

CHAIRMAN MANCHIN'S OPENING REMARKS DURING A FULL COMMITTEE HEARING TO RECEIVE TESTIMONY REGARDING THE COMPACT OF FREE ASSOCIATION AMENDMENTS ACT OF 2023

- The committee will come to order.
- We are here today to discuss the Administration's proposal to amend and renew the terms of our nation's Compacts of Free Association with the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands.
- This Committee has responsibility for matters relating to the Freely Associated States, including authorization and oversight of the U.S. economic assistance provided under the Compacts of Free Association, and we take that responsibility very seriously.
- We have a time sensitivity on this issue because various provisions of the Compacts are set to expire on September 30 of this year.
- History and current events leave no room for doubt that U.S. strategic control and close alliance with our Compact partners are vital to international peace and security in the Indo-Pacific region—which is why it's so important that we renew these agreements in a timely fashion.
- Our Compacts of Free Association constitute the political, economic, and security architecture that drives development and prosperity of the larger Indo-Pacific region and bolsters and sustains security.
- The United States and the Freely Associated States have a longstanding relationship formed 75 years ago amid the destruction left by World War II, when 100,000 Americans died liberating the islands.
- After the war, the United Nations entrusted the United States with the defense and security of the region to prevent future aggression against the U.S and our allies, and to foster sustainable economic development and self-determination for the island peoples.
- The Compacts of Free Association evolved from that trusteeship.

- These are bilateral international agreements freely entered into by sovereign nations, which reflect the shared values and commitments of both the United States and the Freely Associated States.
- To date, the United States has provided at least \$800 million in economic assistance to Palau, \$2 billion to the Marshall Islands, and \$4 billion to Micronesia—which has helped those countries invest in education, healthcare, infrastructure, and more.
- At the same time, the Compacts have underwritten America’s sea lines of communication throughout the Indo-Pacific while promoting regional security by granting the United States exclusive powers to control military access to the Freely Associated States.
- This is especially important considering China’s rise and malign economic tactics.
- It is therefore vital to maintain our bilateral political, military and economic relationship with the Freely Associated States under the Compacts.
- This proposal addresses several key pillars of the Compacts.
- First, the United States must continue to commit to address our nuclear legacy in the Marshall Islands. From 1946 until 1958, the United States tested nuclear weapons in the northern Marshall Islands.
- Those tests were necessary to win the Cold War against Soviet aggression. But it’s important to recognize the disproportionate sacrifice borne by the people of the Marshall Islands.
- While the United States fully settled all legal nuclear compensation claims in the 1980s, our moral and statutory responsibility to the people of the Marshall Islands endures, especially in light of any changed circumstances.
- I also understand that the final Compact agreements will assure greater accountability and effectiveness in the use of U.S. economic assistance, and I

believe it's important that we ensure U.S. taxpayer dollars appropriated to these trust funds are managed and invested as intended.

- We must also ensure that these agreements provide the resources needed to continue economic development and mutual security in the islands.
- It is in the mutual interest of both the United States and the Freely Associated States to not allow the Compacts to lapse, and I applaud the Administration's successful negotiation of the Compacts with Palau and the Federated States of Micronesia.
- But unfortunately, I must acknowledge that the same cannot be said for the negotiations with the Marshall Islands, which are ongoing.
- The Senate is not able to give its consent to an agreement that does not exist, and I'm hopeful that negotiations with the Marshall Islands conclude quickly and in accordance with the previously agreed to Memorandum of Understanding so that we can take action.
- Congressional consideration of this legislative proposal comes as China is increasingly challenging the United States for regional influence.
- Renewing the Compacts illustrates our commitment to a free and open Indo-Pacific.
- We are ready to get to work with our colleagues in the Senate, House, the Administration, and the Freely Associated States to meet the demanding deadline for renewal and to ensure the continued success of the special relationship between the United States and the three Freely Associated States.
- I know our witnesses from the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau have traveled great distances to be here, and I thank you all for that.
- And I look forward to our discussion today.

- Before I turn it over to Senator Barrasso for his opening remarks, let me just run through some logistics since we're doing things a little differently here this morning.
- We have two panels; the first panel will have witnesses from the Administration, and the second panel will have witnesses from the Freely Associated States.
- We will begin with opening statements from our first panel and then turn to our second panel for their opening statements.
- Next, we will move to the question round for panel one and then on to panel two for questions.
- Now, I will turn it over to Senator Barrasso for his opening remarks.