House Natural Resources Subcommittee on Indian and Insular Affairs

Examining the Implementation of the Compact of Free Association Amendments Act of 2024

- 1. During the hearing, the Department of the Interior's witness stated that to his knowledge all the relevant U.S. agencies, including the Social Security Administration, have issued guidance on carrying out programs to adhere the Compact of Free Association Amendments (COFA) Act of 2024.
  - a. To your knowledge, has the Social Security Administration issued guidance for the Supplemental Security Income program to reflect the 2024 COFA law?

Despite our repeated outreach, the Social Security Administration (SSA) has not provided a timeline on implementation of eligibility of FSM citizens for Supplemental Security Income (SSI). We understand that SSA may have paused the processing of SSI applications submitted by FAS citizens to avoid denial and appeal processes while it worked to finalize guidance. Even if this is so, the timeline remains unclear on when SSA will issue guidance. Importantly, FSM citizens have lost months of eligibility due to delayed implementation. Congressional outreach to SSA would be helpful to ensure it is completed in a timely manner.

2. Can you summarize any issues FSM's government has encountered relating to COFA implementation since the bill passed?

Our response to this question is divided into two parts: (A) Implementation of Programs and Services and (B) Implementation of Sector Grant Assistance. These two aspects of COFA implementation present distinct issues.

### A. Implementation of Programs and Services

Since the enactment of the COFA Amendments Act, the FSM has worked hard to ask U.S. agencies to implement promptly the new authorities under the law. Many agencies, such as HHS, the U.S. Department of Education, FEMA, and USDA acted within the first several months after passage of the bill and we are grateful for their prompt implementation of relevant authorities.

However, despite our repeated inquiries, the Social Security Administration (SSA) has not responded to the FSM regarding SSA's plans to implement the new eligibility for Supplemental Security Income. The SSA will need to update its guidance to permit FSM citizens in the United States to realize benefits from the new authorization, but to date has not done so. This has real life negative consequences for FSM citizens that should be eligible for SSI.

Additionally, we had not heard back from the Department of VA until very recently about its implementation of its new authorities under the Act to assist FSM veterans of U.S. military service. On Sept 17, 2024, we had a very productive introductory meeting with the VA and look forward to collaborating with VA to develop a framework agreement to facilitate VA assistance for FSM veterans by early2025. Additional detail on VA issues is provided in the response to Question #4 below.

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As to Head Start, we learned during our conversations with HHS that the Head Start program reauthorized by the statute would require set-aside appropriations funding for FSM and RMI in FY 2025. HHS is waiting for Head Start funding to be appropriated through the FY 2025 appropriations process. We appreciate the congressional support on this issue and were pleased to see the inclusion of this funding (\$8 million total for FSM and RMI) in the House and Senate Labor-HHS-Education spending bills. We remain hopeful that Congress will pass the FY 2025 funding in time for the Head Start program to be ready in the FSM by the start of the 2025-26 school year.

### B. Implementation of Sector Grant Assistance

The FSM greatly appreciates the increase in bilateral financial assistance to our nation under our new agreements. The \$500 million in Compact Trust Fund contributions will be of great help as an investment in our nation's future. We also appreciate the increase in annual sector grants to \$140 million each year. This will help us with the traditionally large sectors of health, education, and infrastructure and to address environmental impacts.

With respect to sector grants, however, the FSM is concerned based on early U.S. actions that the U.S. intends to manage aspects of FSM sector grant assistance in ways that are inconsistent with the agreements approved by Congress in March. We recently concluded a difficult first meeting with the United States on September 4 of the Joint Economic Management Committee (JEMCO). Among other things, despite the deference provided to us in programming in the agreed sectors, we were called upon to defend increased sector grant support for the College of Micronesia and for scholarships for worthy students. We even had to fly the President of the College of Micronesia to Hawaii to justify to the United States the College's programs and needs, which was unnecessary under our new agreement but became necessary in order to have our FY 2025 budget proposal approved by the U.S. JEMCO members.

The overall tone of our discussions reflected a lack of trust in the FSM's commitment to effective management and accountability of direct economic assistance funding. There were some other areas where we disagreed with the U.S. approach, but the handling of these two requests in the education area stood out as particularly unwarranted given the terms of the new agreement and we are concerned that it may forecasts unnecessary problems in the future.

We hope our future engagements and the upcoming review of prior JEMCO resolutions will be the kind of partnership we negotiated, and the U.S. Congress approved.

#### a. How have these challenges impacted FSM's government and citizens?

The delays have had negative effects. After a long delay, the VA now shows initial movement, fortunately, for which we are grateful. As to SSA, this delay is causing real hardships for the

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FSM citizens waiting for benefits or who may have been denied these benefits while guidance is finalized.

As to implementation of the sector grants, as noted above we hope to have more productive discussions in the future on financial assistance and are hoping to have a collaborative and substantive review of JEMCO resolutions that were reached during the earlier Compact assistance period, many of which are not consistent with the 2023 agreements.

The FSM appreciates the House Natural Resources Committee's engagement.

b. Have you raised these concerns with the administration? If so, what was their response?

We have made many efforts since the COFA Amendments Act was passed March 2024 to engage U.S. agencies in the implementation of the programs and services provide through the COFA Amendments Act. We have made progress in most cases through our own contacts with U.S. agencies or with help from Congress, but certainly would welcome additional visible and vigorous support of State and Interior as we try to achieve the goals of the COFA Amendments Act. In this connection, we noted that the Department of Interior's witness at the September 10 HNR hearing that Interior is "tracking" implementation. We hope that Interior and State can actively engage all relevant agencies, getting White House support, if necessary, to fully implement as quickly as possible the available authorities. This could mean providing background to those agencies, if necessary, on the importance of the FAS-United States relationships and the policy reasons for the COFA Amendments Act. Greater advocacy in support of the FSM would be welcome.

- 3. Your written testimony lists the agencies who have issued guidance on carrying out the services and obligations under the COFA Amendments Act.
  - a. To your knowledge, which of the relevant agencies have not listed updated guidance?

The SSA have not released updated guidance for implementing the eligibility of FSM citizens for SSI. Other relevant agencies had issued guidance prior to the Committee's hearing on September 10.

b. Has your government reached out to these agencies? If so, what has been their response?

Many U.S. agencies were willing to engage with the FSM when we reached out directly. After a long delay, the FSM met with representatives from the VA on September 17, 2024, and the meeting was very cordial and productive. We discussed a schedule for future, likely weekly, meetings starting in October 2024, leading hopefully to an agreement in the first months of 2025. To my knowledge, the SSA has still not responded to the FSM or our representatives on the topic of implementing SSI benefits for our citizens. It is critically important that the SSA move with

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haste to release updated public guidance reflecting FAS citizens' new eligibility so the SSA can begin processing their SSI benefits applications.

# 4. How has the delay of Department of Veterans Affairs services impacted FSM's veterans?

The FSM was pleased that the COFA Amendments Act includes provisions that will expand the VA's authorities and enable it to do more to help Micronesians who have served in the U.S. military. Citizens from the FSM (and the FAS generally) serve in the U.S. military at extremely high rates of volunteers per capita. This reflects the commitment of our government and our people to the United States and the importance of the U.S.-FSM partnership for our shared defense. Doing what is right for FSM veterans will also serve to encourage infusion of more recruits in the US armed forces; a win-win situation and a worthy investment.

Unfortunately, veterans who return home to the FSM after serving in the U.S. military have always had great difficulty in accessing the health care they have earned through their service. They must travel away from their homes in the Federated States of Micronesia to Guam or Hawaii for VA related medical care. Often, they simply cannot get the care to which they are entitled, including diagnoses and pharmaceuticals. FSM veterans who proudly served in the United States military should not be disadvantaged in accessing the level of benefits afforded to their fellow veterans who reside in the United States. Every delay represented in days, months, or years caused by VA's inaction or underperformance, meant an unfortunate "out-of-pocket-expense" opportunity to our FSM veterans seeking medical care in that timeframe.

For these reasons, we were very disappointed by the initial delays in dialogue with the VA, despite our efforts, in the months following enactment of the COFA Amendments Act. The delay was unhelpful to the FSM's veterans, especially following the decades of requests from our government and our veterans for adequate care for our citizens after their service in the U.S. military.

We were pleased to have had a constructive meeting with the VA in the aftermath of the September 10 House oversight hearing. We hope this and future meetings will lead to positive and rapid movement toward expanding services for FSM veterans. The need for assistance in this area is critical.

The following are some of the concerns that we hope will be addressed through implementation of the new bill.

1. **Air travel, lodging, and ground transportation costs**: The burden and up-front costs to veterans in funds and time to obtain medical care are quite significant, including airline travel, destination lodging and transportation costs. Veterans' travel to the United States, including Guam, to receive health services is prohibitively expensive for most FSM veterans. There are no dedicated VA facilities with VA certified providers (clinics or

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hospitals) in the FSM to provide timely and effective care for veterans. FSM State hospitals, public health, and private medical services providers are not part of the VA system, nor are they accredited, or approved to provide VA medical services to veterans who may suffer from service-, or nonservice-connected disabilities, combat or noncombat related injuries, treatment for exposure to chemical or biological agents used during periods of armed conflict or peacetime, or psychological conditions associated with PTSD.

- 2. **US postal service prohibition**: FSM veterans cannot receive VA prescribed medications directly from the VA via the US postal service in the FSM.
- 3. Unavailability of VA-supported telehealth services infrastructure for veterans: The FSM does not have access to secure, reliable, and consistent VA administered, or VA "networked" telehealth infrastructure that could be of assistance in the absence of preferred and much needed facilities.
- 4. **Unavailability of trained VA assistants/counselors in FSM**: FSM veterans lack timely, effective, and consistent access to VA administrative counselors to assist veterans in navigating the complex processes and procedures of determining eligibility and access requirements for numerous VA benefits.

The FSM will work diligently with the VA as the consultations between our governments proceed. We hope to reach an agreement in the coming months on the comprehensive improvements in service that are contemplated in the COFA Amendments Act.