

**Statement of**

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Mr. Chairman, Ranking Member Sherman, and members of the Subcommittee, thank you for the opportunity to testify on U.S. policy toward Pacific island countries, and for your leadership on these issues.

The Pacific island region has been free of great power conflict since the end of World War II, and we have enjoyed friendly relations with all of the Pacific island countries. This state of affairs, however, is not guaranteed. Our partnerships and engagement in the region matter greatly.

We cooperate closely with the Pacific island countries on a wide range of globally important issues, from promoting human rights and engaging in peacekeeping operations to combating climate change and illegal, unreported, and unregulated fishing. The Pacific islanders have outsized influence on the global stage and the United States must continue to encourage them through our support for their sustainable and inclusive development.

However, it is equally important that we do not take Pacific goodwill for granted. Our relations with our Pacific partners are unfolding against the backdrop of a shifting strategic environment, where emerging powers in Asia and elsewhere seek to exert a greater influence in the Pacific region, through development and economic aid, people-to-people contacts, diplomatic engagement, and security cooperation. There is continued uncertainty in the region about the United States' willingness and ability to sustain our robust forward presence that has been a hallmark of much of the 20<sup>th</sup> century and that has contributed to peace, stability, and prosperity in the region.

To counteract this uncertainty, the Administration continues to ensure that the “Pacific” piece of the rebalance to the Asia-Pacific is not forgotten. The United States has always been a friend and partner to the Pacific islands, providing the region with significant levels of foreign assistance. Under the Rebalance, we have increased our level of engagement, including expanding our staffing and programming and increasing the frequency of high level meetings with Pacific leaders. In 2011, President Obama met with Pacific island leaders on the margins of the Asia Pacific Economic Cooperation (APEC) Forum, and in 2015 met with the leaders of the Marshall Islands, Kiribati, and Papua New Guinea at the COP-21, also known as the 2015 Paris Climate Conference. In 2012 Secretary Clinton became the first Secretary of State to attend the Pacific Islands Forum (PIF), the key policy body in the region. Since then we have continued to engage Pacific island leaders at high levels through the annual PIF Leaders’ Forum, most recently with the visit of Deputy Secretary of State Heather Higginbottom to the Forum in 2015. U.S. engagement at PIF provides an opportunity to press issues of key concern with Pacific island leaders and for the U.S. to be responsive to the region’s needs.

#### U.S. Assistance to the Pacific Islands

The Pacific continues to look to the United States for leadership and support, including on combatting climate change, enhancing maritime security, and fostering sustainable economic development. The United States has provided over \$350 million in Fiscal Year 2014 in its engagement with the region through 15 U.S. departments and agencies which directly benefit the 9 million people living in the Pacific islands.

U.S. assistance includes \$21 million provided annually to the Pacific island parties to the U.S.-South Pacific Tuna Treaty. As we speak, the United States is in active negotiations over the future of this nearly 30 year-old treaty.

Commercial fishing revenues are the lifeblood of Pacific Island economies, and Pacific islands struggle to patrol their over 16 million square miles of exclusive economic zones—which presents security as well as economic risks. For this reason, we work closely with these “Large Ocean States” to combat illegal, unreported, and unregulated (IUU) fishing and to build and expand maritime domain awareness capacity. The United States’ “shiprider” agreements with nine Pacific Islands (Palau, Federated States of Micronesia, Republic of the Marshall Islands, Cook Islands, Kiribati, Tonga, Nauru, Tuvalu, and Samoa) provide a critical mechanism for combatting IUU fishing and enhancing maritime law enforcement cooperation. Several agreements were expanded in 2013 to include

U.S. Navy (USN) ships in addition to U.S. Coast Guard vessels and aircraft. This expansion provides additional opportunities for cooperative enforcement actions. The United States is considering pursuing new, long-term shiprider agreements with Papua New Guinea, Solomon Islands, Fiji, and Vanuatu in 2016. These agreements expand host nation maritime law enforcement capability by providing vessel platforms and U.S. Coast Guard boarding team expertise to help host nation law enforcement personnel more effectively exercise their authority and enforce their laws and regulations. The shiprider program is a cost-effective way to expand the enforcement reach of the Pacific islands. In the past six years, the U.S. Coast Guard has assisted with 203 shiprider boardings, resulting in over \$4.5 million in seizures and fines.

These “large ocean states” are also highly vulnerable to natural disasters and the effects of a changing climate. Rising sea levels, for example, pose an existential threat to many of these countries. Therefore, combatting climate change is a top priority for the region and our engagement with it. We worked closely with the Pacific island countries to reach a durable, effective climate change agreement last December in Paris and many of these countries have been the first to both sign and join it (Fiji, Marshall Islands, Nauru, Palau, Samoa, and Tuvalu). The United States has also increased its support for climate change adaptation in the region. Both our assistance and our efforts to elicit significant commitments from major emitters like China and Russia on greenhouse gas reductions have been met with appreciation in the region.

History also ties the United States to the Pacific islands, especially the island hopping campaigns in the Pacific Theater during World War II. The Solomon Islands, Kiribati, the Marshall Islands, Palau, and Papua New Guinea are places where thousands of American military personnel died in action. The Defense POW/MIA Accounting Agency is still in the Pacific working in close coordination with local authorities to locate, identify, and repatriate missing American service personnel.

Another legacy of the war is unexploded ordnance (UXO), which still poses a threat to Pacific islanders more than 70 years after the cessation of conflict. In response, we have provided funding for clearing legacy ordnance, providing mine risk education and victim assistance, building local capacity to mitigate the threat, and reducing small arms / light weapons (SA/LW) proliferation. We have significant programs in the Marshall Islands, Solomon Islands, and Palau. In the Solomon Islands, in 2015, our implementing partner Golden West continued Explosive Ordnance Device (EOD) training for members of the Royal Solomon Islands Police Force (RSIPF) to improve their ability to deal with UXO. We are

building the RSIPF into a regional UXO leader that can share its expertise and experience with other island nations, such as the Marshall Islands, transforming them from an assistance recipient into an assistance provider.

### Partnering in the Pacific

As we deepen our longstanding engagement with the region, the United States partners closely with Australia and New Zealand, which like us, share a strong interest in ensuring the peace and prosperity of our Pacific neighbors. We also work to coordinate aid, infrastructure development, and economic development assistance with other countries active in the region, such as Japan and France as well as the European Union, World Bank, Asian Development Bank, World Health Organization, and others. In recognition of the leading role Australia and New Zealand play in the Pacific, we frequently consult with them on strategic and development issues, and we work to ensure our assistance to the region is complementary and advances our common objectives to promote sustainable and inclusive development. For instance, Australia helps promote maritime domain awareness with its Pacific Patrol Boat program which entails providing patrol boats as well as technical advisors to Pacific island countries to patrol their exclusive economic zones. Australia works closely with the U.S. Coast Guard on training in the North Pacific. On disaster relief, the United States, Australia, New Zealand and France coordinate closely both before and after disaster strikes to ensure that we are meeting the needs of affected countries but not duplicating efforts, which is key in a post-disaster environment. For example, Australia and New Zealand took the lead this year in providing humanitarian assistance and disaster recovery efforts to Fiji after one of the strongest ever recorded storms, Cyclone Winston, caused devastation and destruction across a large part of the country. When Typhoon Maysak caused extensive damage in the Federated States of Micronesia in 2015, and when drought resulting from El Nino devastated food crops and reduced the availability of potable water in the Marshall Islands in 2016, the United States issued a Presidential Disaster Declaration and USAID's Office of U.S. Foreign Disaster Assistance and the Federal Emergency Management Agency coordinated to provide assistance.

### Freely Associated States

While Australia and New Zealand frequently play a lead assistance role in the South Pacific, the United States and the countries of the North Pacific share especially close relationships. These three countries in the Northern Pacific, the Republic of Palau, the Republic of the Marshall Islands (RMI), and the Federated States of Micronesia (FSM), share a special compact relationship with the United

States and are collectively referred to as The Freely Associated States (FAS). Our relationship with the FAS is a strategic component of our position in the Pacific. These relationships allow the United States to guard its long-term defense and strategic interests in the region. We have full authority and responsibility for the security and defense matters in and relating to each of the FAS and have the right of denial of third-country military access to them. In addition, all three FAS shall refrain from actions that are determined to be incompatible with our authority and responsibility for security and defense matters in or relating to the FAS. While the FAS do not maintain their own military forces, their citizens are eligible to serve in the U.S. Armed Forces. Citizens of FSM, RMI, and Palau volunteer to serve in the U.S. military at rates higher than many U.S. states, and we are grateful for their sacrifices and dedication to promoting peace worldwide. But the importance of our strong relationship with the FAS extends beyond defense considerations.

Through our respective Compacts of Free Association, the United States has maintained extraordinarily close relations with the FAS. In Fiscal Year 2014, we provided over \$200 million in assistance, primarily administered by the Department of the Interior, to support their governance and economic advancement. In the United Nations, the FAS have some of the highest voting coincidences with the United States. For example, in 2014 at the 69<sup>th</sup> General Assembly Palau had the second highest voting coincidence with the United States at 90 percent. This is markedly higher than several of our closest allies including the United Kingdom (79 percent), Australia (75 percent), South Korea (67 percent), and Japan (63 percent). Despite an increase in assistance from others interested in enhancing their engagement with the region, Palau has not only supported the United States on key Israel- and Cuba-related votes but has been at the forefront of actively helping garner the support of others. The FAS have supported UN resolutions seeking to combat the spread of weapons of mass destruction, and joined in efforts to address systematic human rights abuses in North Korea, Syria, and Iran.

Admissible FAS citizens have the right to work and live in the United States as nonimmigrant residents. In fact, the Census Bureau estimated in 2011 that one fourth of all FAS citizens currently reside in the United States. It is these people-to-people ties which form the foundation for our relationships across the Pacific. Our robust Peace Corps programs in the Federated States of Micronesia, Palau, Fiji, Samoa, Tonga, and Vanuatu, comprise approximately 260 current volunteers. Indeed, the Federated States of Micronesia is home to one of the oldest Peace Corps programs globally and is celebrating its 50<sup>th</sup> anniversary this year.

## Our Commitment to Palau

In February, I accompanied Assistant Secretary Russel, U.S. Pacific Fleet Commander Admiral Swift, and U.S. Coast Guard District 14 Commander Rear Admiral Atkins to several countries in the Pacific. One of the countries we visited was Palau. As Assistant Secretary Russel said, our commitment to the development and self-determination of the people of Palau will always endure – because it is built on common history and values. We are united by the sacrifices of the thousands of Marines and other U.S. service members who were killed or wounded liberating Peleliu during World War II and the 100 Palauans who serve in the U.S. Armed Forces today.

The original process that led to our Compact with Palau and the subsequent review was based on a solemn promise to help them achieve self-governance and long-term economic advancement.

The assistance package within the Agreement, as set forth in the Administration’s February legislative proposal, is designed to reduce Palau’s dependence on U.S. direct economic assistance as it continues to grow and reform its economy. In addition to U.S. assistance, the terms of the agreement also commit Palau to a range of economic reforms designed to help increase fiscal transparency, sustain progress achieved under Compact funding, and create a stronger foundation for economic self-sufficiency. If the bilateral Agreement between our two countries is not brought into force, the Trust Fund would be unable to provide an average annual distribution of \$15 million per year until 2044, which, under the Compact as negotiated in the 1980s, has been the objective of the Trust Fund from the time it was originally established.

After nearly six years and multiple endeavors by the Administration and Congress, we have as of yet been unable to secure the funding necessary to bring the Compact Review Agreement into force. Bringing the Agreement into force will demonstrate to Palau and our partners across the region that our commitments are not empty promises.

## United States: A Pacific Power

Mr. Chairman, in conclusion, I wish to reiterate the Pacific region’s strategic importance to the United States. Our identity as a “Pacific power” was affirmed on the beaches of the Pacific during World War II, and since that time we have built positive, multifaceted partnerships with these countries. Our engagement in this region is about our long-term strategic interests. We will continue to work constructively with our partners in the region to maintain peace and foster

sustainable, inclusive development, but we also need the support of Congress not only to secure funding for the Palau Compact Review Agreement but also to sustain our engagement across the Pacific. Thank you for the opportunity to testify before this Subcommittee.