.
- Absolute prohibition of allocations from a dedicated \$700 million US contribution to RMI COFA future needs trust fund to meet US commitments and as mutually agreed justly compensate the RMI for on-going effects of the US nuclear testing program on people and the environment in the RMI.
- Omission of provision for effective re-organization enhancing State, Interior and Defense accountability to President and Congress for COFA law implementation.
- Continuation of State Department controlled rubber stamp interagency policy-making monopolizing FAS affairs from 2003 to 2020 could have prevented COFA renewal for even longer period in which PRC can exploit fiscal instability in COFA affairs. The unintended consequences of those State Department positions would include increased pressure on families in the FAS to relocate to the US as non-immigrant residents under COFA.

Instead, support in the FAS, White House and Congress for restoration of a White House directed interagency process through National Security Council (NSC) and Office of Management and Budget (OMB), enabled and facilitated overall successful engagement by the three FAS governments in the COFA negotiations that has been historic.

Upon approval by Congress, there will be a transitional period of adjustment to a new bilateralism, and interagency protocols intended to engender a more agile all-of-government oversight process. One hopes that this can renew and strengthen the 75-year US and FAS relationship, so that State, Interior and other federal agencies can conform policies to the US COFA III statute, rather than indulging narrow agency “equities” without accountability, creating friction instead of goodwill in the FAS as we saw too often under COFA II (2003-2023).

*\*Howard Hills was Counsel for COFA negotiations in Executive Office of the President (1982-1986); Counsel for Inter-agency Affairs, Office of Freely Associated State Affairs, US Department of State (1986-1989); Senior Advisor to the Assistant Secretary of the Interior for Insular and International Affairs and Special Presidential Envoy for COFA Negotiations (2020-2023). Opinions expressed are those of the author and are not attributable to any other person or organization. All information is sourced in public record communications 2020-2023.*

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# Will Compact 3 restore US compliance with Section 177?

HOWARD HILLS\*

State Department "legal guidance," communicated to RMI and Congress from 2003 to 2023, has asserted as "US policy" that terms of a \$150 million settlement in 1986 preclude further compensation or measures addressing injury and loss directly related to nuclear testing, a legal position that would appear directly at odds with relevant US international agreements, federal law and federal court rulings.

**President's Special Envoy's candor with Congress points pathway to COFA III success**

In a Congressional oversight hearing before a committee in the US House of Representatives on October 19, 2023, the US Special Presidential Envoy for Compact of Free Association (COFA) Negotiations explained the terms of COFA III related to the US nuclear testing legacy in the RMI. In particular, Ambassador Joseph Yun described the provisions under which a special \$700 million sub-fund to address the legacy of the US nuclear testing program will be administered as part of the larger RMI Compact Trust Fund economic assistance package.

Ambassador Yun's testimony describing US authority to approve use of COFA funds was

**Second in a three-part series on the Compact negotiations**

consistent with COFA III agreements also defining the role and authority of RMI in determining use of that \$700 million sub-fund. Yun emphasized compromise provisions that made final RMI agreement to COFA III possible, and enable further mutually agreed accommodation in COFA Trust Fund Committee implementation of agreements on use of the \$700 million sub-fund.

"The US controls... how much is spent, we will also control through the Trust Fund Committee where it will be spent... so it depends very much on implementation, and it depends very much on the smooth working of the Trust Fund Committee, between the RMI and United States... So, again, there is plenty of Congressional oversight... it is all about implementation... the process is going to be done by smooth working between trust fund committee members..."

RMI leaders wisely compromised with Yun to secure general agreement on the \$700 million sub-fund, and to go forward relying on implementation mechanisms for affirmative measures directly related to past, present and future needs due to the effects of nuclear testing and the

alternativ. This will allow evolving policies and practices in the use of these funds that best serve the interests of the US and RMI.

**US promises unfulfilled under COFA I can be redeemed under COFA III**

Permissible use of the \$700 million sub-fund can and will include measures that are directly related to injury and loss caused by the US nuclear testing program. Indeed, as noted in the "White Paper" attached to the impactful September 18 letter from Bipartisan Indo-Pacific Task Force Chair Amata Radewagen to House and Senate leaders urging action on RMI nuclear legacy, the primary justification for US agreement to provide a \$700 million sub-fund is US commitment to address lingering nuclear testing impacts.

Specifically, Radewagen's letter notes per capita funding for FSM, Palau and RMI under the COFA III would be roughly comparable, except for the \$700 million RMI sub-fund. That disparity can be explained only by the need to mitigate

the on-going plight of whole communities still displaced from their homelands by radiological contamination, and address the persistent social, political, economic, environmental and cultural impact of the nuclear testing legacy.

**State Dept. "legal guidance" is illusory and misleading**

By its terms, the 1986 Section 177 Agreement provides a permanent framework for US and RMI bilateral responsibility for specific on-going measures directly related to injury and loss caused by US nuclear testing. The Section 177 Agreement is the only COFA agreement other than the Strategic Denial pact under Section 321 and Section 323 that can be amended or terminated only by mutual consent of the parties.

Yet, beginning in 2003, the US State Department has misrepresented the terms of the 1986 settlement, the federal court rulings upholding it, and the 1986 as well as 2003 federal statutes approving and implementing the Section 177 Agreement. Specifically, for 20 years it has been State Department's stated view that the Section 177 Agreement "is a full and final settlement" of all claims related to the nuclear testing program, and that any further compensation or US

Continued page 29

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OPINION PAGES

Hills: 'The selective recital of terms is disingenuous'

From page 17
measures directly related to the US nuclear testing program would create plausible legal grounds to "re-open" legal liability claims terminated by the 1986 claims settlement.

under Articles X and XII of that settlement (See, Section 103(e), US Public Law 100-188).
However, the State Department has adamantly repeated and asserted to the RMI and Congress that under Section 103 of the 1986 and 2003 COFA law, the Section 177 Agreement is only a "final and final settlement." Yet, recital of US law in State Department "legal guidance" to RMI and Congress has omitted reference to the next phrase appearing in Section 103, which is "except insofar as provided in the Section 177 Agreement," that modifies "final and final."

tion is in the nature of a bureaucratic hoax by departmental staff attorneys seeking to control US policy rather than advise on legal issues.
Contrary to statements made by State Department officials submitting the 2001 RMI Changed Circumstance petition submitted under Article IX of the Section 177 Agreement, as well as statements made by State Department officials in the RMI during the 2019 US "Listening Tour" in preparation for COFA III negotiations, there is no basis in the Section 177 Agreement for the State Department assertion that \$150 million paid in 1986 was ever intended to fully discharge and end all compensation under the settlement.
Indeed, just the opposite since, for two examples among many, Article VI of the Section 177 Agreement and Section 103 of the 2003 COFA II approval and implementation act authorized and Congress appropriated large compensatory payments for Bikini and Rongelap resettlement, respectively. In fact, between 1986 and 2023 the US government provided an additional \$200 million over and above the \$150 million paid originally under the 1986 settlement as a down payment on a disbursement of \$6.5 billion in court cases pending US courts in 1982.

Continued page 33

LAND REGISTRATION AUTHORITY

Deed of Trust/Mortgage Registration No. 009-2024

KEJJJELA NAN JABREWOT
Kojela nan jabrewot amij eo ewer an maron lo jikin in an Maer H. Loak & Ringo Clarence eo ej Lease i lo Mejen Welo, Rairok, Majuro Atoll, two in ej Lease o kajon Bon Land Registration eo two in register a Lease in ej Jortokik kaka. Jabrewot emaron etate papa in Lease in Jortokik kaka in office eo an Land Registration in Room 4, room No. 407 in MDRB Building eo in Dapag, Majuro Atoll, Tel/Fax (692) 625-7171. In no in ewe in jortokik ko.

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Deed of Trust/Mortgage Registration No. 009-2024

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LAND REGISTRATION AUTHORITY

Notice of Registration Application (Land Recording & Registration Act 2003) Application No. 2024-001

This notice is issued under Part V of the Land Recording and Registration Act 2003 and gives notice that an application to register land owner interests on Likinnejak Welo, Laura, Majuro Atoll. The land subject to this certificate is defined on Survey Map MCB11022 which is filed in the Office of the Division of Lands and Survey, Ministry of Internal Affairs.

The total land area of this portion of land is: 2.9621 Acres. The party making this application is:

Peter Jay Tahoe Nashon: Inajpobik (where applicable) Peter Jay Tahoe Nashon: Akab Peter Jay Tahoe Nashon: Sewior Ori-Jorbal

The full application is available for inspection at the Office of the Land Registration Authority, MDRB Building, Floor 4, Room 406/407, Majuro during normal office hours. Inquiries should be sent to: P.O. Box 3215, Majuro, Republic of the Marshall Islands, 99900. Phone: (692) 625-7171.

If any person wants to object to this application on the grounds that he/she is the rightful holder of any interest described in the application, that person should file an objection with the Land Registration Authority no later than 4:30pm 2 October 2024.

Section 427(2) of the Land Recording and Registration Act 2003 specifies that the following information must be filed with the application: Name and address of each objector; statement of objection and reasons; copies of any documents supporting the objection and indubitably attested signatures of each objector, certifying that all statements made in the objection are true. The notice is given by the Land Registration Authority on JIMMUCX-7-1324.

Kajin Majot oher ijo Office on an LRA MDRB Building, Dapag Room 406/407.

LAND REGISTRATION AUTHORITY

Deed of Trust/Mortgage Registration No. 010-2024

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**OPINION PAGES**

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# 'Don't ask, don't tell' position

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State Department lawyers attempted to distinguish the 2003 COFA II, Section 103 additional compensation as "ex gratia," which simply means out of compassion not legal compulsion or liability. But the Section 177 Agreement authorizes additional compensation out of compassion if "mutually agreed" which is indistinguishable from "ex gratia" measures. Similarly, the unique features of the Section 177 Agreement described above make it sui generis, so that it can be differentiated from any other international settlement. There is no merit in State Department suggestion that additional compensation for the RMI would disrupt other claims settlements.

Indeed, the 2003-2023 State Department driven US refusal to discuss the nuclear testing legacy in COFA negotiations, consider proposals to increase compensatory and/or compassionate measures to address nuclear related needs, or consult on proposed mutually agreed and/or ex gratia remedial measures arguably has risen to the level of constructive breach of the 1986 Section 177 Agreement.

Similarly, the State Department's unilateral assertion that RMI's 2001 "changed circumstances" petition was subject to a legal or scientific standard, rather than a political question for Congress, was not impartial and had no basis under Section 177 or related law.

Accordingly, a correct understanding of the Section 177 Agreement as represented by senior officials and lawyers for both Department of State and Department of Justice to Congress and the federal courts in the 1982-1987 period would be consistent with use of the \$700 million sub-fund for measures including:

- Continued implementation of the Section 177 Agreement under COFA I, inclusive of partial, pro-rata or payment in full of some or all awards by the RMI Nuclear Claims Tribunal
- Continued implementation of measures under Section 103 of COFA II
- Implementation of COFA III \$700 million sub-fund consistent with both the Section 177 settlement and COFA III.

**COFA III accountability features correct past US policies at odds with 1986 settlement**

Ambassador Yun's testimony in the Congressional hearing on COFA did not opine on RMI or US legal interpretations. Instead, he confirmed the terms of the COFA III RMI Trust Fund Agreement enable the US and RMI to reach and implement an evolving understanding of optimally beneficial mutually agreed uses of the \$700 million sub-fund. As also noted, COFA III enhances Congressional oversight for State, Defense and Interior as well as Trust Fund Committee. This combination of strength-

ened Congressional oversight and State/Interior reporting requirements will give both RMI and US more effective all-of-government capabilities to monitor and manage COFA III implementation within crossed transparency and new accountability tools.

That provides representatives of each government on the RMI Trust Fund Committee the time and opportunity to fully and finally consider the US State Department's shifting and inconsistent legal positions in determining implementation of the \$700 million sub-fund provisions in the RMI COFA Trust Fund Agreement.

Ambassador Yun also was emphatic before Congress that success of the \$700 million nuclear testing legacy sub-fund and COFA III economic assistance more generally depended on designation of competent policy leadership on the Senior Interagency Group on Free Associated States, recommending: "... Emphasis is needed from the Committees in Congress...the interagency group must have senior personnel present... how much this group does will depend on the seniority of the actual group."

Finally, it is noted there could be serious unintended consequences if the US persists in adherence to the State Department "don't ask, don't tell" denial that the purposes of the \$700 million sub-fund include primarily measures to address needs directly related to the nuclear testing legacy. For example, it may be possible the US will be denied

"credit" by a federal court for contribution to the \$700 million sub-fund in any future litigation in US courts regarding adequacy of US compensation for injury and loss caused in RMI.

The *Juda v. US* case and related rulings (Peter, Antolok, Nitel), upheld the termination of statutory jurisdiction over RMI nuclear test claims, but retained constitutional jurisdiction over the question of whether the amount paid by the US when the "settlement has run its course" is "just and adequate" as promised in 177. Thus, it is the State Department position since 2003 that all compensation owed has been paid that increases litigation risk that could reopen the settled claims.

*All statements and opinions are those of the author and not any other person or organization, and all information is sourced in public record communications.*

*\*Howard Hills was Counsel for COFA negotiations in Executive Office of the President (1982-1986); Counsel for Interagency Affairs, Office of Freely Associated State Affairs, US Department of State (1986-1989); Senior Advisor to the Assistant Secretary of the Interior for Insular and International Affairs and Special Presidential Envoy for COFA Negotiations (2020-2023). Opinions expressed are those of the author and are not attributable to any other person or organization. All information is sourced in public record communications 2020-2023.*



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# COFA III: Good news, bad news

**Good News:** COFA III secures vital FAS interests and resources

Upon approval as expected in early 2024, the bilateral "COFA III" agreements reached by the US separately with Palau, FSM and RMI in 2023 will enhance free association as a strategic alliance. Final agreed terms for economic assistance grants, federal programs and services, as well as COFA trust fund management, reflect important changes in the US government's COFA renewal offers, after the US Special Presidential Envoy for COFA Negotiations, Joseph Yun, was appointed in 2022.

What can be referred to as "COFA III" for each of the three Free Associated States (FAS) can be implemented to strengthen the capacity of these sovereign nations to preserve democracy, rule of law, stable economies and strategic security. COFA III also enhances terms including federal program eligibility for FAS citizens to enter and reside lawfully in US territories and states as non-immigrants pursuant to COFA Section 141.

COFA III is "more perfect" than COFA II, but continued areas of frustration, friction and disputes can be resolved by adaptive implementation, or if warranted by seeking mutually agreed amendments to COFA agreements. It represents the success of COFA that since 2003 each FAS now asserts by greater measure the rights of sovereign independence in relations with the US as well as bilateral and multilateral foreign relations.

To prevent a repeat of 2003 over-reaching assertion of asymmetric power by the US in COFA II negotiations, in early 2020 the RMI signaled rejection of preliminary economic assistance offers, consistent with COFA II levels in the \$3.5 billion range over 20 years, to be allocated among the three FAS.

Instead, the RMI called for appointment of a US presidential envoy and "more serious economic offers" to avoid 2023 COFA renewal mission failure. In negotiations after a Special Presidential Envoy was appointed in 2022, the US offer increased from \$3.5 billion in 2020-2021 to \$7.1 billion. For the RMI that includes both significantly increased economic assistance grants and US COFA Trust Fund

## Third and final installment of a three-part series on the Compact negotiations



**"Yun" typically candid answer was that responsible management of the trust funds 'crucially depends' on 'smooth implementation' of the COFA Trust Fund Agreement (CTFA) by the jointly appointed by US controlled Trust Fund Committee (TFC)."**

US Special Presidential Envoy for COFA Negotiations Joseph Yun.

contributions benefiting vital sectors including health, environmental recovery and stabilization, education, Kwejalein development, and US nuclear testing impacts (see discussion below).

Revisions to joint COFA grant management oversight and COFA Trust Fund Committee protocols, as well as confirmation of authority and funding sources for all federal programs and services, including US Department of Education and US Postal Service, are intended as enhancements under COFA III if implemented effectively.

COFA III is intended to prevent presumptions that US economic assistance and federal programs will end in 2043. Thus, unlike 2003 COFA II, COFA III contemplates mutual agreement before 2043 that continued economic support for FAS in parallel with US mutual security and defense authorities.

**Bad News:** Hangover from 2003 COFA clouds promise of 2003-2023 COFA renewal

In 2003, the FSM/RMI COFA II and 2010 Palau COFA II renewal terms signaled a US State Department plan for reduction of US obligations and commitments for guaranteed future economic assistance. US defense rights authorities did not expire, but FAS economic rights

expired if not renewed periodically. That imbalance was made even less equitable under COFA II in 2003.

Specifically, Section 134 of COFA II mandates that even if Title Three is terminated by the FAS the US "defense veto" applicable under Title Three would thereafter be retained and combined with strategic denial powers of US under the separate "Agreement on Friendship, Cooperation and Mutual Security." FAS compliance with that expanded defense veto power is a condition of continued FSM and RMI access to COFA trust funds, which would remain under US control.

This provision purporting to give the US "defense veto" power over any action of the RMI and FSM governments, including internal self-government as well as international affairs, even after free association has been terminated in favor of full independence, is in contradiction to domestic and international law recognized by the United States. That includes the 1978 Hilo Principles, COFA I (P.L. 99-239), and US ratified U.N. Resolution 2625 (1970), all requiring free association to be freely terminable without coercive features to qualify as a decolonized political status.

That legacy of 2003 over-reaching under COFA II provides context for FAS

political realism about the 2023 COFA renewal process. For it is clear that stability and continuity in US political, economic and strategic security relations under COFA was exposed in 2023 to undue political risk by failure to approve COFA III before COFA II expired.

That is underscored by PRC effective disruption tactics that COFA renewal delays made possible. All due primarily to the US State Department's 2020-2021 negotiating positions rejected first by the FAS, and then by Congress and the White House, when disclosed to NSC as the cause of an impasse on COFA renewal with RMI and Palau.

Although appointment of a highly skilled Special Presidential Envoy in 2022 salvaged failing negotiations, US State Department resistance to change in the US negotiating positions contributed to failure of COFA III approval before COFA II expired. That sent exactly the wrong signal to those in Congress who in turn made the US Senate crafted COFA III bill introduced as H.R. 96 a bargaining asset in an end of session poker game over emergency measures on Ukraine, Israel, US border security and illegal drugs.

Instead of approval in good order, inclusion of COFA III to prevent crisis and conflict in the Pacific in highly politicized emergency legislation gained nothing for stakeholders in that controversial debate. Delaying COFA III served only to enable PRC surrogates in the FAS seeking to disrupt the COFA success story intricately and ingeniously engineered by the Special Presidential Envoy and FAS governments.

State Department staff continues to undermine nuclear testing and/or climate change solutions

The RMI's COFA Trust Fund Agreement (CTFA) includes \$700 million above and beyond all otherwise comparable COFA III funding levels for Palau, FSM and RMI. The stated purpose of this RMI supplemental funding is to address "Extraordinary Circumstances" of RMI communities, especially small, remote islands in need for support to sustain resiliency due to forces beyond their control.

That can include climate change, food security and health care needs, or other extreme challenges and existential threats. But over the strident objections of State Department lawyers since 2003, the President's envoy confirmed to Congress what everyone knows. Intended uses of the \$700 million special fund also can include measures related to the effects of the US nuclear testing program on people and the environment in the RMI.

Consequently, COFA III approval will require continued negotiations by RMI, due to failure of negotiators despite best efforts to reach true mutual agreement on terms for using all or part of a special \$700 million US contribution to the RMI-US COFA Trust Fund. That was confirmed on October 19, 2023, when the House Natural Resources Committee

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# United States being 'dishonest' on its nuclear message

From page 12

tee chairman asked Ambassador Yun in a hearing how the COFA III agreements would ensure the COFA trust funds would be "responsibly managed."

Yun's typically candid answer was that responsible management of the trust funds "crucially depends" on "smooth implementation" of the COFA Trust Fund Agreement (CTFA) by the jointly appointed by US-controlled Trust Fund Committee (TFC). Yun's clear message was the success will require that mutual agreed measures prevail over unilateral US or RMI interpretations of provisions intentionally left ambiguous in Article 18 of the CTFA to bring negotiations to completion.

Yun's admonition implicitly requires US and RMI to compromise and accommodate nuclear testing legacy measures as related extraordinary circumstances. However, best evidence of how and why further negotiations on TFC use of this large contribution may require more than agile "implementation" is the example Yun gave for how \$700 million can and should be used under Article 18, as follows,

"We're not going to have the mistakes of the past, where managing is given over, if you remember, to the Bikini Trust Fund, that now has become, you know, virtually nothing."

Section 177 Agreement trust funds established under COFA I in 1986 are protected by withdrawal caps and strict reporting protocols. It was State Department and Interior Department lawyers who approved the 2017 amendment to relinquish U.S. oversight of spending from the separate Bikini Resettlement Trust Fund. The \$60 million corpus of Bikini's resettlement trust had been prudentially managed under the 1982 and 2008 trust fund agreement, until 2017 when the U.S. abandoned its statutory as well as trust fund agreement oversight role.

In that 2017 agreement, the US also agreed compensation for Bikini's resettlement was inadequate, even though a federal court had approved that amount as full compensation under Article VI of the Section 177 Agreement and dismissed the Bikini lawsuit on that basis. Will RMI seek restoration of funds the US failed to monitor, unpaid Nuclear Claims Tribunal awards, other Section 177 implementation measures? If the Trust Fund Committee refuses, will implementation of CTFA Article 18 go "smoothly" in US and FAS as Yun envisions?

Since 2003 the State Department has asserted without legal basis that no US funding can be provided related to the nuclear testing legacy above the \$150 million provided in 1986 under the COFA Section 177 Agreement terminating pending court cases. Instead, although not provided in the Section 177 Agreement, the State Department argues the only pathway to additional compensation is the "changed circumstances" provision in Article IX of the 1986 settlement, which is strictly a political question for Congress to decide

without any legal adjudication.

In 2003, the RMI and Congress ignored the non-moratorium State Department legal position and provisions of the COFA II act authorized additional compensation triggered by RMI request for extension of expiring provisions of the Section 177. Under those amendments in Section 103(e) of the 2003 COFA Act, from 2004 to 2023 an approximate total of \$209 million in additional compensation was provided by mutual agreement (including ex gratia measures) over and above the \$150 million paid under Section 177 in 1986.

Now, in 2023, H.R. 96 re-enacts the provisions of Section 103(e) in the 2003 COFA Act, confirming that the Section 177 Agreement remains fully in effect and authorizes additional compensation. Section 261(j) of the 2023 COFA III Act even includes \$15 million in new funding for RMI nuclear testing legacy research that will provide data and evidence to support any future Article IX changed circumstances petition, or litigation before federal courts challenging whether US compensation was sufficiently "just and adequate" to end US responsibility under Section 177.

In support of its discredited legal position since 2003, the State Department cites 2009 rulings by federal courts in the case of John v. United States and People of Bikini v. United States, denying restoration of lawsuits brought under federal claims statutes in 1986. But a closer reading of those rulings reveals it does not bar constitutional claims recognized by four federal court rulings upholding the Section 177 settlement in 1987, once US mutually agreed measures stop, which is what State Department now has declared.

In 2020-2023 the State Department distinguously agreed the US can provide more funding to address nuclear testing after all, but only as long as that purpose is not disclosed in COFA renewal agreements with RMI. The dishonesty of the State Department position is now openly a matter of wanting moral credit for addressing the nuclear legacy, but unwillingness to admit it has been wrong legally since 2003. The result is that unless its legal position is changed the US will get neither moral nor legal credit for COFA III funding intended to address the nuclear testing legacy.

**Opinions expressed are those of the author and are not attributable to any other person or organization. All information sourced in public record communications 2020-2023.**

*Howard Hillis was Counsel for COFA negotiations in Executive Office of the President (1982-1986). Counsel for Interagency Affairs, Office of Freely Associated State Affairs, US Department of State (1986-1989); Senior Advisor to the Assistant Secretary of the Interior for Insular and International Affairs and Special Presidential Envoy for COFA Negotiations (2020-2023). Opinions expressed are those of the author and are not attributable to any other person or organization. All information is sourced in public record communications 2020-2023.*

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CONGRESSIONAL RECORD, MARCH 6, 2024:

Statement by Chair, House Committee on Natural Resources Task Force on Indo Pacific

NOTE: The strategic importance of the Pacific Islands treaties was mentioned by the President in the State of the Union on March 7, 2024, the day after being passed by the House on March 6, 2024, after which the agreements were passed by the U.S. Senate the next day on March 8, 2024. This was accomplished through the leadership of Senate Energy and Natural Resources Committee Chairman, Senator Manchin, and Ranking Member, Senator Barrasso, with the support of Senator Ben Cardin, Chairman, and Senator James Risch, Ranking Member, Senate Foreign Relations Committee, before being signed by the President on March 9, 2024.

An insightful expression of legislative history and Congressional intent related to COFA ratification was offered by Congresswoman Amata Radewagen on March 6 for the House Congressional Record. This record of House proceedings on COFA are of interest because these remarks were made in the Congresswoman's capacity as the Member of Congress appointed by Chairman Westerman and Ranking Member Grijalva to serve as Chair of the House Natural Resources Committee's Task Force on Indo-Pacific Affairs, also Co-Chaired by Representative Sablan of the Northern Mariana Islands:

Mrs. RADEWAGEN. Mr. Speaker, I rise today in support of the 2024 Consolidated Appropriation Act and the inclusion of language from the Compact of Free Association Amendments Act. As a Member of Congress who has lived my personal as well as my civic life among the peoples and leaders of the Pacific Island nations and territories, I want first to recognize here the inclusive leadership of Speaker Johnson, House Natural Resources Committee Chairman Westerman, and House Foreign Affairs Chairman McCaul. Each of these leaders in our current House Majority reached out for my insights and perspectives as a House member who comes from the Pacific, regarding this legislation approving renewal of the Compact of Free Association.

I also join all stakeholders in the future success of America's relations with the U.S. aligned nations of the Pacific, as well as our American territories, in expressing deep gratitude for the bipartisan and bicameral coordination and cooperation in Congress on COFA renewal from 2020 to 2024. As House and Senate committee members we provided necessary policy guidance to the President, National Security Council, State Department, and Interior Department, making clear Congressional interests and expectations that would need to be addressed before statutory ratification by both Houses of terms included in COFA renewal agreements.

This bipartisan cooperation included the support of House Natural Resources Committee Ranking Member Grijalva and House Foreign Affairs Committee Ranking Member Meeks. Both colleagues cosponsored H.J. Res. 96 with Chairman Westerman and Chairman McCaul. Thereby endorsing the original COFA renewal bill that has been inserted in the bill we approve today, which was developed through the bicameral and bipartisan cooperation with the leadership and staff of the Senate Energy and Natural Resources Committee and Senate Foreign Relations Committee, in conjunction with House and Senate hearings on COFA renewal.

Of equal importance, all stakeholders in the COFA success story should recognize the national leaders and peoples of our COFA partner nations for strong commitment to the future success of the COFA alliance. Our closest allies in the Pacific acted with wisdom and patience during delays in the COFA renewal process due to initial U.S. negotiating positions that were not feasible in the COFA nations or in Congress. When ill-advised U.S. positions resulted in failure to conclude negotiations and approve COFA III before COFA II expired, the island government heads of state, ministers and chief negotiators worked with U.S. negotiators and Congress to sustain the COFA II framework until the job approving COFA III was done.

The Special Presidential Envoy appointed on the bipartisan and bicameral recommendation from many of us in Congress managed to salvage the COFA negotiations. Ambassador Yun overcame resistance in some dark corners of the Executive Branch bureaucracy sufficiently for the COFA nations to accept and for Congress to approve the package we are ratifying today.

The PRC communist dictatorship used its presence in the COFA nations to exploit the delay in COFA approval, attempting to influence elections, disrupt political and economic processes, and spread corruption. The dedication of these nations to the COFA alliance prevailed, and renewal of our 75-year relationship represents the success of self-determination and self-government over PRC political warfare and imperialism. That makes what we do today a success for democracy and freedom as well as the strategic national security capabilities COFA provides so the U.S. can continue to lead and defend a free and open Indo-Pacific.

The lesson of history in the Pacific is that funding our Compact of Free Association with the U.S. aligned Pacific Island nations of Palau, Federated States of Micronesia and the Marshall Islands could make a difference between peace and war in the Pacific. The COFA alliances secure vital U.S. national security interests and redeem promises of friendship between America as a pacific nation and the peoples of these strategically located islands first forged in the tragedy and misery of WWII.

From 1947 to 1986 under a U.N. trusteeship administered by America the U.S. Congress provided for governance of the islands in Palau, Micronesia and Marshall Islands under both international self-determination law and the domestic model of territorial law and self-government. From 1986 to 2003 under COFA I, the U.S. Congress continued the policy combining international political status of the Free-Associated States (FAS) consistent with the domestic territorial model economic assistance and federal programs.

In 2003, the U.S. renewed COFA for RMI and FSM, but established COFA trust funds that contemplated reliance on proceeds of investment in lieu of continued direct U.S. economic assistance in 2023. Section 354(c) of the 2003 COFA created asymmetry between the certainty of U.S. defense rights and uncertainty about whether trust fund proceeds would be sufficient to sustain a politically feasible balance of burdens and benefits for the FAS established under the U.N. trusteeship and COFA I.

That same uncertainty was created by terms the U.S. offered to renew Palau's COFA I in 2010. What seemed to emerge was a U.S. State Department policy seeking to reduce and inevitably phase out all or most of the domestic economic and federal program features of COFA. U.S. ambassadors in the FAS and region openly explained that closure of the Office of Freely Associated State Affairs was due to U.S. plans to ratchet down COFA economic cost so those nations would have relations with American more like all Pacific Island Forum nations.

Until reversed after Congress objected, in the 2020-2023 period, the U.S. position in COFA renewal negotiations continued the 2003 State Department policy scaling back U.S. economic assistance and federal programs. Beginning in 2020 leaders in Congress on COFA renewal oversight called for revision and reform of U.S. negotiating playbook to restore the balance of special U.S. defense rights and special economic assistance and programs under the trusteeship and COFA I.

That restoration of sustainable balance of burdens and benefits will be attained by approval of the Compact of Free Association Amendments Act of 2024 (COFA) pursuant to Division G, Title II of the legislation we approve today will bring to culmination a successful bi-partisan and bicameral Congressional process for statutory ratification of international agreements renewing our Compacts with the FSM, RMI and Palau. This effort included the House Natural Resources Committee report to the full House approved by unanimous consent on November 8, 2023, supporting approval of H.J. Res 96, the original bipartisan bill to approve the COFA amendment agreement package completed for all three COFA partner nations on October 16, 2023.

This was not merely a parliamentary feat for the Chairman or Committee majority, because HNRC approval set in motion timely confirmation by all relevant House and Senate committees that H.J. Res. 96 was ready for floor action in both chambers. This reflects responsible bipartisan and bicameral recognition by our leadership in both Houses that the U.S. gets no better return on investment of taxpayer dollars than we do on international security and defense alliances under COFA. Specifically, COFA entails obligations of \$7.1 billion for exclusive strategic control for 20 years over military access to the vast and vital mid-Pacific Sea lanes, islands and airspace of the COFA nations that straddle the equator across the western and northern Pacific.

Still, even after the strategic and foreign policy necessity of COFA approval was recognized, the pathway to authorization and appropriation of funding for mostly mandatory economic assistance grants and discretionary programs for the COFA nations--over 20 years from FY 2004 through 2043--was not certain until application of budget rules for Congressional disposition of the 2024 national security emergency appropriations legislation to which COFA had been linked were determined. We now have in the legislation before us an agreed framework for approving ways and means to meet fiscally responsible economic assistance commitments that sustain the COFA alliances with the Republic of Palau, Republic of the Marshall Islands and the Federated States of Micronesia. However, the real work of defending democracy, rule of law and political as well as economic freedom in the American aligned Pacific nations does not end but rather begins anew with approval of the three bilateral COFA agreements we renew with this legislation.



The threat of PRC and its surrogate regimes to the U.S. homeland from Guam and Northern Mariana Islands to Hawaii is matched by aggressive PRC political warfare in the Pacific Island COFA ally nations of Palau, Marshall Islands and Federated States of Micronesia. Destabilizing our COFA partner nations is a primary goal of the PRC in its menacing plan to surround and subjugate Taiwan through economic, political and if necessary, military coercion. U.S. failure to sustain the COFA firewall protecting democracy in the region will expose U.S. territories, our COFA allies and our western border states to impacts of political aggression, economic coercion and destabilization that will accelerate migration from the COFA countries in the decades ahead.

Just as it was during the first half of the 20th century in the era of Japanese imperialism leading to WWII in the Pacific, in the third decade of the 21st century PRC imperialism seeks domination and control of the Micronesian region as a platform to gain strategic control of the greater Oceanic region. Now referred to as the Blues Continent, the islands and archipelagoes of the mid-Pacific can join and unite Asia and the Americas to promote freedom and prosperity or descend into conflict and confrontation. COFA comparably is to peace and security in the Pacific what we hope NATO will continue to be in Europe.

That is why on September 18, 2023, as Chair of the House Natural Resources Committee Task Force on the Indo-Pacific, I wrote to the Chair and Ranking Member of that House Committee and the Senate Committee on Energy and Natural Resources, urging approval of the Compact of Free Association (COFA) between the U.S. and our three closest strategic allies in the Indo-Pacific, Palau, Marshall Islands and Federated States of Micronesia. At that time, the 2003 COFA II agreement was set to expire and regrettably did so at the end of FY 2023.

Inclusion of some but not all of the COFA agreement funding for FY 2024 proposed in the COFA renewal agreements under the temporary spending measures after October 1 did not send the strong signal of strategic stability and continuity of U.S. commitment our COFA alliance partner nations needed to counter PRC political warfare threatening America's seven-decade success preserving peace in a free and open Indo-Pacific. That initial failure to provide funding in the Pacific to sustain partnership with our closest allies in the Pacific for the next two decades at this juncture was a miscalculation and self-defeating U.S. policy that we are correcting and ending today.

We supported our leadership in finding a path forward, replacing delay and misdirection caused by initially failed U.S. negotiating positions on COFA renewal agreements with approvals and funding authorization also will end political jousting and gambling with our strategic interests in the Pacific. As noted, Congress will need to exercise oversight of COFA III implementation to ensure provisions of this new COFA III package enacted as federal statute not as a Senate ratified treaty are implemented as statutory mandate by all federal authorities, not as merely policies to be modified or altered in implementation at discretion of federal officials.

That is particularly true as to the U.S. Department of Education and Department of Veteran Affairs programs, the operations of the State

Department office responsible for COFA implementation under direction of the Interagency Group on Free Associated States Affairs, fiscal accountability standards applied by the Secretary of the Interior to monitor and manage economic assistance grants and coordinate federal programs, and the procedures and practices of the RMI and FSM Trust Fund Committee. The latter includes Congressional oversight to ensure that funding for extraordinary or exceptional circumstances in the RMI under Article 18 of the RMI COFA Trust Fund Agreement are used to address the legacy of U.S. nuclear testing in the RMI. That means that such funds shall be applied for the benefit and to meet needs of the people of the atolls specified and named in Article 18 related to the effect of the nuclear testing program on the people and environment in those similarly situated island peoples.

As confirmed by the President's Special Envoy in testimony on this COFA renewal package before Senate and House committees, the unique ``political and moral'' responsibilities and commitments of the U.S. to the RMI related to the nuclear testing legacy now continuing under Article 18 of the COFA Trust Fund Agreement includes not only past and present but future measures that further implement the Section 177 Agreement. The provisions of the Section 177 Agreement incorporated into this legislation confirm that the entirety of the agreement remains in full effect, and that all provisions of that settlement continue to apply according to terms of COFA I, COFA II and COFA III.

That continuity of law regarding the Section 177 Agreement includes the relevant provisions of Section 103 of COFA I pursuant to P.L. 99-239 and Section 103 of COFA II pursuant to P.L. 108-188, as well as the still authoritative jurisprudence of *Juda v. U.S.*, 13 Claims Court 667 (1987) relating to retained jurisdiction of federal courts. That specifically ensures that in accordance with Section 177(b) of the U.S.-RMI COFA, when measures taken under the Section 177 agreement end the amounts provided--under mutually agreed and/or ex gratia terms--the outcome of U.S. actions under the settlement must constitute just and adequate compensation.

Reversing the miscalculations of the 2003 COFA acts for FSM and RMI and the 2010 Palau COFA agreement that created uncertainty about post-2023 COFA economic assistance terms is achieved under the COFA III terms we approve today, which anticipate continuity in the COFA alliance not only for 20 years but continuing after 2043. That is imperative because COFA security rights for America and the COFA nations of the Pacific are imperative. Just as our southern border must be secured, our homeland borders and strategic boundaries in the Pacific, including Hawaii, Guam, CNMI, American Samoa and west coast, must be secured consistent with America's leadership of the free world.

Begin forwarded message:

**From:** 'Hills, Howard L' <howard\_hills@ios.doi.gov>  
**Date:** April 19, 2023 at 5:21:51 PM EDT  
**To:** Howard Hills <howard.hills@me.com>

Brief history of RMI nuclear testing claims settlement:

- 1986 U.S. requests RMI government settle \$6.5 billion active lawsuits by RMI citizens in U.S. courts, so Congress can approve Compact of Free Association, U.S. can terminate U.N. trusteeship and develop missile defense program at Kwajalein without delay due to litigation.
- Earlier ex gratia compensation by U.S. under PL 95-134 and 96-205 for cancer treatment and radiation related health care/dislocation payments were declared full and final settlement of all claims and stripped federal courts of jurisdiction by act of Congress, but estimated \$49 million provided by 1986 was deemed clearly inadequate, so that ex gratia compensation was incorporated into 1986 settlement.
- Compact Section 177 mandated "just and adequate" settlement, and 1986 settlement provided "full settlement," but settlement terms and Congressional approval statute authorized additional measures including "health surveillance and radiological monitoring...and other activities and programs as mutually agreed," and/or ex gratia measures for injury to persons, damage to property, island rehabilitation/resettlement costs "unknown at this time" in 1986.
- "Full and final" terminology added to 1986 settlement approval statute by Congress, confirming termination of federal court jurisdiction over legal liability claims, but Section 177 settlement is not executed agreement, no expiration, terminable only by mutual consent, fully amendable.
- Out of \$150 settlement (1986), \$40 million allocated for individual compensation, RMI claims tribunal awards to individuals \$2.3 billion.
- In 2008 leadership of U.S. Senate Committee on Energy and Natural Resources supported S. 1756, expanding nuclear test related health care from four islands to ten, made RMI citizens eligible for U.S. nuclear industry occupational compensation, RMI rejected as inadequate.

Memo

RE: Opportunistic manipulation of interpretative legal authority on “ex gratia” measures to address RMI Nuclear Testing Legacy

FROM: Howard Hills

State L has adopted inconsistent and misleading positions to sustain its assertions that any new compensation measures related to the RMI nuclear testing legacy must not go above and beyond the \$150 million paid under the Section 177 nuclear test claims settlement, ending \$6.5 billion in lawsuits that had survived U.S. motions to dismiss in 1985 and were headed for trial.

For example, when confronted with the truth that under the Section 103 of the 2003 COFA renewal law (P.L. 108-188) from 2004-2023 additional nuclear test compensation was paid to RMI, State L falsely told representatives and appointees of the President that these payments did not “re-open” the settled claims because the Section 103 measures were “ex gratia,” and thus did not relate to or rely on claims compensation and mutually agreed measures under the COFA Section 177 Agreement.

Nice try, but Congress did not designate those Section 103 funds and measures as ex gratia, as it did in P.L. 95-134 and other RMI nuclear test related statutes when that was the actual intent and legal effect. Nor were the Section 103 new measures enacted under the four atoll post-Bravo nuclear test ex gratia provisions of 1986 and 2003 COFA statute Section 105(c)(2).

Rather, Section 103 expressly declares that the \$200 million it enabled in new measures was provided pursuant to the Section 177 Agreement (e.g. Section 103, Subsection(f)(2)(A-C), Enewetak/Bikini food security provisions to “without reimbursement to continue the food programs...under Section 1(d) of Article II...” of the Section 177 Agreement; also, Section 103, Subsection(k)(1-3), Bikini Resettlement “pursuant to Article VI, Section 1...” of the Section 177 Agreement). Thus, the State L argument that Section 103 new funding is “ex gratia” is clearly and knowingly wrong.

Knowingly wrong legal advice is further indicated by the contradictory position taken as to ex gratia measures by the same State L attorney on numerous occasions, including for purposes of preparing testimony to be presented before Congress on October 19, 2021. At that time, State L asserted to OMB and Interior witnesses and principals that ex gratia payments linked to U.S. nuclear testing in RMI would be categorized legally as compensation and would re-open claims settled under Section 177.

This pattern of State L not only flip-flopping but reversing and asserting the opposite legal position from one crisis of interpretation to another undermines the credibility of the Office of Legal Advisor.

