

114TH CONGRESS  
2D SESSION

# H. R. 4531

To approve an agreement between the United States and the Republic of Palau, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 2016

Mr. SABLAN introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committee on Foreign Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To approve an agreement between the United States and the Republic of Palau, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. APPROVAL OF THE AGREEMENT BETWEEN THE**  
4 **UNITED STATES AND THE REPUBLIC OF**  
5 **PALAU.**

6 (a) DEFINITIONS.—In this section:

7 (1) AGREEMENT.—The term “Agreement”  
8 means the Agreement and appendices signed by the

1 United States and the Republic of Palau on Sep-  
2 tember 3, 2010.

3 (2) COMPACT OF FREE ASSOCIATION.—The  
4 term “Compact of Free Association” means the  
5 Compact of Free Association between the Govern-  
6 ment of the United States of America and the Gov-  
7 ernment of Palau (48 U.S.C. 1931 note; Public Law  
8 99–658).

9 (b) RESULTS OF COMPACT REVIEW.—

10 (1) IN GENERAL.—Title I of Public Law 99–  
11 658 (48 U.S.C. 1931 et seq.) is amended by adding  
12 at the end the following:

13 **“SEC. 105. RESULTS OF COMPACT REVIEW.**

14 “(a) IN GENERAL.—The Agreement and appendices  
15 signed by the United States and the Republic of Palau  
16 on September 3, 2010 (referred to in this section as the  
17 ‘Agreement’), in connection with section 432 of the Com-  
18 pact of Free Association between the Government of the  
19 United States of America and the Government of Palau  
20 (48 U.S.C. 1931 note; Public Law 99–658) (referred to  
21 in this section as the ‘Compact of Free Association’), are  
22 approved—

23 “(1) except for the extension of Article X of the  
24 Agreement Regarding Federal Programs and Serv-  
25 ices, and Concluded Pursuant to Article II of Title

1       II and section 232 of the Compact of Free Associa-  
2       tion; and

3               “(2) subject to the provisions of this section.

4       “(b) WITHHOLDING OF FUNDS.—If the Republic of  
5 Palau withdraws more than \$5,000,000 from the trust  
6 fund established under section 211(f) of the Compact of  
7 Free Association in fiscal year 2015, amounts payable  
8 under sections 1, 2(a), 3, and 4(a), of the Agreement shall  
9 be withheld from the Republic of Palau until the date on  
10 which the Republic of Palau reimburses the trust fund for  
11 the total amounts withdrawn that exceeded \$5,000,000 in  
12 that fiscal year, except that funds to be provided under  
13 section 3 of the Agreement may be released to replenish  
14 the 211(f) Fund if an arrangement had been made be-  
15 tween the United States and the Republic of Palau to ad-  
16 vance funds during such fiscal year from the 211(f) Fund  
17 for the purposes allowable under section 3 of the Agree-  
18 ment.

19       “(c) FUNDING FOR CERTAIN PROVISIONS UNDER  
20 SECTION 105 OF COMPACT OF FREE ASSOCIATION.—Not  
21 later than 30 days after the date of the enactment of this  
22 section, out of any funds in the Treasury not otherwise  
23 appropriated, the Secretary of the Treasury shall transfer  
24 to the Secretary of the Interior such sums as are necessary  
25 for the Secretary of the Interior to implement sections 1,

1 2(a), 3, 4(a), 5, and 6 of the Agreement, which sums shall  
2 remain available until expended without any further ap-  
3 propriation.

4 “(d) AUTHORIZATIONS OF APPROPRIATIONS.—There  
5 are authorized to be appropriated—

6 “(1) to the Secretary of the Interior to sub-  
7 sidize postal services provided by the United States  
8 Postal Service to the Republic of Palau, the Repub-  
9 lic of the Marshall Islands, and the Federated States  
10 of Micronesia, \$1,500,000 for each of fiscal years  
11 2016 through 2024, to remain available until ex-  
12 pended but may be available pursuant to this para-  
13 graph to the United States Postal Service only so  
14 long as domestic postage may be used for mail to  
15 Palau, the Federated States of Micronesia, and the  
16 Republic of the Marshall Islands; and

17 “(2) to the head of each Federal entity de-  
18 scribed in paragraphs (1), (3), and (4) of section  
19 221(a) of the Compact of Free Association (includ-  
20 ing the successor of each Federal entity) to carry  
21 out the responsibilities of the Federal entity under  
22 section 221(a) of the Compact of Free Association  
23 such sums as are necessary, to remain available  
24 until expended.”.

1           (2) OFFSET.—Section 3 of the Act of June 30,  
2           1954 (68 Stat. 330, 82 Stat. 1213, chapter 423), is  
3           repealed.

4           (c) PAYMENT SCHEDULE; WITHHOLDING OF FUNDS;  
5 FUNDING.—

6           (1) COMPACT SECTION 211(f) FUND.—Section  
7           1 of the Agreement shall be construed as though the  
8           section reads as follows:

9           **“SECTION 1. COMPACT SECTION 211(f) FUND.**

10          “The Government of the United States shall con-  
11 tribute \$30,250,000 to the Fund referred to in section  
12 211(f) of the Compact in accordance with the following  
13 schedule:

14           “(1) \$17,000,000 in fiscal year 2016.

15           “(2) \$3,000,000 in fiscal year 2017.

16           “(3) \$2,000,000 in each of fiscal years 2018  
17 through 2022.

18           “(4) \$250,000 in fiscal year 2023.”

19           (2) INFRASTRUCTURE MAINTENANCE FUND.—  
20 Subsection (a) of section 2 of the Agreement shall  
21 be construed as though the subsection reads as fol-  
22 lows:

23           “(a) The Government of the United States shall pro-  
24 vide a grant of \$12,000,000 in fiscal year 2016, rep-  
25 resenting the amounts to have been provided by the

1 United States in fiscal years 2011 through 2016 under  
2 section 2(a) of the Agreement, and a grant of \$2,000,000  
3 annually from the beginning of fiscal year 2017 through  
4 fiscal year 2024 to create a trust fund, to be known as  
5 the ‘Infrastructure Maintenance Fund’, to be used for the  
6 routine and periodic maintenance of major capital im-  
7 provement projects financed by funds provided by the  
8 United States. The Government of the Republic of Palau  
9 shall match the contributions made by the United States  
10 by making contributions of \$150,000 to the Infrastructure  
11 Maintenance Fund on a quarterly basis from the begin-  
12 ning of fiscal year 2016 through fiscal year 2024. Imple-  
13 mentation of this subsection shall be carried out in accord-  
14 ance with the provisions of Appendix A of this Agree-  
15 ment.”.

16 (3) FISCAL CONSOLIDATION FUND.—Section 3  
17 of the Agreement shall be construed as though the  
18 section reads as follows:

19 **“SEC. 3. FISCAL CONSOLIDATION FUND.**

20 “The Government of the United States shall provide  
21 the Government of Palau \$10,000,000 in fiscal year 2016  
22 for deposit in an interest bearing account to be used to  
23 reduce government arrears of Palau. Implementation of  
24 this section shall be carried out in accordance with the  
25 provisions of Appendix B of this Agreement.”.

1           (4) DIRECT ECONOMIC ASSISTANCE.—Sub-  
2           section (a) of section 4 of the Agreement shall be  
3           construed as though the subsection reads as follows:

4           “(a) In addition to the economic assistance of  
5           \$13,147,000 provided to the Government of Palau by the  
6           Government of the United States in each of fiscal years  
7           2010, 2011, 2012, 2013, 2014, and 2015, and unless oth-  
8           erwise specified in this Agreement or in an Appendix of  
9           this Agreement, the Government of the United States shall  
10          provide the Government of Palau \$45,750,000 in economic  
11          assistance as follows:

12                 “(1) \$10,000,000 in fiscal year 2016.

13                 “(2) \$8,500,000 in fiscal year 2017.

14                 “(3) \$7,250,000 in fiscal year 2018.

15                 “(4) \$6,000,000 in fiscal year 2019.

16                 “(5) \$5,000,000 in fiscal year 2020.

17                 “(6) \$4,000,000 in fiscal year 2021.

18                 “(7) \$3,000,000 in fiscal year 2022.

19                 “(8) \$2,000,000 in fiscal year 2023.

20          The funds provided in any fiscal year under this sub-  
21          section for economic assistance shall be provided in 4  
22          quarterly payments (30 percent in the first quarter, 30  
23          percent in the second quarter, 20 percent in the third  
24          quarter, and 20 percent in the fourth quarter) unless oth-

1 erwise specified in this Agreement or in an Appendix of  
2 this Agreement.”.

3 (5) INFRASTRUCTURE PROJECTS.—Section 5 of  
4 the Agreement shall be construed as though the sec-  
5 tion reads as follows:

6 **“SEC. 5. INFRASTRUCTURE PROJECTS.**

7 “The Government of the United States shall provide  
8 in fiscal year 2016 \$40,000,000 to the Government of  
9 Palau towards one or more mutually agreed infrastructure  
10 projects in accordance with the provisions of Appendix C  
11 to this Agreement.”.

12 (d) CONTINUING PROGRAMS AND LAWS.—Section  
13 105(f)(1)(B)(ix) of the Compact of Free Association  
14 Amendments Act of 2003 (48 U.S.C. 192ld(f)(1)(B)(ix))  
15 is amended by striking “2009” and inserting “2024”.

16 (e) AUDIT; FULL FAITH AND CREDIT; INFLATION  
17 ADJUSTMENT.—The Secretary of the Interior shall fund  
18 the amounts necessary to conduct the audits required by  
19 section 6 and Appendix D of the Agreement. Section 236  
20 of the Compact applies to the commitments of the United  
21 States under sections 1, 2(a), 3, 4(a), and 5 of the Agree-  
22 ment, and to the amounts necessary to conduct such au-  
23 dits, to the same extent as section 236 applies to the Com-  
24 pact. Section 215 of the Compact shall be applied to such



1 commitments and amounts by substituting “2010” for  
2 “1981”.

3 (f) PASSPORT REQUIREMENT.—Section 141 of Arti-  
4 cle IV of Title One of the Compact of Free Association  
5 shall be construed and applied as if it read as follows:

6 **“SEC. 141. PASSPORT REQUIREMENT.**

7 “(a) IN GENERAL.—An individual in one of the fol-  
8 lowing categories may be admitted to lawfully engage in  
9 occupations and establish residence as a nonimmigrant in  
10 the United States and its territories and possessions with-  
11 out regard to paragraphs (5) or (7)(B)(i)(II) of section  
12 212(a) of the Immigration and Nationality Act (8 U.S.C.  
13 1182(a)(5) or (a)(7)(B)(i)(II)), if the passport presented  
14 to satisfy section 212(a)(7)(B)(i)(I) of such Act is a valid,  
15 unexpired, machine-readable passport that satisfies the  
16 internationally accepted standard for machine readability:

17 “(1) An individual who, on September 30,  
18 1994, was a citizen of the Trust Territory of the Pa-  
19 cific Islands, as defined in title 53 of the Trust Ter-  
20 ritory Code in force on January 1, 1979, and has  
21 become and remains a citizen of Palau.

22 “(2) An individual who acquires the citizenship  
23 of Palau, at birth, on or after the effective date of  
24 the Constitution of Palau.

1           “(3) A naturalized citizen of Palau, who has  
2           been an actual resident of Palau for not less than  
3           five years after attaining such naturalization and  
4           who holds a certificate of actual residence.

5           “(b) EMPLOYMENT.—An individual in one of the cat-  
6           egories in paragraphs (1) through (3) of subsection (a)  
7           shall be considered to have the permission of the Secretary  
8           of Homeland Security of the United States to accept em-  
9           ployment in the United States.

10          “(c) HABITUAL RESIDENCE.—The right of an indi-  
11          vidual in one of the categories in paragraphs (1) through  
12          (3) of subsection (a) to establish habitual residence in a  
13          territory or possession of the United States may be sub-  
14          jected to non-discriminatory limitations provided for—

15                 “(1) in statutes or regulations of the United  
16                 States; and

17                 “(2) in those statutes or regulations of the ter-  
18                 ritory or possession concerned which are authorized  
19                 by the laws of the United States.

20          “(d) CLARIFICATION.—Subsection (a)—

21                 “(1) does not confer on a citizen of Palau the  
22                 right to establish the residence necessary for natu-  
23                 ralization under the Immigration and Nationality  
24                 Act, or to petition for benefits for alien relatives  
25                 under that Act; and

1           “(2) shall not prevent a citizen of Palau from  
2 otherwise acquiring such rights or lawful permanent  
3 resident alien status in the United States.”.

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