

**Renewed Compact of Free Association
Between
The Government of the United States of America
And
The Government of the Republic of the Marshall Islands
July 1, 2022**

The free association between the Republic of the Marshall Islands (RMI) and the United States of America (U.S.) requires each nation to take measures benefitting the other. Under a renewal of this relationship, the RMI will continue to let the U.S. deny other nations access to its lands, waters, and airspace and veto RMI interactions with other nations on an indefinite basis, and the U.S. will take the following measures in addition to those encompassed by the current relationship that are not changed by the provisions described in this document.

I. Nuclear Justice - All elements of the following requiring funding will carry a pledge of the full faith and credit of the U.S. that the monies will be provided.

- 1) **U.S. Apology** - As an initial measure, the U.S. will apologize for the harm it caused to the health, lands, and waters of individuals, communities, and the RMI as a whole from its nuclear weapons testing program and for disposing of radioactive waste in the islands during the time that the RMI was under U.S. administration as a trustee.
- 2) **Nuclear Claims Tribunal (Tribunal)** - The U.S. will provide –
 - a) \$3.188 billion for the Tribunal to pay adjudicated but unpaid awards.
 - b) Such sums as may be necessary to enable the Tribunal to resume operations and conclude its work, paying already adjudicated awards and considering unadjudicated claims and paying awards if determined warranted. It is estimated that the administrative cost per year of the Tribunal will be \$1.7 million, which shall be paid for as long as necessary. Unadjudicated personal injury claims are estimated to require \$71 million, and unadjudicated property claims, \$500 million. These claims include claims related to the Mid-Range Atolls. The Tribunal process, however, will determine the actual costs.

3) **Health Care** - The U.S. will provide –

- a) Such sums as may be necessary for the DOE healthcare program for the Four Atolls and Mid-Range Atolls to provide comprehensive medical care covering radiogenic, non-radiogenic, and subsidiary diseases associated with long-term, low-dose exposure to radiation. The program will include annual peer review and oversight to ensure best practices for the unique medical needs of these populations.
 - i) Funding to support annual peer review and oversight to ensure that the health care program reflects best practices for the unique medical needs of DOE population, as follows:
 - (1) Project 4.1 subjects from Rongelap and Utrok Atolls and control group;
 - (2) Individuals from the Four Atolls;
 - (3) Individuals from the Mid-Range Atolls;
 - (4) Marshallese workers employed in clean-up activities; and
 - (5) People raised on islands with residual contamination.
- b) Funding for planning, building, and instituting a new healthcare program that will include cancer care, with the RMI and the U.S. working collaboratively towards providing a U.S. standard of health care.
 - i) The funding for the RMI national healthcare program will specifically acknowledge that: the whole of the Marshall Islands is heavily contaminated due to the U.S nuclear testing program; the health impacts are biomedical, mental, and social in nature; and the Government of the RMI government has had to assume responsibility for healthcare impacts beyond the scope of U.S. healthcare programs or U.S. recognition of the impacts.
- c) The U.S. will field Public Health Service doctors and other healthcare personnel as determined to be necessary by the RMI in consultation with the U.S. Department of Health and Human Services.
- d) \$5.75 million annually, adjusted for inflation, for an expanded 177 Health Care Program that would also cover Ailuk, Mejit, Likiep, Wotho, Wotje, and Ujelang Atolls, as per U.S. Senate Energy and Natural Resources Committee-approved bill S. 1756 of 2007.

4) **Environment** - The U.S. will provide –

- a) Full disclosure of the use of all chemical and toxic materials released into the environment during the U.S. nuclear weapons testing program.
- b) Funding for a mutual process to identify and remediate to U.S. CERCLA standards atolls and islands contaminated by the U.S. nuclear weapons testing program, such as Bikini, Rongelap, Utrok, and key areas of Enewetak: the Runit Dome area; the lagoon; and waste disposal sites on Enjebi and Enewetak Islands.
- c) Funding for independent environmental assessments of Naen Island, Rongelap Atoll; Runit Island, Enewetak Atoll; and other atolls and islands to be specified to determine radiation contamination levels from 1946 to the time of the assessments.
- d) Independent environmental research and monitoring of the Four Atolls and the Mid-Range Atolls at least once every four years, in close coordination with community members in every phase of research and monitoring that adheres to tenants of Free Prior and Informed Consent.
- e) Removal of oil and other toxic materials from the sunken vessels at Bikini and any necessary additional environmental remediation.
- f) Complete removal of strontium-90, cesium-137, plutonium-235, plutonium-239, cobalt-60, americium-241, and other radioactive isotopes wherever present in the RMI.
- g) U.S. standards for environmental monitoring and restoration in the RMI. Despite repeated requests by the RMI, the U.S. continues to apply international standards (100 mrem) for radiological safety to the RMI. The impact of this decision is that the U.S. maintains that it is acceptable for the Marshallese people to be exposed to levels of radiation more than six times higher than U.S. standards for many exposure scenarios.

5) **Relocation** - The U.S. will fund plans jointly developed by the RMI and the U.S. for the relocation of the peoples of Bikini, Enewetak, Rongelap, and Utrok until their atolls are fully remediated. The cost is estimated to be \$200 million.

6) Other Measures

- a) The U.S. will ensure independent peer oversight and review of the DOE environmental programs in the RMI to ensure best practices.
- b) The U.S. will declassify and disclose, without redaction, contents of all documents related to U.S. testing of hazardous weapons and disposal of hazardous waste in the RMI within one year.
- c) The U.S. and the RMI will conduct Section 177 Agreement consultations annually each July.
- d) The U.S. will fund, in consultation with the RMI, a museum and education center that would also serve as a repository for all information related to the U.S. nuclear weapons testing program in the RMI.
- e) The Section 177 Agreement will be amended in accordance with the foregoing. In addition, the authorization of appropriations in the U.S. Compact Acts (Public Law 108-188 and its predecessor, P.L. 99-239) will be utilized to provide funding where possible.

II. Climate Change

- 1) **Financial Assistance with Physical Adaptation** - The U.S. will provide the RMI with \$9 billion to help preserve the RMI's territorial integrity. This figure is derived from a rigorous study of adaptation pathways for the RMI conducted by the Deltares firm on behalf of the World Bank. The study represents the best available science on adaptation options for the RMI. The work and costs are summarized in the following chart.

Atolls/ Islands	Adaptation	Cost (net present value)
Majuro Atoll	Protect and raise/reclaim land	\$4 billion
Kwajalein Atoll	Protect and raise/reclaim land	\$2 billion
Intermediate Atolls	Raise land, relocate inward, and internally migrate	\$2 billion

Outer Atolls and Islands	Raise land, relocate inward, and internally migrate	\$1 billion
Total		\$9 billion

2) **Technical Assistance** - The U.S. will provide technical assistance as follows.

- a) For additional measures, such as revetment and land reclamation, including artificial and natural buffers.
- b) For studies of climate hazards and possibilities for solutions not covered above.
- c) For sharing technologies and techniques for physical adaptations.
- d) For any planning and studies needed prior to implementing physical adaptations.
- e) For implementing physical adaptations.

3) **Disaster Risk Management Assistance** - The U.S. will provide the following –

- a) Technologies and techniques for disaster risk management.
- b) Assistance with implementing disaster risk management strategies.
- c) Funding for emergency equipment maintenance.

All assistance will be carried out in partnership with the RMI and include programs for capacity development, including transfers of technology, sharing of information, and education and training opportunities.

III. Economic Assistance

1) **Financial Assistance** - The U.S. will pledge its full faith and credit to provide the RMI with the following amounts, fully adjusted for inflation.

- a) Sector Grants and Major Infrastructure Needs.

- i) Basic grants at the Fiscal Year (FY) 04 level plus \$5.2 million (in FY24 dollars) for education and health programs on Ebeye annually through FY44.
 - ii) A new Social Services Grant at an amount to be subsequently proposed.
 - iii) Grants for auditing and related capacity building at \$1 million (in FY24 dollars) per annum.
 - iv) Disaster matching assistance at \$500,000 (in FY04 dollars) per annum.
 - v) The amount of the grant used for environmental purposes at Kwajalein would increase from \$200,000 to \$798,000 (both in FY24 dollars) per annum, fully adjusted for inflation. Additional financial assistance in the amount of \$798,000 (in FY24 dollars) per annum would be dedicated to environmental needs elsewhere in the RMI.
 - vi) Funds spent on public infrastructure will continue to be not less than 30% and no more than 50% of the basic sector grants, but the limitation of eligible projects to the health and education sectors will be eliminated.
 - vii) Upon conclusion of this agreement, the U.S and the RMI will jointly assess and ensure financing for major infrastructure needs that would not be met through the use of sector grants and subsequently reassess and reach agreement on further infrastructure needs upon the request of the RMI.
 - viii) The uses of basic sector grants will be extended to key economic and financial sectors.
- b) Supplemental Education Grant (SEG)
- i) The grant will be made mandatory and continued at the level proposed in President Biden's FY23 Budget, fully adjusted for inflation, for as long as the RMI lets the U.S. exercise fundamental aspects of its sovereignty, although this assistance would be subject to a bilateral review at 20-year intervals.
 - ii) The accumulated shortfall in past SEG payments, currently \$41.6 million, will be provided to seed a trust fund for education and job training.
- c) A grant of \$17.3 million to implement the RMI Energy Roadmap Plan.

- d) Trade and Tax Compensation. The U.S. will provide the authorized \$40 million for its unilateral nullification of the Compact's trade and tax incentives for economic activity in the RMI after the U.S. President's Personal Representative signed the Compact and the Compact was accepted by the people of the RMI in a referendum. These funds will be used to recapitalize the Investment Development Fund referenced in U.S. Public Law 99-239 Section 111(b)(1)(ii).

2) Federal Programs and Services

- a) The U.S. will continue all existing U.S. Federal programs and services¹ for which the RMI is eligible or any successor programs (for as long as the programs exist in the U.S.) and all programs would be covered by a bilateral agreement in addition to U.S. laws. The continuation will be for as long as the U.S. can exercise fundamental aspects of the RMI's national sovereignty, but would be subject to bilateral reviews at 20-year intervals.
- b) The U.S. will continue current postal services with changes to include: restoring the Ebeye Post Office Zip Code (96970); designating additional zip codes for Jaluit and Wotje; and changing its Designated Sorting Facility from Guam to Hawaii to shorten the time that it takes for mail to arrive in the RMI from the U.S.
- c) The U.S. will restore in/or extend to the RMI additional Federal programs to be specified later, including, but not limited to the National School Lunch Program, Head Start, the Peace Corps, and FEMA.
- d) Banking.
 - i) RMI domestic banks would be granted direct and full access to U.S. Federal Reserve System financial services, including the use of Federal Reserve master accounts, capacity building, and other technical assistance.
 - ii) The U.S. will give the RMI Monetary Authority full access to any relevant and applicable U.S. Federal Reserve payment services. This includes Federal Reserve services provided for central banks and monetary authorities under the heading of "Central Bank and International Account Services" for funds, securities, securities clearing, settlement, investments, correspondent banking, and custody services to safely and confidentially execute official RMI Government transactions.

¹ Including but not limited to those programs identified in GAO Report 18-415. P'll

3) Compact Trust Fund (CTF)

The U.S. will pledge its full faith and credit to provide the following –

- a) Contributions to the CTF at the FY04 level, fully adjusted for inflation, through FY44. The U.S. may choose to continue contributions beyond this date to enhance CTF growth and sustainability.
- b) Distributions in FY45 and after from the CTF would be at the level of the FY44 expiring grants at the least, fully adjusted for inflation, with the U.S. making up any shortfall in the ability of the CTF to make the distributions at the FY44 level on a fully adjusted for inflation basis for as long as the U.S. exercises sovereign rights of the RMI.
- c) Trust Fund Agreement Reforms.
 - i) The RMI will be granted full control of the CTF except in cases in which this would compromise the U.S.' ability to exercise the strategic denial and defense veto that the RMI is permitting it to exercise (as is the case with Palau).
 - ii) Other changes to the CTF Agreement will be made, including its distribution rules.
 - (1) So that distributions balance the needs of the current generation and future generations. Distributions must also smooth out volatility as long as this does not materially compromise the sustainability of the CTF.
 - (2) To ensure that the distribution for each fiscal year is fully determined in time to inform the RMI's budgeting process.
 - (3) Provisions regarding a Trustee will be eliminated. The accepted current practice for such funds is to have a Custodian instead.
 - (4) So that not less than 5% nor more than 10% of the CTF is invested in the RMI, provided that investments in the RMI will be subject to the same scrutiny and criteria as other CTF investments.

4) **Other Measures**

- a) The Joint Economic Management and Fiscal Accountability Committee (JEMFAC) will be abolished and Compact Section 214 will be amended to refer to a Fiscal Procedures Agreement (FPA) to implement Section 211 economic assistance.
- b) The FPA will be amended based on the FPA in the original Compact, updated as appropriate.
- c) If the RMI Monetary Authority is established, the U.S. will facilitate payment of grant funds into RMI accounts with the Monetary Authority. (The RMI Monetary Authority, by law, would facilitate all cross-border payments for the Government and hold Government accounts.)
- d) The Renewed Compact will be jointly reviewed before its 20th anniversary. Two years prior to the review, the RMI and the U.S. will discuss the contours of any changes needed in the economic arrangements made in this proposal.

IV. Military Use and Operating Rights Agreement (MUORA) - The U.S. will pledge its full faith and credit to provide the following –

1) **Grant Assistance**

- a) Kwajalein Impact Development Fund (KIDF). The Ebeye Special Needs fund (ESN) and Kwajalein Impact Fund (KIF) will be merged to establish a Kwajalein Impact Development Fund. Funding levels for the KIDF will be at the combined levels of the ESN (\$5.1 million in FY04 dollars) and the KIF (\$1.9 million in FY04 dollars), fully adjusted for inflation.
- b) Kwajalein Master Plan. The U.S. will grant \$132 million to finance the implementation of the Kwajalein Master Plan, as authorized by U.S. P.L. 108-188 Section 103(L)(5).
- c) Funding for a nutrition supplement program to compensate for loss of land and seafood..., sources and other hardships due to U.S. military activity.

2) Investment Opportunities

- a) A Kwajalein Landowner Trust Fund will be established with seed funding provided by bringing forward the seven-year advance notice payment.
- b) Improve economic opportunities for Marshallese to participate at USAG-KA by:
1.) amending the SOFA to create equal opportunity for Marshallese and US Contractors at U.S. defense sites; and 2.) amending SBA regulations to include citizens of the Marshall Islands as qualifying for Section 8 status under the U.S. Small Business Act, and to provide for eligibility and implementation of the set-aside program for Marshallese owned small businesses at USAG-KA.
- c) Allow for Communities in close proximity to USAG-KA operated defense sites to be able to procure excess power and water supplies to help supplement existing utility services to these communities (i.e, Ebeye, Eenbouj, and Ennibur, etc.)

3) Environmental Stewardship

- a) The U.S. will undertake an updated and tiered Environmental Impact Assessment under U.S. National Environmental Policy Act for U.S. Army Garrison - Kwajalein Atoll (USAG-KA) activities as a whole, with fulsome local community participation.
- b) The U.S., in consultation with the RMI, will establish an independent and dedicated forum with a mediator to address, conclude, and compensate proven claims of harm and damage from ongoing U.S. military activity in RMI.
- c) The U.S. will expand the mandate of the USAG-KA Environmental Standards Project Team and the mandate of other appropriate agencies to address USAG-KA environmental issues outside of the Standards Project and transparently and expeditiously address environmental issues in the RMI outside of the USAG-KA, in a manner that is consistent but takes into account local circumstances. (U.S. agencies to be involved will include the EPA, NOAA, NMFS, FWS, and ACE.)
- d) Current U.S. assistance provided by EPA Region IX will be included as a specified Federal program and fund in a bilateral agreement. (A mutual sectoral, time-bound plan with benchmark milestones and clear activities will replace current ad-hoc U.S. approaches. Related assistance will be expanded with U.S. FWS, NOAA, and NMFS assisting with capacity-building.)

- e) The U.S will fund, at a minimum \$100,000, for appropriate public health outreach measures for Kwajalein Atoll communities. The primary need is an epidemiological study of Ebeye children to determine whether lead contamination has occurred from eating fish caught near Ebeye in Kwajalein Atoll.

4) **Lib Island, Biken Island (Aur Atoll), and Mili Atoll**

- a) Lib Island. The U.S. will pledge its full faith and credit to provide Lib with the following amounts, fully adjusted for inflation. All amounts are in FY24 dollars.
 - i) Establish a Lib Island Special Needs similar yet separate program akin to Ebeye Special Needs –
 - (1) Back payment of \$3.86 million
 - (2) Ongoing payment of \$324,000 p.a.
 - (3) Include Lib in any successor or additional programs to ESN as agreed in these negotiations
 - ii) Establish a Lib Island Impact Fund similar yet separate program akin to the Kwajalein Impact Fund (KIF)
 - (1) Back payment of \$1.72 million
 - (2) Ongoing payment of \$121,000 p.a.
 - (3) Include Lib in any successor or additional programs to KIF as agreed in these negotiations
 - iii) If, in addition to ESN and KIF, other provisions are agreed for Kwajalein as part of the renewed proposal, Lib should be included wherever appropriate. This may include for example any nutrition supplement program.
 - iv) To be used to seed a trust fund:
 - (1) Hardship.
 - (a) A once-off payment of \$8.66 million in respect of hardship experienced during displacement

(b) A once-off payment of \$23.30 million, plus ongoing contributions of \$632,000 p.a., in respect of hardship experienced as a result of post displacement, for as long as the U.S. exercises sovereign rights of the RMI

(2) Loss of use.

(a) \$3.04 million for loss of use during 1961-1966 displacement

(b) No more than three years after the entering into force of the renewed Compact, the US will prove, with full transparency to Lib and RMI authorities, that its activities did not make Lib unsafe to live on at any point following repatriation. In respect of any years where this cannot be proven, Lib will be entitled to loss of use payments in respect of the unsafe period(s) calculated consistently with the methodology used by the Nuclear Claims Tribunal, including the adjustment using interest rates.

v) UES. Inclusion of Lib Island in the Kwajalein USAG-KA Environmental Standards with an operational budget of \$390,000 p.a.

vi) Pursuant to an agreement, the U.S. military through the USAG-KA, will provide Lib with –

(1) Emergency medical care and emergency evacuation and

(2) All data regarding the impact of U.S. military activities on Lib.

b) Biken Island (Aur Atoll)

i) The payments for military use of 4.253 acres of land on Biken during the last 20 years will be supplemented to increase the amounts to a fair market value rate, fully adjusted for inflation since the land use agreement came into effect in 1995, and future payments will be made on this basis.

ii) The U.S. will provide just compensation for military use of Tobal Airstrip and adjacent land for storage, as stipulated in the MUORA, retroactive to 1995, when the MUORA went into effect.

iii) The U.S. will grant the RMI funds to be used in cooperation with the Aur Atoll Local Government for improvements to the Tobal airstrip to ensure safety and compliance with military standards, such as width and length of

pavement and lighting, and for improvements and construction of other infrastructure, such as docks and roads.

- c) Mili Atoll - The U.S. will, within one year, respond to RMI's offer for use of Mili Atoll.

V. General and Other Provisions

- 1) The U.S. will recognize the sovereignty of the Government of the RMI over Enen-Kio.
- 2) The U.S. will provide all Veterans Affairs benefits in the RMI.
- 3) The U.S. will agree to a subsidiary agreement on the use of the RMI's upper airspace and its management.
- 4) Section 141(h) of the Compact, as Amended, will be amended to strike "does not confer on" and insert in lieu thereof, "confers upon" and to strike "or" and insert in lieu thereof "and" so that Marshallese who reside in the United States and its territories under Section 141(a) will count towards the residence requirements necessary for naturalization under the U.S. Immigration and Nationality Act.
- 5) The U.S. will make RMI citizens in the U.S. eligible for all Federal programs applicable in the jurisdiction in which they live and this eligibility will be covered by a bilateral agreement in addition to the statutes involved, such as SSI and SSDI.
- 6) In addition to the U.S. Coast Guard and Merchant Marine Academies, the U.S. shall expand the access of the Marshallese students to its Army, Navy, and Air Force Academies.
- 7) The Compact's trade provisions in Article IV of Title Two (Section 242) will be amended to allow quota and duty-free entry of certain forms of art including handicrafts, fresh and frozen tuna products to the United States and its territories with necessary adjustments to local content requirements.
- 8) The U.S. will agree to a subsidiary agreement to allow international airlines to operate and service in the RMI.