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**“Strategic Importance of the Freely Associated States”
Deputy Assistant Secretary of Defense Dr. Siddharth Mohandas
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Introduction

Chairman Manchin, Ranking Member Barrasso, distinguished Members of the Committee, my name is Dr. Siddharth Mohandas and I serve as the Deputy Assistant Secretary of Defense for East Asia. I am pleased to be here today alongside my colleagues Deputy Assistant Secretary of State Lambert and Deputy Assistant Secretary for Insular and International Affairs Nakoa. I thank you for the opportunity to testify before you about the strategic importance of the Freely Associated States (FAS) to U.S. national security interests.

Shared Values, Interests, and History

The United States is an Indo-Pacific nation with deep linkages with our partners in the Pacific Islands region. We share a unique and special relationship with this critical crossroads in the Indo-Pacific region. Forged on the World War II Pacific Campaign battlefields of Guadalcanal, Tarawa, and Peleliu, we share a history defined by sacrifice. Today, our peoples value democracy, freedom, and human rights. We share the same profound concerns over the existential threat from climate change and seek opportunities to build prosperous and healthy societies. Last August, when the President of the Republic of Palau, President Surangel Whipps Jr, visited Secretary Austin at the Pentagon, he remarked that the United States and Palau were “like family.” Our Pacific Island region community “family” matters greatly to the United States and nowhere is as critical as the Freely Associated States of the Republic of Palau, Federated States of Micronesia, and the Republic of the Marshall Islands.

When Secretary Austin met with President Whipps, he said that the Department of Defense was committed to upholding the United States’ responsibility and authority for defense and security matters in and related to Palau and the other Freely Associated States. The Department will work with our each of the Freely Associated States on addressing their most pressing defense and security needs. As we engage and partner with Palau, Micronesia, and the Marshall Islands, the Compacts of Free Association communicate our long-term commitment to our Pacific Islands partners.

Another unique aspect of our relationship with the Freely Associated States is their commitment and service in the U.S. military. Citizens of Palau, Micronesia, and the Marshall Islands have a long and proud history of service in all branches of the U.S. Armed Forces. They’ve fought in our ranks in Vietnam, Iraq, and Afghanistan. the Department of Defense will be forever grateful for their service.

We also cooperate with the Freely Associated States to address the existential threat that our partners in the Pacific Islands face from climate change; the devastating economic and environmental impact of illegal, unreported, and unregulated (IUU) fishing, and maritime concerns.

Compacts of Free Association (COFA)

The Compacts of Free Association with each of the Freely Associated States facilitates an unprecedented strategic partnership with our Palauan, Micronesian, and Marshallese partners. The United States has responsibility and authority for defense and security matters in and relating to the Freely Associated States and greatly values the unique access, basing, and overflight afforded us in each of these countries. The Compacts also allow the United States the right to strategically foreclose such access, basing, and overflight to third-country militaries. In an era of intensifying geopolitical competition, this is vital to U.S. national security interests. The Department of Defense is supporting our interagency partners as the U.S. Government seeks to negotiate amendments to allow for the continued provision of certain assistance, including certain federal programs and services, that would otherwise end after FY 2023 for the FSM and RMI, and after FY 2024 for Palau. While we do not fund or administer the economic assistance provisions of the Compacts, the Department of Defense has a vested interest in seeing the successful and mutually beneficial completion of the negotiations so that we can continue to bolster our strategic partnership with each of the Freely Associated States.

Strategic Competition with the People's Republic of China

The United States is not the only nation that recognizes the significance of the strategic geography of Palau, Micronesia, and the Marshall Islands. The People's Republic of China (PRC) is seeking to expand its influence in the Freely Associated States, and the PRC is increasing its intimidating activities throughout the Pacific Islands region. From illegal, unreported, and unregulated (IUU) fishing to outright bullying of sovereign nations that have diplomatic ties with Taiwan instead of the PRC, the PRC's provocative behavior appears focused on eroding the U.S. strategic partnership with the Freely Associated States. The Compacts of Free Association are an important signal to both our partners as well as competitors, that the U.S. commitment to the Freely Associated States is iron-clad.

Security Cooperation and Future Opportunities

U.S. security cooperation operations, activities, and investments in the Freely Associated States are mutually beneficial and advance strategic partnerships with each of our partners. From routine exercises to strengthen U.S. readiness to subject matter expert exchanges to address shared challenges such as climate resiliency and maritime law enforcement, we are deeply engaged with our partners in Palau, Micronesia, and the Marshall Islands. Each of our partners' economies are threatened by the impact of illegal, unregulated, and unreported fishing in their waters. To address this, the Department of Defense budgeted and began implementing \$20M of International Security Cooperation Program funding (ISCP) for title 10 USC section 333 Building Partner Capacity activities and is projected to commit more ISCP funds in future years to address maritime capacity building with each of the Freely Associated States.

One of our most enduring security cooperation programs is our Civic Action Team (CAT) in Palau. For the past fifty years, rotational detachments of engineers and medical teams have promoted people-to-people ties through community relations programs. The tri-service deployments of small teams to Palau facilitate larger rotational force rotations associated with joint and service exercises in Palau. Our Freely Associated States partners regularly host exercises such as KOA MOANA, DEFENDER PACIFIC, COPE NORTH, and PACIFIC PARTNERSHIP that supports the readiness of the joint force.

The Pacific Islands region also presents opportunities for increased cooperation with our closest allies and partners. Australia, New Zealand, Japan, France, and others all share our interest in the region's strategic importance, and we will find ways to leverage our comparative advantages to further strengthen our capacity building activities in the region.

For example, in 2020 the United States, Australia, and Japan partnered to finance a \$30M undersea cable project for Palau. This unique and multilateral approach will promote secure and reliable communications architecture for our Palauan partners. Additionally, Australia has committed to provide patrol boats to the FAS through their bilateral Pacific Maritime Security Program (PMSP). With our partners providing high quality patrol boats, U.S. cooperation with the FAS focuses on the other aspects of maritime capacity building such as training, infrastructure, and intelligence, surveillance, and reconnaissance (ISR). This demonstrates a collaborative and needs-based approach to security cooperation with our partners in the Pacific Islands region.

Posture

The Compacts of Free Association enable key defense posture initiatives in the Indo-Pacific region. The Republic of the Marshall Islands hosts the Ronald Reagan Ballistic Missile Defense Test Site at U.S. Army Garrison - Kwajalein Atoll. The site conducts regular space operations to provide space situational awareness and the protection of key space assets supporting three Geographic Combatant Commands. It is ideally located for observation of foreign missile launches and facilitates advanced technology testing to provide the Department of Defense a cutting-edge advantage. Future cooperation with the Federated States of Micronesia will facilitate Agile Combat Employment (ACE) for the U.S. Air Force. The highly anticipated Tactical Multi-Mission Over-the-Horizon Radar (TACMOR) in Palau will provide the Department of Defense an unprecedented level of situational awareness of the maritime domain in the Indo-Pacific region.

Conclusion

Chairman Manchin, Ranking Member Barrasso, distinguished Senators and colleagues. Thank you again for the opportunity today to testify before you today about the strategic importance the Freely Associated States and the COFA-enabled strategic partnerships to U.S. national security. I will be happy to answer your questions.