



Republic of the Marshall Islands
MINISTRY OF FOREIGN AFFAIRS AND TRADE
P.O. Box 1349 | Majuro, MH 96960 | Phone: (692) 625-3181

26 October 2023

Chairman Bruce Westerman
House Committee on Natural Resources
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Westerman

Thank you for your continuing leadership and questions from the committee hearing on August 24, 2023, entitled "*Peace Through Strength: The Strategic Importance of the Pacific Islands to U.S. led Global Security*". Apologies for our late response due to the frenzy of recent negotiations on the Compact amendments which have resulted in a signed Agreement to Amend the Compact and two new subsidiary agreements.

Response to Questions

Questions from Rep. Westerman for The Hon. Jack Acting, Minister of Foreign Affairs and Trade, Republic of the Marshall Islands:

1. The People's Republic of China (PRC) has been seeking to increase its influence in the Freely Associated States and other Pacific nations by offering economic assistance and PRC led infrastructure projects. We have seen that in certain instances that assistance from the PRC has had corrosive effects on democratic institutions and economies within countries have accepted this assistance from the PRC.

Question: Can you describe how the U.S. economic assistance provided under the Compacts have had positive benefits for the Republic of the Marshall Islands?

RMI Answer: U.S. economic assistance has provided an essential and reliable stream of crucial funding and programs particularly in the areas of education, health, and infrastructure over the past 37 years on a guaranteed basis. This has allowed our government to plan and implement important programs in these areas and provide quality and resilient public infrastructure for our people. We are hopeful that this assistance will continue, be enhanced, and extended in our new agreements.

The Supplemental Education Grant (SEG) proved not to be a good alternative to the education and job training programs it substituted for. The benefits of the programs — despite the administrative work required — couldn't be replicated. The authorized funding was far from adequate in terms of amount and significantly less was appropriated.

The value that the programs had in making it clear to our people that the U.S. was helping them was also lost. The negotiations sought to rectify this by restoring the programs and, importantly, by adding student loans, to not only better enable Marshallese students as individuals to tangibly see the benefits of the U.S.-RMI partnership but, in the case of the many who get their post-secondary educations in U.S. areas, to fully experience it.

2. Question: What is your government currently doing to increase resiliency and capacity to push back against PRC's attempts to expand its influence and exert leverage within the RMI?

RMI Answer: Our nation ended diplomatic relations with the PRC and recognized Taiwan in 1993. This has resulted in excellent relations with Taiwan, increased assistance without the toxic strings attached to PRC projects and including Taiwan as a contributor to our Trust Fund. Nonetheless, it has been clear that there is increased pressure from the PRC to engage and exert malign leverage whenever and wherever possible. PRC has imposed a punitive tax on all Marshall Islands flagged vessels stopping in the PRC as a "punishment" for recognizing Taiwan. This has caused significant loss of revenue to our Ship Registry, and thus to our nation.

I would also add in the end that the approval legislation's restoration of social safety net programs for Marshallese in Arkansas and other U.S. areas for those few who need the programs is essential to them and to their families in the Marshall Islands. Marshallese in the U.S. pay equal taxes with other residents, are permanent residents, and permanent residents can access the programs when there is a need.

Once again thank you for your leadership on the Compact and related issues. Mr. Chairman, you understand the importance of our relationship of Free Association to both countries and this is very much appreciated. Finally, thank you for hosting the largest Marshallese community in the United States in the State of Arkansas. Our people are grateful for the friendliness of the people and the opportunities that your State provides.

Sincerely,



Jack Xiding
Minister of Foreign Affairs and Trade