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A RESOLUTION

Ratifying the Compact of Free Association and its related agreements with the changes proposed by the U.S. Government in U.S. Public Law 99-239, subject to certain understandings, interpretations and policy statements of the Government of the Federated States of Micronesia; urgently requesting the U.S. Congress to continue U.S. post-secondary education assistance programs during the Compact period; authorizing the President to agree to an effective date for the Compact subject to certain conditions; authorizing the President to negotiate the additional agreements provided for in U.S. Public Law 99-239; approving the division of Compact section 216 funds between the Federated States of Micronesia and the Marshall Islands; approving the Internal Budget and Finance Procedures Agreement and the Memorandum of Understanding on the Division of Compact Grant Assistance; and authorizing the President to negotiate such amendments to the Memorandum of Understanding as may be necessary for the administration and division of the grants to be provided under sections 105(i)(2) and 111(b) of U.S. Public Law 99-239.

1           WHEREAS, on October 1, 1982, the Government of the  
2 Federated States of Micronesia and the Government of the United  
3 States of America executed a Compact of Free Association, eight  
4 related agreements, and one other agreement; and

5           WHEREAS, on June 15, 1983 and June 16, 1983, respectively,  
6 the Government of the Federated States of Micronesia and the  
7 Government of the United States of America executed an  
8 additional related agreement to the Compact of Free Association  
9 entitled the "Agreement Concerning Procedures for the  
10 Implementation of United States Economic Assistance, Programs  
11 and Services Provided in the Compact of Free Association";  
12 and

13           WHEREAS, section 411 of the Compact of Free Association  
14 provides that the Compact shall come into effect upon mutual  
15 agreement between the Government of the Federated States of  
16 Micronesia and the Government of the United States of America,  
17 subsequent to the approval by the citizens of the Federated  
18 States of Micronesia of their future political status in a  
19 plebiscite, approval of the Compact by the Government of the  
20 Federated States of Micronesia in accordance with its  
21 constitutional processes, and approval of the Compact by the  
22 Government of the United States of America in accordance with  
23 its constitutional processes; and

24           WHEREAS, on June 21, 1983, a majority of the citizens of  
25 the Federated States of Micronesia participating in a plebiscite

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1 on future political status observed by the United Nations voted  
2 to approve the Compact of Free Association and other agreements;  
3 and

4 WHEREAS, the Compact of Free Association and other  
5 agreements were subsequently approved by a majority of the  
6 legislatures of two-thirds of the States of the Federated States  
7 of Micronesia, in accordance with section 4 of article IX of the  
8 Constitution of the Federated States of Micronesia; and

9 WHEREAS, on September 2, 1983, the Third Congress of the  
10 Federated States of Micronesia, First Special Session, 1983,  
11 adopted FSM Congressional Resolution No. 3-78, ratifying the  
12 Compact of Free Association and other agreements, in accordance  
13 with sections 2(b) and 4 of article IX of the Constitution of  
14 the Federated States of Micronesia; and

15 WHEREAS, on September 8, 1983, the President of the  
16 Federated States of Micronesia notified the President of the  
17 United States of America that the Federated States of  
18 Micronesia's review and approval process regarding the Compact  
19 and other agreements had been completed; and

20 WHEREAS, on December 11, 1985 and December 13, 1985,  
21 respectively, the U.S. House of Representatives and the United  
22 States Senate adopted House Joint Resolution 187, approving the  
23 Compact of Free Association and containing a number of  
24 reservations and United States understandings, interpretations  
25 and policy statements relating to the Compact as well as

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1 provisions relating to internal U.S. Government procedures and  
2 organization for implementing the Compact; and

3 WHEREAS, on January 14, 1986, the President of the United  
4 States signed House Joint Resolution 187 (U.S. Public Law  
5 99-239); and

6 WHEREAS, U.S. Public Law 99-239 provides for several  
7 proposed changes to the Compact of Free Association and its  
8 related agreements; and

9 WHEREAS, on January 30, 1986, the U.S. President's Personal  
10 Representative for Micronesian Status Negotiations formally  
11 transmitted U.S. Public Law 99-239 to the Government of the  
12 Federated States of Micronesia for its consideration and a  
13 determination as to the acceptability or unacceptability of the  
14 changes to the Compact of Free Association proposed by the  
15 Government of the United States of America in such law; and

16 WHEREAS, at least three of the four State legislatures of  
17 the Federated States of Micronesia have passed resolutions  
18 indicating their acceptance of the changes proposed to the  
19 Compact of Free Association and its related agreements by the  
20 Government of the United States of America in U.S. Public Law  
21 99-239; and

22 WHEREAS, the Congress of the Federated States of  
23 Micronesia finds that the provisions of U.S. Public Law 99-239  
24 do not violate the four basic principles enunciated by  
25 Micronesian negotiators for free association with the United

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1 States, as contained in the Compact of Free Association

2 originally negotiated and approved, i.e.:

3 (a) That sovereignty in Micronesia resides in the  
4 people of Micronesia and their duly constituted government;

5 (b) That the people of Micronesia possess the right  
6 of self-determination and may therefore choose independence or  
7 self-government in free association with any nation or  
8 organization of nations;

9 (c) That the people of Micronesia have the right to  
10 adopt their own constitution and to amend, change or revoke any  
11 constitution or governmental plan at any time; and

12 (d) That free association should be in the form of a  
13 revocable compact, terminable unilaterally by either party; and

14 WHEREAS, the Compact of Free Association recognizes that  
15 the people of the Federated States of Micronesia, acting through  
16 their constitutional governments, have and retain their  
17 sovereignty and sovereign right to self-determination; and

18 WHEREAS, the Compact of Free Association recognizes that  
19 the Federated States of Micronesia is self-governing under its  
20 Constitution and retains full control over its domestic and  
21 foreign affairs, subject only to a delegation of authority and  
22 responsibility for security and defense to the Government of the  
23 United States of America, which authority and responsibility is  
24 to be exercised on behalf of and in the best interests of the  
25 people of the Federated States of Micronesia and in consultation

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1 with, and with due respect for the authority and responsibility  
2 of, the Government of the Federated States of Micronesia; and  
3 WHEREAS, the Congress of the Federated States of  
4 Micronesia has determined that an additional plebiscite is  
5 unnecessary, the provisions of U.S. Public Law 99-239 not having  
6 affected the basic concepts of free association as approved by  
7 the people of the Federated States of Micronesia in the June 21,  
8 1983 plebiscite or their free and voluntary act of  
9 self-determination regarding their future political status; and  
10 WHEREAS, the Compact of Free Association will form the  
11 basis for termination of the 1947 United Nation's Trusteeship  
12 Agreement for the Former Japanese Mandated Islands; now,  
13 therefore,  
14 BE IT RESOLVED by the Fourth Congress of the Federated  
15 States of Micronesia, Second Special Session, 1986, that the  
16 Compact of Free Association and its related agreements with the  
17 changes proposed by the Government of the United States of  
18 America in U.S. Public Law 99-239 are hereby ratified, subject  
19 to the following understandings, interpretations, and policy  
20 statements:  
21 (1) U.S. grant assistance. In ratifying the Compact  
22 of Free Association and its related agreements, the Congress of  
23 the Federated States of Micronesia explicitly expresses the  
24 following understandings in relation to the grant assistance to  
25 be provided under the Compact:

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1                   a) The Federated States of Micronesia has full  
2 authority and responsibility for determining priorities for the  
3 use of grant assistance to be provided under the Compact,  
4 subject only to the terms and conditions of the Compact. The  
5 terms and conditions of grant assistance to be provided under  
6 sections 211(a), 212, 213(b), 214(b), 215, 216, 217 and 221(b)  
7 of the Compact are set forth fully in the Compact and its  
8 related agreements. No additional terms, conditions,  
9 restrictions, limitations, or requirements will apply to such  
10 grant assistance, except by mutual agreement pursuant to section  
11 431 or 432 of the Compact.

12                   (b) The grant assistance to be provided pursuant  
13 to section 216(a)(3) of the Compact may be used for the purpose  
14 of making grants, loans, or other assistance available to  
15 citizens of the Federated States of Micronesia attending  
16 post-secondary education institutions in the United States, its  
17 territories and possessions, the Federated States of Micronesia,  
18 the Republic of the Marshall Islands, or the Republic of Palau,  
19 or for making grants, loans, or other assistance available  
20 directly to such institutions to support education and training  
21 opportunities for citizens of the Federated States of  
22 Micronesia. Post-secondary education institutions in the  
23 Federated States of Micronesia, the Republic of the Marshall  
24 Islands, and the Republic of Palau will continue to be eligible  
25 for accreditation by post-secondary education accrediting

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1 organizations in the United States during the term of the  
2 Compact. Section 216(a)(3) grants will be transferred to the  
3 Federated States of Micronesia in total on the first day of each  
4 fiscal year, and will not be deemed to be part of the first  
5 quarterly current account allocation.

6 (c) Notwithstanding that section 236  
7 of the Compact does not apply to the grant assistance to be  
8 provided pursuant to section 221(b) of the Compact, the U.S.  
9 Government has a legal obligation to pay the full amount of such  
10 grant assistance. The Congress of the Federated States of  
11 Micronesia expresses the intention of the Government of the  
12 Federated States of Micronesia to view any failure by the U.S.  
13 Government to make available the full amount of such grant  
14 assistance as a material breach of the Compact. Section 221(b)  
15 grant assistance will continue to be made available until the  
16 Compact is terminated, and, if the Compact is terminated  
17 pursuant to section 442 of the Compact, such grant assistance  
18 will be made available until at least the fifteenth anniversary  
19 of the effective date of the Compact.

20 (2) Economic development plan review process. In  
21 ratifying the Compact of Free Association and its related  
22 agreements, the Congress of the Federated States of Micronesia  
23 explicitly expresses the following understandings in relation to  
24 the official overall economic development plans to be submitted  
25 pursuant to section 211(b) of the Compact and in relation to

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1 section 102(b) of U.S. Public Law 99-239:

2 (a) The official overall economic development  
3 plans will identify, on a planning basis, the annual expenditure  
4 of the grant amounts specified for the capital account in  
5 section 211(a) of the Compact. The plans will portray the  
6 relationship of current account expenditures for operations and  
7 maintenance to the Federated States of Micronesia's development  
8 program, but are not required to provide detailed specification  
9 of annual current account expenditures.

10 (b) Amendments to the official overall economic  
11 development plan, will be identified in the annual reports to be  
12 submitted pursuant to section 211(c) of the Compact. Such  
13 amendments are not subject to United States concurrence.

14 (c) The Government of the United States of  
15 America will review each plan in order to ascertain reasonable  
16 compliance with the general plan requirements specified in the  
17 Compact and its related agreements, to assist the Federated  
18 States of Micronesia in evaluating appropriate goals and  
19 objectives for the plan period, and to determine what types of  
20 U.S. financial and technical assistance can be made available to  
21 assist the Federated States of Micronesia in implementing the  
22 plan. The Government of the Federated States of Micronesia will  
23 be given an adequate opportunity to review and comment on the  
24 findings of the President of the United States of America under  
25 sections 102(b)(3) and (4) of U.S. Public Law 99-239.



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1 (d) The Government of the United States of  
2 America is not authorized to withhold Compact grant assistance  
3 pending its concurrence with the official overall economic  
4 development plans submitted pursuant to section 211(b) of the  
5 Compact. Should the Government of the United States of America  
6 determine that a plan submitted pursuant to section 211(b) of  
7 the Compact does not comply with the requirements specified in  
8 the Compact and its related agreements, the Government of the  
9 United States of America may refer such matter to the conference  
10 and dispute resolution procedures under article II of title four  
11 of the Compact. Specific projects and programs in the official  
12 overall economic development plans are not subject to deletion,  
13 addition, revision, or mandatory implementation as a condition  
14 for United States concurrence.

15 (3) Fiscal procedures agreement. In ratifying the  
16 Compact of Free Association and its related agreements, the  
17 Congress of the Federated States of Micronesia specifically  
18 notes that the "Agreement Concerning Procedures for  
19 Implementation of United States Economic Assistance, Programs  
20 and Services Provided in the Compact of Free Association" was  
21 executed by the duly authorized representative of the Government  
22 of the United States of America on June 16, 1983, prior to the  
23 plebiscite and constitutional approval process in the Federated  
24 States of Micronesia. The Congress of the Federated States of  
25 Micronesia further notes that such agreement is a related

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1 agreement to the Compact of Free Association and is deemed by  
2 the Government of the Federated States of Micronesia to be a  
3 fundamental part of the Compact. Should the Government of  
4 the United States of America fail to implement such agreement,  
5 in whole or in part and with particular reference to the  
6 drawdown procedures and schedules specified in sections 2 and 3  
7 of article II of such agreement, the Congress of the Federated  
8 States of Micronesia expresses the intention of the Government  
9 of the Federated States of Micronesia to view such action as a  
10 material breach of the Compact. The Congress of the Federated  
11 States of Micronesia further explicitly expresses its  
12 understanding that any disputes regarding implementation of such  
13 agreement will be governed by article II of title four of the  
14 Compact.

15 (4) Immigration. In ratifying the Compact of Free  
16 Association and its related agreements, the Congress of the  
17 Federated States of Micronesia explicitly expresses the  
18 following understandings in relation to sections 141 through 143  
19 of the Compact of Free Association and section 104(b) of U.S.  
20 Public Law 99-239:

21 (a) The United States Government, on or prior to  
22 the effective date of the Compact, will implement procedures to  
23 afford citizens of the Federated States of Micronesia expedited  
24 entry into United States territory in a manner similar to that  
25 afforded to citizens of U.S. territories and possessions.

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1 (b) In the event that a citizen of the Federated  
2 States of Micronesia is denied permission to enter into,  
3 lawfully engage in occupations, or establish residence in the  
4 United States or its territories or possessions either pursuant  
5 to sections 141 through 143 of the Compact or section 104(b) of  
6 U.S. Public Law 99-239, the Government of the Federated States  
7 of Micronesia reserves the right to refer such matter to the  
8 conference and dispute resolution procedures of article II of  
9 title four of the Compact.

10 (c) Nothing in the Compact, its related  
11 agreements, U.S. Public Law 99-239, or this resolution shall be  
12 construed or interpreted as relieving a citizen or national of  
13 the United States from compliance with worker protection and  
14 foreign investment laws of the Federated States of Micronesia.

15 (5) Exclusive economic zone. In clarification of  
16 title one, article II, section 121(b)(1) of the Compact and  
17 section 104(f) of U.S. Public Law 99-239:

18 (a) Section 121(b)(1) recognizes the right of the  
19 Government of the Federated States of Micronesia to regulate and  
20 manage the harvestation, exploration or exploitation of living  
21 and non-living resources from the sea, seabed, or subsoil to the  
22 full extent recognized under international law. Pursuant to its  
23 Constitution and in accordance with international law, the  
24 Federated States of Micronesia has declared an extended fishery  
25 zone of 200 miles measured outward from appropriate baselines to

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1 regulate and manage all living resources of the sea, including  
2 tuna, for the benefit of the people of the Federated States of  
3 Micronesia and the Pacific region.

4 (b) Nothing in the Compact, its related  
5 agreements, U.S. Public Law 99-239, or this resolution shall be  
6 construed or interpreted as affecting the right of the Federated  
7 States of Micronesia to continue to regulate and manage living  
8 (including tuna) and non-living resources of the sea, seabed, or  
9 subsoil within its extended fishery zone; nor as recognition by  
10 the Federated States of Micronesia of United States policy  
11 regarding highly migratory species of fish found outside of a  
12 nation's 12-mile territorial sea; nor as granting access to the  
13 Federated States of Micronesia's extended fishery zone by U.S.  
14 tuna vessels; nor as limiting, in any way, application of FSM  
15 law and policy regarding the conservation and management of tuna.

16 (c) It is the policy of the Government of the  
17 Federated States of Micronesia to fully enforce its fishery  
18 conservation and management laws and other applicable laws  
19 within its 200-mile extended fishery zone.

20 (d) It is the understanding of the Congress of  
21 the Federated States of Micronesia that section 104(f)(2) of  
22 U.S. Public Law 99-239 is a non-binding statement of U.S. policy  
23 and does not, directly or indirectly, prohibit the use of grant  
24 assistance to be provided under the Compact, including sections  
25 216(a)(1) and (b) of the Compact, for maritime surveillance and

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1 enforcement against the vessels of any nation while fishing in  
2 the FSM's territorial seas, exclusive fishery zone, or extended  
3 fishery zone in contravention of FSM law.

4 (e) It is understood that section 104(f)(3) of  
5 U.S. Public Law 99-39 is an internal U.S. Government policy  
6 statement and is not intended to affect the full faith and  
7 credit guarantee of section 236 of the Compact. The Congress of  
8 the Federated States of Micronesia expresses the intention of  
9 the Government of the Federated States of Micronesia to view any  
10 withholding of Compact grant assistance pursuant to such section  
11 as a material breach of the Compact.

12 (f) The Congress of the Federated States of  
13 Micronesia notes that it is the policy of the Federated States  
14 of Micronesia to allow U.S. tuna vessels access to its extended  
15 fishery zone on fair, equitable, and non-discriminatory terms.  
16 The Congress of the Federated States of Micronesia further notes  
17 that the Government of the Federated States of Micronesia is  
18 committed to the expeditious negotiation and conclusion of a  
19 regional licensing agreement with the U.S. Government for access  
20 by U.S. tuna vessels throughout the region, on fair and  
21 equitable terms. In ratifying the Compact of Free Association  
22 and its related agreements, the Congress of the Federated States  
23 of Micronesia notes that the Government of United States of  
24 America, in section 104(f)(5) of U.S. Public Law 99-239, has  
25 made a commitment to conclude a regional licensing agreement,

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1 and that during the term of such an agreement, the sanctions  
2 specified in the U.S. Magnuson Fishery Conservation and  
3 Management Act and the U.S. Fishermen's Protective Act of 1967  
4 will not apply.

5 (6) Tax and trade incentive reductions.

6 (a) It is the sense of the Congress of the  
7 Federated States of Micronesia that the changes proposed by the  
8 Government of the United States of America in title IV of U.S.  
9 Public Law 99-239 to tax and trade incentive provisions of the  
10 Compact will impact significantly and unnecessarily on the  
11 ability of the Federated States of Micronesia to achieve  
12 development and economic self-sufficiency and that these changes  
13 are not in the best interests of either the Federated States of  
14 Micronesia or the United States.

15 (b) In ratifying the Compact of Free Association  
16 and its related agreements, the Congress of the Federated States  
17 of Micronesia expresses the following understandings in relation  
18 to article IV of title two of the Compact, as modified by  
19 section 401 of U.S. Public Law 99-239:

20 (i) Sections 242(2) and (3) of the Compact,  
21 as modified, provide for certain exclusions from the general  
22 duty-free treatment that will be afforded to Federated States of  
23 Micronesia articles imported into the customs territory of the  
24 United States during the Compact period. Section 242(1) of the  
25 Compact, as modified, does not authorize the President of the

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1 United States to exclude additional articles, except by mutual  
2 agreement pursuant to sections 431 and 432 of the Compact.

3 (ii) Section 504(c) of title V of the U.S.  
4 Trade Act of 1974 shall not be construed or interpreted as  
5 authorizing the President to reduce the quota specified in  
6 section 242(2) of the Compact, as modified.

7 (iii) Section 463(a) of the Compact applies  
8 to sections 503(b) and 504(c) of title V of the U.S. Trade Act  
9 of 1974 as referenced in section 242 of the Compact, as modified.

10 (iv) Section 243 of the Compact, as modified,  
11 is not intended to prohibit the President of the United States  
12 from providing more favorable tariff treatment to the Federated  
13 States of Micronesia in accordance with the provisions of U.S.  
14 law.

15 (v) Most-favored nation treatment for  
16 products of the United States imported into the Federated States  
17 of Micronesia as provided for under section 243 of the Compact,  
18 as modified, will be accorded only on a reciprocal basis.

19 (vi) Any tuna caught within the territorial  
20 seas, exclusive fishery zone, or extended fishery zone of the  
21 Federated States of Micronesia or by vessels owned or operated,  
22 in whole or in part, by the Government or citizens of the  
23 Federated States of Micronesia shall be considered a material of  
24 the Federated States of Micronesia within the meaning of section  
25 503(b) of title V of the U.S. Trade Act of 1974.

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1 (c) In ratifying the Compact of Free Association  
2 and its related agreements, the Congress of the Federated States  
3 of Micronesia expresses the following understandings in relation  
4 to article V of title two of the Compact, as modified by  
5 sections 402 through 406 of U.S. Public Law 99-239:

6 (i) It is the expectation of the Congress of  
7 the Federated States of Micronesia that section 254 of the  
8 Compact, as modified by section 403(1) of U.S. Public Law  
9 99-239, will be interpreted as affording residents of the  
10 Federated States of Micronesia the same tax treatment as is  
11 afforded residents of the U.S. possessions under section 931 of  
12 the U.S. Internal Revenue Code of 1954.

13 (ii) If sections 901, 911, or 931 of the U.S.  
14 Internal Revenue Code of 1954, as in effect on January 14, 1986,  
15 are amended during the Compact period, so as to reduce the tax  
16 incentives extended to the Federated States of Micronesia, it is  
17 the expectation of the Congress of the Federated States of  
18 Micronesia that the Government of the United States of America  
19 will provide the Federated States of Micronesia with  
20 substantially equivalent benefits.

21 (iii) The Government of the United States of  
22 America will negotiate the agreement required by section 404 of  
23 the Compact, as modified, in good faith and in a timely manner.

24 (d) The Congress of the Federated States of  
25 Micronesia expresses the intention of the Government of the



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1 Federated States of Micronesia to view any failure by the  
2 President of the United States to proclaim the tariff treatment  
3 specified in sections 242 and 243 of the Compact, as modified,  
4 on or prior to the effective date of the Compact, or any failure  
5 of the United States Government to provide substantially  
6 equivalent benefit under section 255(c) of the Compact, as  
7 modified, or any failure of the Government of the United States  
8 of America to negotiate the agreement required by section 404 of  
9 the Compact, as modified, in good faith and in a timely manner,  
10 as a material breach of the Compact.

11 (7) Compensatory adjustments.

12 (a) It is the sense of the Congress of the  
13 Federated States of Micronesia that the compensatory adjustments  
14 provided for in section 111 of U.S. Public Law 99-239 are less  
15 than equivalent replacements for the tax and trade incentives  
16 lost as a result of the proposed changes to the Compact of Free  
17 Association contained in title IV of U.S. Public Law 99-239.

18 (b) In ratifying the Compact of Free Association  
19 and its related agreements, the Congress of the Federated States  
20 of Micronesia expresses the following understandings in relation  
21 to section 111 of U.S. Public Law 99-239:

22 (i) In view of the nature of the tax and  
23 trade incentives lost and the primary goal of the Investment  
24 Development Fund to foster development, studies, programs and  
25 projects to be financed through the Fund are not limited to

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1 studies, programs and projects which will benefit solely U.S.  
2 businesses and persons, but may include studies, programs and,  
3 projects intended to encourage foreign investment and  
4 establishment of public and private sector development  
5 enterprises with participation by U.S. businesses and persons,  
6 appropriate foreign businesses and persons, FSM businesses and  
7 persons, the FSM State and National Governments, and joint  
8 ventures among such businesses and persons.

9 (ii) The Government of the Federated States  
10 of Micronesia has full authority and responsibility for  
11 administration of the Investment Development Fund, formulation  
12 of policy guidelines, and evaluation and selection of  
13 appropriate studies, programs and projects to be financed  
14 through the Investment Development Fund, subject only to  
15 consultation with the Government of the United States of  
16 America. With respect to United States representation on the  
17 board of advisors to be established pursuant to section 111(c)  
18 of U.S. Public Law 99-239, such representation should be  
19 composed primarily of representatives of the U.S. private  
20 sector. The board of advisors will function in an advisory  
21 capacity, making policy recommendations as appropriate.

22 (iii) Grants to be made available by the U.S.  
23 Government for the Investment Development Fund under section  
24 111(b)(1) of U.S. Public Law 99-239 shall be transferred to the  
25 Federated States of Micronesia on a capital account basis during

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1 the first and third years after the effective date of the  
2 Compact. Such grants are intended to be invested with  
3 investment income the primary source for financing studies,  
4 programs, and projects.

5 (iv) Expiration of the period of the  
6 authorization for appropriations under section 111(b)(1) of U.S.  
7 Public Law 99-239 shall not affect the U.S. full faith and  
8 credit guarantee backing the compensatory grants specified in  
9 such section.

10 (c) The Congress of the Federated States of  
11 Micronesia specifically notes the commitment of the United  
12 States Government to promote the economic development and self-  
13 sufficiency of the Federated States of Micronesia, as expressed  
14 in the preamble and sections 211(c), 222, and 454(a) of the  
15 Compact. In ratifying the changes to the Compact proposed in  
16 title IV of U.S. Public Law 99-239, the Congress of the  
17 Federated States of Micronesia specifically relies on section  
18 111(d) of U.S. Public Law 99-239 as a commitment of the U.S.  
19 Government and as an entitlement of the Government of the  
20 Federated States of Micronesia to the funding specified therein  
21 upon a proper showing of additional adverse impact,  
22 notwithstanding the absence of appropriations language in such  
23 law. In the event that the Government of the United States of  
24 America fails to make available compensation under section  
25 111(d) of U.S. Public Law 99-239 upon an adequate showing of

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1 additional adverse impacts on the finances and economy of the  
2 Federated States of Micronesia resulting from title IV of U.S.  
3 Public Law 99-239, the Congress of the Federated States of  
4 Micronesia expresses the intention of the Government of the  
5 Federated States of Micronesia to view such failure as a  
6 material breach of the Compact, and seek all available remedies,  
7 including, but not limited to, referral of such matter to the  
8 conference and dispute resolution procedures provided for in  
9 article II of title four of the Compact.

10 (d) The President of the Federated States of  
11 Micronesia shall study, on an annual basis and in consultation  
12 with the States, the overall financial and economic impacts  
13 resulting from the changes proposed in title IV of U.S. Public  
14 Law 99-239 and report to the Congress and the State governments  
15 of the Federated States of Micronesia on the findings of such  
16 study.

17 (8) Registration of foreign agents. In ratifying the  
18 Compact of Free Association and its related agreements, the  
19 Congress of the Federated States of Micronesia expresses the  
20 following understandings in relation to section 105(f) of U.S.  
21 Public Law 99-239:

22 (a) Section 105(f) of U.S. Public Law 99-239 does  
23 not affect section 153(b) of the Compact.

24 (b) Section 105(f) of U.S. Public Law 99-239 is  
25 not intended to require registration of employees of the State

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1 and National Governments of the Federated States of Micronesia  
2 who, in the performance of their official duties, must make  
3 contacts with officials of the Government of the United States  
4 in relation to implementation of the Compact of Free Association.

5 (c) In the event the Government of the United  
6 States of America believes that the Government of the Federated  
7 States of Micronesia has inappropriately certified a U.S.  
8 citizen as an employee whose principal duties are other than  
9 those matters specified in the U.S. Foreign Agents Registration  
10 Act of 1938, the U.S. Government may refer such matter to the  
11 conference and dispute resolution procedures contained in  
12 article II of title four of the Compact. No enforcement action  
13 will be initiated against such person until after a duly  
14 constituted arbitration board determines that such person was  
15 inappropriately certified, and then only for activities  
16 occurring after the date of such determination.

17 (9) Trusteeship obligations and commitments.

18 (a) Nothing in the Compact of Free Association,  
19 its related agreements, U.S. Public Law 99-239, or this  
20 resolution shall be interpreted or construed as relieving the  
21 U.S. Government from any unfulfilled Trusteeship obligation or  
22 unfulfilled commitment made to the Micronesian people or  
23 Governments during the Trusteeship, and neither implementation  
24 of the Compact nor termination of the Trusteeship shall affect  
25 such obligations and commitments. Such obligations and

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1 commitments include, but are not limited to:  
2 (i) Payment of outstanding war claims;  
3 (ii) Funding for the construction of new  
4 National capital facilities for the Federated States of  
5 Micronesia;  
6 (iii) Funding for the construction of a new  
7 campus for the Community College of Micronesia in Pohnpei;  
8 (iv) Payment of outstanding debts owed for  
9 the use of private land in the Federated States of Micronesia  
10 for governmental purposes by the Government of the United States  
11 of America, the Government of the Trust Territory or the  
12 Government of the Federated States of Micronesia or its  
13 political subdivisions, under indefinite land use agreements,  
14 prior to January 1, 1985;  
15 (v) Continuation of the Prior Service  
16 Benefits Program until its completion;  
17 (vi) Payment of outstanding medical referral  
18 debts incurred prior to September 1, 1985; and  
19 (vii) Completion of ongoing capital  
20 improvement projects, correction of construction deficiencies,  
21 and restoration of projects and equipment to good working  
22 condition.  
23 (b) The Congress of the Federated States of  
24 Micronesia notes that these obligations and commitments were not  
25 intended to be fulfilled through the use of the Compact grant

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1 assistance. The Congress of the Federated States of Micronesia  
2 expresses the intention of the Government of the Federated  
3 States of Micronesia to view any failure by the Government of  
4 the United States of America to fulfill these outstanding  
5 obligations and commitments, in a timely manner, as a serious  
6 breach of good faith and U.S. Trusteeship obligations, and to  
7 pursue any available remedies for such breach.

8 (10) Prior service benefits. The Congress of the  
9 Federated States of Micronesia notes that, in section 105(m) of  
10 U.S. Public Law 99-239, the Government of the United States of  
11 America acknowledges its moral and legal obligation to continue  
12 funding the Prior Service Benefits Program. Nothing contained  
13 in section 105(m) of U.S. Public Law 99-239 shall be construed  
14 or interpreted as obligating the Government of the Federated  
15 States of Micronesia to continue the Prior Service Benefits  
16 Program, in the event of the failure of the U.S. Government to  
17 fulfill its moral and legal obligation to fund such program.

18 (11) Medical referral debts and facilities. The  
19 Congress of the Federated States of Micronesia notes that, in  
20 section 105(d) of U.S. Public Law 99-239, the Government of the  
21 United States expresses its commitment to assume, as a  
22 Trusteeship obligation, outstanding medical referral debts  
23 incurred prior to September 1, 1985. It is the understanding of  
24 the Congress of the Federated States of Micronesia that no  
25 withholding of current or Compact funding is authorized to

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1 liquidate such outstanding debts.

2 (12) War claims. The Congress of the Federated States  
3 of Micronesia notes that the Micronesian people suffered  
4 extensive loss of life, physical injury and property damage as a  
5 result of World War II, a war in which they were innocent and  
6 helpless victims. The Congress further notes that, while the  
7 Micronesian people will always remain grateful to the United  
8 States for restoring peace and security to our islands, the  
9 Micronesian people should be accorded just compensation for  
10 their suffering. The Congress further notes that, with respect  
11 to compensation owed by the Government of Japan, the Government  
12 of the United States of America assumed responsibility to  
13 negotiate war claims with the Government of Japan during the  
14 period the United States served as Trustee for the Micronesian  
15 people. Nothing in the Compact, its related agreements or U.S.  
16 Public Law 99-239 shall be construed or interpreted as relieving  
17 the United States of its moral and legal obligation to make full  
18 payment of outstanding war claims. In this regard, the Congress  
19 specifically notes the position of the U.S. Government, as  
20 expressed in the June 11, 1982 letter from the Assistant  
21 Secretary for Territorial and International Affairs, U.S.  
22 Department of the Interior, to the FSM Secretary of External  
23 Affairs, that "termination of the trusteeship should not affect  
24 whatever rights citizens of the Trust Territory may have to  
25 settlement of remaining war claims." The Congress of the



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1 Federated States of Micronesia further expresses the intention  
2 of the Government of the Federated States of Micronesia to view  
3 the failure of the U.S. Government to redress outstanding war  
4 claims, in a timely manner, as a serious breach of good faith  
5 and U.S. Trusteeship obligations, and to pursue available  
6 remedies for such breach.

7 (13) Technical assistance. It is understood that,  
8 under section 226 of the Compact, any U.S. Government agency  
9 which has statutory authority to provide technical assistance to  
10 States, territories, or units of local government of the United  
11 States or on an international basis, including the Agency for  
12 International Development, is authorized to provide such  
13 technical assistance to the Federated States of Micronesia upon  
14 request of the Government of the Federated States of  
15 Micronesia. Technical assistance is to be provided to the  
16 Federated States of Micronesia on either a reimbursable or  
17 non-reimbursable basis, in accordance with the U.S. law  
18 authorizing technical assistance, except as otherwise  
19 specifically provided in the Compact, its related agreements or  
20 U.S. Public Law 99-239. It is understood that, in view of the  
21 need of the Federated States of Micronesia for a broad range of  
22 technical assistance, special consideration will be given to  
23 granting technical assistance on a non-reimbursable basis. It  
24 is further understood that the Federated States of Micronesia  
25 will continue to be eligible, on a non-reimbursable basis, for

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1 the technical assistance grant program currently administered by  
2 the Office of Territorial and International Affairs, Department  
3 of the Interior, for the Trust Territory and U.S. territories  
4 and possessions. It is further understood that the technical  
5 and training assistance to be provided pursuant to sections 122,  
6 124, 126, 131(a), 221(c), 223, and 342 of the Compact and its  
7 related agreements or pursuant to sections 105(h)(1)(C), 105(k),  
8 and 106 of U.S. Public Law 99-239 shall be provided on a  
9 non-reimbursable basis.

10 (14) U.S. federal programs. In clarification of  
11 section 221(a) of the Compact and sections 105(h), 105(i),  
12 105(l) and 111(a) of U.S. Public Law 99-239, the Congress of the  
13 Federated States of Micronesia expresses the following  
14 understandings:

15 (a) The U.S. federal services and related  
16 programs specified in section 221(a) of the Compact shall be  
17 made available, unless otherwise requested by the Government of  
18 the Federated States of Micronesia, at least until the Compact  
19 is terminated pursuant to section 441 or 443 of the Compact or  
20 until the fifteenth anniversary of the effective date of the  
21 Compact if the Compact is terminated pursuant to section 442 of  
22 the Compact.

23 (b) Sections 105(h)(1), 105(i)(1), 105(l), and  
24 111(a) of U.S. Public Law 99-239 establish the eligibility of  
25 the Federated States of Micronesia for the U.S. federal

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1 services and related programs specified therein, such services  
2 and related programs to be made available without specific  
3 appropriation and without cost to the Federated States of  
4 Micronesia.

5 (c) The U.S. federal programs specified in  
6 sections 105(h)(1) and 111(a) of U.S. Public Law 99-239 shall be  
7 made available to the Federated States of Micronesia to the same  
8 extent and for so long as such programs are provided to States,  
9 territories or units of local government of the United States or  
10 to persons residing within the United States.

11 (d) In the event that the U.S. federal programs  
12 specified in section 111(a) of U.S. Public Law 99-239 are  
13 terminated or substantially reduced, it is the expectation of  
14 the Government of the Federated States of Micronesia that  
15 substantially equivalent programs or compensation will be  
16 provided to the Federated States of Micronesia.

17 (e) The term "Public Health Service" as used in  
18 section 105(h)(1)(B) of U.S. Public Law 99-239 includes the full  
19 range of grants, services, programs and other assistance  
20 available under chapter 6A, title 42 of the United States Code.

21 (f) Transfer of the portfolio of the Farmers Home  
22 Administration under section 105(h)(1)(C) of U.S. Public Law  
23 99-239 is subject to mutual agreement of the Government of the  
24 United States of America and the Government of the Federated  
25 States of Micronesia.

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1 (g) U.S. federal programs currently being  
2 provided to the Federated States of Micronesia will continue to  
3 be provided until the effective date of the Compact.  
4 Notwithstanding section 171 of the Compact, U.S. federal program  
5 grant assistance which is being provided to the Federated States  
6 of Micronesia prior to the effective date of the Compact,  
7 including programs provided on a multi-year basis, will continue  
8 to be provided until the federal program grant period is  
9 completed.

10 (h) The Government of the United States of  
11 America will make available the programs or grant assistance  
12 referred to in section 105(i)(2) of U.S. Public Law 99-239 in a  
13 timely manner, so as to ensure continuation of critical  
14 education programs on a transitional basis. Such programs or  
15 assistance are in addition to the programs and assistance  
16 provided under sections 221(b) and 223 of the Compact and  
17 section 105(i)(1) of U.S. Public Law 99-239.

18 (15) Freely associated state parity.

19 (a) In ratifying the Compact and its related  
20 agreements, the Congress of the Federated States of Micronesia  
21 explicitly expresses the following understandings:

22 (i) Section 101(e) of U.S. Public Law 99-239  
23 shall not be construed or interpreted as affecting the  
24 commitment of the United States Government to provide parity  
25 with the terms of the Compacts of Free Association with the

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1 Republics of Palau and the Marshall Islands. It is understood  
2 that, under section 432 of the Compact, the Government of the  
3 Federated States of Micronesia will be given the opportunity to  
4 consider any relevant amendment negotiated to the Compact of  
5 Free Association and related agreements with the Republic of  
6 Palau, as signed on August 26, 1982, or the Compact of Free  
7 Association and related agreements with the Republic of the  
8 Marshall Islands; as signed on May 30, 1982, and to accept such  
9 amendment as an amendment to the Compact of Free Association and  
10 related agreements with the Federated States of Micronesia or  
11 negotiate a substantially equivalent amendment. It is further  
12 understood that the Compacts of Free Association will be  
13 implemented in a non-discriminatory manner.

14 (ii) The substance of U.S. Public Law  
15 99-239, with particular reference to sections 102(a), 102(b),  
16 102(c), 104(b), 104(d), 104(f), 105(f), 105(g), and 105(r), and  
17 title IV of such law, will be embodied in any U.S. public law  
18 approving a Compact of Free Association with the Republic of  
19 Palau.

20 (b) The Congress of the Federated States of  
21 Micronesia, having reviewed the provisions of the Compact of  
22 Free Association signed by the Republic of Palau and the  
23 Government of the United States of America on January 10, 1986,  
24 notes that such Compact incorporates several advantageous  
25 changes to the Compact of Free Association signed with the

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1 Republic of Palau on August 26, 1982. The Congress of the  
2 Federated States of Micronesia specifically states the intention  
3 of the Government of the Federated States of Micronesia to  
4 request that certain substantially equivalent amendments to the  
5 Compact of Free Association between the Government of the United  
6 States of America and the Government of the Federated States of  
7 Micronesia be passed by the United States Congress during its  
8 consideration and approval of the Compact of Free Association  
9 with the Republic of Palau.

10 (c) The Congress of the Federated States of  
11 Micronesia understands that sections 311 and 314 of the Compact  
12 will be construed and interpreted consistent with section 324 of  
13 the Compact of Free Association with the Republic of Palau.

14 (16) No compliance sanctions.

15 (a) The Congress of the Federated States of  
16 Micronesia expresses its understanding that the Government of  
17 the United States of America will not act in a manner  
18 inconsistent with the provisions of the Compact, its related  
19 agreements, or any other agreement entered into pursuant to the  
20 Compact or U.S. Public Law 99-239, or act in a manner in-  
21 compatible with the authority and responsibility of the  
22 Government of the Federated States of Micronesia over domestic  
23 and foreign affairs, or exercise its authority under section 313  
24 of the Compact in an arbitrary or capricious manner. The  
25 Congress further expresses its intention that any such act on

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1 the part of the Government of the United States of America will  
2 be viewed by the Government of the Federated States of  
3 Micronesia as a material breach of the Compact and its related  
4 agreements. The Government of the Federated States of  
5 Micronesia reserves the right in the event of such a material  
6 breach of the Compact or its related agreements to take action,  
7 including, but not limited to, the suspension in whole or in  
8 part of the obligations of the Government of the Federated  
9 States of Micronesia to the Government of the United States of  
10 America and the authority and responsibility of the Government  
11 of the United States of America under the Compact and its  
12 related agreements.

13 (b) The Congress of the Federated States of  
14 Micronesia expresses the following understandings in relation to  
15 section 105(g) of U.S. Public Law 99-239:

16 (i) Section 105(g) of U.S. Public Law 99-239  
17 is not intended to provide the Government of the United States  
18 of America with any greater authority to suspend or withhold the  
19 performance of its obligations under the Compact and its related  
20 agreements than the Government of the United States of America  
21 otherwise had under the Compact and its related agreements as  
22 originally executed.

23 (ii) The President of the United States of  
24 America does not have authority to suspend or withhold grant or  
25 other assistance to be provided pursuant to the Compact or U.S.

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1 Public Law 99-239, except pursuant to a determination by an  
2 arbitration board, duly constituted under article II of title  
3 four of the Compact, that:

4 (A) The Government of the Federated  
5 States of Micronesia is not in compliance with one or more  
6 substantive provisions of the Compact (other than title three  
7 thereof) or any agreement entered into with the United States  
8 pursuant to the Compact (other than title three thereof) or  
9 pursuant to U.S. Public Law 99-239; and

10 (B) Such noncompliance constitutes a  
11 material breach of such Compact or such agreement or agreements.

12 (iii) Any withholding or suspension of grant  
13 assistance must be reasonably related to the breach, and may  
14 continue only during the period that the Federated States of  
15 Micronesia fails to take adequate steps to remedy the  
16 noncompliance.

17 (iv) The first sentence of section 105(g)(2)  
18 of U.S. Public Law 99-239 is intended to be consistent with  
19 section 313 of the Compact.

20 (v) No suspension or withholding of the  
21 assistance specified in section 105(g)(1) of U.S. Public Law  
22 99-239 is authorized pursuant to section 105(g)(2) of U.S.  
23 Public Law 99-239.

24 (c) The Congress of the Federated States of  
25 Micronesia further expresses its understanding that, in



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1 exercising its authority under section 313 of the Compact, the  
2 Government of the United States will act consistent with  
3 sections 351 and 352 of the Compact. It is the expectation of  
4 the Congress that, in the event the Government of the United  
5 States exercises its authority and responsibility under section  
6 313 of the Compact, the Government of the United States will  
7 sympathetically consider requests for compensation to address  
8 any adverse impacts on the finances and economy of the Federated  
9 States of Micronesia.

10 (17) Trust territory debts. The Congress of the  
11 Federated States of Micronesia notes that, in section 105(j) of  
12 U.S. Public Law 99-239, the United States Government  
13 acknowledges its legal obligation to pay outstanding debts of  
14 the Trust Territory Government. Nothing contained in the  
15 Compact, its related agreements, U.S. Public Law 99-239, this  
16 resolution, or the Constitution of the Federated States of  
17 Micronesia shall be construed or interpreted as obligating the  
18 Government of the Federated States of Micronesia to assume such  
19 debts, irrespective of whether such debts are owed to a  
20 department, agency, independent agency, office, or  
21 instrumentality of the Government of the United States or to any  
22 other entity or person. It is the understanding of the Congress  
23 of the Federated States of Micronesia that, under section 219 of  
24 the Compact, the Government of the United States of America does  
25 not have the authority to use unobligated funds held by the

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1 Trust Territory Government for the benefit of the Federated  
2 States of Micronesia to pay such debts.

3 (18) Nuclear waste disposal:

4 (a) The Congress of the Federated States of  
5 Micronesia notes that the Government of the Federated States of  
6 Micronesia opposes the intentional disposal, discharge or  
7 storage of nuclear, toxic chemical, or toxic biological wastes  
8 in the waters of the world, and that it is the policy of the  
9 Government of the Federated States of Micronesia, in accordance  
10 with its Constitution, to preclude such intentional disposal,  
11 discharge or storage in the Federated States of Micronesia.

12 (b) Nothing contained in the Compact, its related  
13 agreements, U.S. Public Law 99-239, or this resolution shall be  
14 construed or interpreted as authorizing the Government of the  
15 United States of America to intentionally dispose of, discharge,  
16 or store nuclear, toxic chemical, or toxic biological wastes,  
17 including low-level radioactive materials, on the land or in the  
18 waters or airspace of the Federated States of Micronesia.

19 (c) The Congress of the Federated States of  
20 Micronesia notes that, in section 104(d) of U.S. Public Law  
21 99-239, the Government of the United States acknowledges the  
22 policies of the Government of the Federated States of Micronesia  
23 and its understandings regarding the Compact. Nothing contained  
24 in such section shall be construed or interpreted, as affecting  
25 section 314 of the Compact in any way, or as relieving the

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1 Government of the United States of its obligations and  
2 responsibilities under such section, or as imposing additional  
3 obligations and responsibilities on the Government of the  
4 Federated States of Micronesia.

5 (19) U.S. military facilities.

6 (a) The Congress of the Federated States of  
7 Micronesia notes that, under section 321 of the Compact, the  
8 Government of the Federated States of Micronesia is required to  
9 sympathetically consider requests from the Government of the  
10 United States for additional land for military areas and  
11 facilities, but is not required to grant such requests.

12 (b) It is the understanding of the Congress of  
13 the Federated States of Micronesia that the land and water areas  
14 identified in annex A of the Military Use and Operating Rights  
15 Agreement are reserved for the U.S. Coast Guard for purposes of  
16 operating and maintaining a Loran Station. Such areas shall not  
17 be used for other military or non-military purposes without  
18 specific authorization from the Government of the Federated  
19 States of Micronesia.

20 (20) Section 218. It is the understanding of the  
21 Congress of the Federated States of Micronesia that the grant  
22 assistance provided for the Compact will be transferred, in  
23 full, to the Federated States of Micronesia in accordance with  
24 the schedules provided for in the Compact and its related  
25 agreements, including the Agreement Concerning Procedures for

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1 Implementation of United States Economic Assistance, Programs  
2 and Services Provided in the Compact of Free Association. It is  
3 the further understanding of the Congress that the Federated  
4 States of Micronesia is not required to obligate or expend such  
5 grant assistance as a condition for receipt of grant assistance  
6 to be provided in subsequent years, and may hold or invest such  
7 grant assistance, it deems appropriate.

8 (21) Section 219. In ratifying the Compact of Free  
9 Association and its related agreements, the Congress of the  
10 Federated States of Micronesia specifically notes and relies on  
11 section 219 of such Compact.

12 (22) Audit. In ratifying the Compact of Free  
13 Association and its related agreements, the Congress of the  
14 Federated States of Micronesia expresses the following  
15 understandings in relation to section 102(c) of U.S. Public Law  
16 99-239:

17 (a) The third sentence of section 102(c)(1)(A)  
18 and the first sentence of section 102(c)(2)(B) of U.S. Public  
19 Law 99-239 shall not be construed or interpreted in a manner  
20 inconsistent with sections 451 through 453 of the Compact.

21 (b) The first sentence of section 102(c)(2)(B) of  
22 U.S. Public Law 99-239 is not intended to impose accounting or  
23 record-keeping requirements not otherwise required under  
24 generally acceptable accounting procedures; and

25 BE IT FURTHER RESOLVED that the Congress of the Federated

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1 States of Micronesia, noting the critical importance of  
2 education to the development needs of our Nation, the inadequacy  
3 of the grants to be provided under section 216(a)(3) of the  
4 Compact to replace the benefits of current U.S. post-secondary  
5 education programs extended to the young people of the Federated  
6 States of Micronesia, and the financial inability of the  
7 Governments of the Federated States of Micronesia, the Republic  
8 of Palau, and the Republic of the Marshall Islands to fully  
9 provide for the continued operation of the College of  
10 Micronesia, hereby reiterates the urgent request of the  
11 Government of the Federated States of Micronesia that the  
12 Congress of the United States, pursuant to section 224 of the  
13 Compact, extend eligibility of the citizens of the Federated  
14 States of Micronesia to participate in U.S. post-secondary  
15 education programs, including, but not limited to, Pell grants,  
16 SEOG, and college-work study programs, during the Compact  
17 period; and

18 BE IT FURTHER RESOLVED that the President is authorized  
19 to negotiate the additional agreements provided for in sections  
20 102(a), 102(b), 102(c), 106, 111(c) and 404 of U.S. Public Law  
21 99-239, and to negotiate the division of the education program  
22 assistance between the Federated States of Micronesia and the  
23 Republic of the Marshall Islands under section 105(i)(2) of U.S.  
24 Public Law 99-239; PROVIDED that such agreements shall be  
25 subject to ratification by the Congress of the Federated States

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1 of Micronesia in accordance with sections 2(b) and 4 of article  
2 IX of the Constitution of the Federated States of Micronesia and  
3 to approval by at least three of the four State legislatures of  
4 the Federated States of Micronesia; and

5 BE IT FURTHER RESOLVED that, in accordance with FSM  
6 Public Law 4-13, the President of the Federated States of  
7 Micronesia has the approval of the Congress of the Federated  
8 States of Micronesia to agree, in accordance with section 411 of  
9 the Compact, to an effective date for and thereafter implement  
10 such Compact, having taken into account any procedures with  
11 respect to the United Nations for termination of the Trusteeship  
12 Agreement; PROVIDED that the President, in establishing and  
13 agreeing to an effective date for the Compact, shall consult  
14 with the Congress and State governments of the Federated States  
15 of Micronesia to ensure that adequate transitional arrangements  
16 have been undertaken; and PROVIDED FURTHER that implementation  
17 of the Compact shall be subject to the following conditions:

18 (1) Receipt of a notice of the U.S. Government's  
19 concurrence to the "Federated States of Micronesia First  
20 National Development Plan, 1985-1989" pursuant to section 211(b)  
21 of the Compact;

22 (2) Conclusion of the agreements provided for in  
23 sections 102(a), 102(b) and 102(c) of U.S. Public Law 99-239, "  
24 completion of the U.S. Congressional review period specified in  
25 section 101(f)(2) of U.S. Public Law 99-239 with respect to such

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1 agreements, and submission of such agreements to the Congress of  
2 the Federated States of Micronesia for ratification pursuant to  
3 sections 2(b) and (4) of article IX of the Constitution of the  
4 Federated States of Micronesia and to the State legislatures for  
5 approval by at least three of the four State legislatures;

6 (3) Conclusion of the agreement provided for in  
7 section 111(c) of U.S. Public Law 99-239 and submission of such  
8 agreement to the Congress of the Federated States of Micronesia  
9 for ratification pursuant to sections 2(b) and 4 of article IX  
10 of the Constitution of the Federated States of Micronesia and to  
11 the State legislatures for approval by at least three of the  
12 four State legislatures; and

13 (4) Certification by the President to the Congress of  
14 the Federated States of Micronesia that adequate steps have been  
15 taken to ensure full compliance by the Government of the United  
16 States of America with the provisions of the "Agreement  
17 Concerning Procedures for Implementation of United States  
18 Economic Assistance, Programs and Services Provided in the  
19 Compact of Free Association"; and

20 BE IT FURTHER RESOLVED that the agreement on the  
21 division of Compact section 216 funds between the Government of  
22 the Federated States of Micronesia and the Government of the  
23 Marshall Islands, as reflected in the December 13, 1983 joint  
24 letter to U.S. Ambassador Zeder from the President of the  
25 Republic of the Marshall Islands and the President of the

1 Federated States of Micronesia, is hereby ratified; PROVIDED  
2 that the President of the Federated States of Micronesia shall  
3 seek clarification of the percentages used in such letter as  
4 they relate to the grant assistance to be provided under section  
5 216 of the Compact, as amended by U.S. Public Law 99-239; and

6 BE IT FURTHER RESOLVED that the "Agreement on Internal  
7 Budget and Finance Procedures under the Compact of Free  
8 Association," as amended, is hereby approved and the President  
9 is authorized to implement such agreement in accordance with its  
10 terms; and

11 BE IT FURTHER RESOLVED that the "Memorandum of  
12 Understanding with respect to the Division of Grant Assistance  
13 under the Compact of Free Association among the National and  
14 State Governments of the Federated States of Micronesia" is  
15 hereby approved and the President is authorized to implement  
16 such agreement in accordance with its terms; and

17 BE IT FURTHER RESOLVED that the President is authorized  
18 to negotiate such amendments to the "Memorandum of Understanding  
19 with respect to the Division of Grant Assistance under the  
20 Compact of Free Association among the National and State  
21 Governments of the Federated States of Micronesia" as may be  
22 necessary to provide for the administration and division of the  
23 grants and assistance to be provided under sections 105(i)(2)  
24 and 111(b) of U.S. Public Law 99-239; and

25 BE IT FURTHER RESOLVED that nothing contained in this



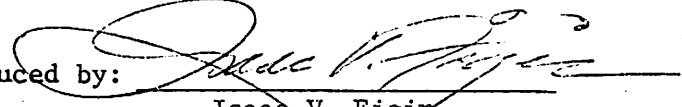
EX-111

C. R. No. 4-60

1 resolution shall be construed or interpreted as affecting the  
2 provisions of FSM Congressional Resolution No. 3-78 relating to  
3 section 2 of article XIII of the Constitution of the Federated  
4 States of Micronesia; and

5 BE IT FURTHER RESOLVED that certified copies of this  
6 resolution be transmitted to the President of the Federated  
7 States of Micronesia, the Secretary of External Affairs, the  
8 Chairman of the Commission on Future Political Status and  
9 Transition, the Governors of the States of Kosrae, Pohnpei, Truk  
10 and Yap, and the Speakers of the State legislatures of Kosrae,  
11 Pohnpei, Truk and Yap.

12  
13 Date: 3-17-80

14 Introduced by:   
15 Isaac V. Figir

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