

**TESTIMONY OF ANGEL DEMAPAN  
DEPUTY ASSISTANT SECRETARY  
INSULAR AND INTERNATIONAL AFFAIRS  
DEPARTMENT OF THE INTERIOR**

**BEFORE THE  
HOUSE COMMITTEE ON NATURAL RESOURCES  
SUBCOMMITTEE ON INDIAN AND INSULAR AFFAIRS**

**OVERSIGHT HEARING ON  
IMPLEMENTATION OF THE COMPACT OF FREE ASSOCIATION AMENDMENTS  
ACT OF 2024**

**January 14, 2026**

Chair Hurd, Ranking Member Ledger Fernández, and members of the Subcommittee, thank you for the opportunity to testify before you today regarding the implementation of the Compact of Free Association (COFA) Amendments Act of 2024. I am Angel Demapan, and I serve as the Deputy Assistant Secretary for Insular and International Affairs at the Department of the Interior (Department).

**Strategic Importance of COFA Agreements**

The Department, through the Office of Insular Affairs (OIA), administers and oversees federal assistance provided under the COFA agreements to the Republic of Palau (Palau), the Republic of the Marshall Islands (RMI), and the Federated States of Micronesia (FSM), collectively known as the Freely Associated States (FAS). The COFA agreements serve as the bedrock of the United States' special relationship with the FAS. Through these mutually beneficial agreements, the FAS receives direct economic assistance in the form of sector grants, trust fund contributions, and access to certain federal programs and services. Through these Compact agreements, the United States advances economic growth, promotes self-sufficiency in the FAS, and reinforces partnerships that support a free and open Indo-Pacific.

Under the COFA agreements, the U.S. has full authority and responsibility for security and defense matters with respect to the FAS, including the ability to establish defense sites and to strategically deny foreign military access to the lands, waters, and airspace of the FAS. The U.S. currently maintains, or is planning to build, improve, or expand defense sites in all three sovereign nations: U.S. Army Garrison Kwajalein in the RMI, multiple projects throughout Palau, and expanded seaport and airport projects in Yap State within the FSM.

Furthermore, under the COFA agreements, citizens of FAS nations are eligible to serve in the U.S. Armed Forces. Notably, the FAS have among the highest rates of military enlistment relative to U.S. states. These servicemembers serve the United States with distinction and honor.

The COFA agreements are more important than ever, as the People's Republic of China (PRC) has intensified efforts to undermine and compromise our critical national defense apparatus hosted in these important island nations. The PRC has deployed an extensive influence operation aimed at corroding, corrupting, and coercing democracies. The COFA agreements are vital in countering this threat, as they provide the FAS with the tools to enhance democratic resiliency.

The Department recognizes the strategic importance of our Compact agreements and relationships with our FAS partners. Under Secretary Burgum's leadership, the Department is ensuring that Compact obligations are fully met. The Administration is committed to strengthening national security, securing U.S. interests in the Indo-Pacific, and ensuring American taxpayer dollars are used in a responsible manner.

### **Strengthening Partnership and Oversight**

OIA is prioritizing steadfast oversight of Compact resources, ensuring that investments drive accountability, infrastructure growth, and improved delivery of public services. Since the enactment of the Compact of Free Association Amendments Act of 2024, which provides \$6.5 billion in economic assistance, OIA has already made approximately \$1.5 billion available to the FAS in accordance with the 20-year schedules outlined in the Compact agreements. Compact financial assistance is administered by OIA, with additional monitoring and high-level oversight provided through the Joint Economic Management Committee (JEMCO) for the FSM, the Joint Economic Management and Financial Accountability Committee (JEMFAC) for the RMI, and annual bilateral economic consultations for Palau.

The Administration continues to strengthen Compact partnerships through its timely appointments of U.S. members and designees to JEMCO, JEMFAC, and the U.S.-Palau Economic Advisory Group, as well as meetings with representatives from FAS. In July 2025, DOI hosted the third U.S.-Palau Bilateral Economic Consultations. These consultations highlighted Palau's progress in implementing significant fiscal reforms and accountability measures and reaffirmed the strength of the U.S.-Palau partnership.

In August 2025, the Department chaired annual JEMCO and JEMFAC meetings to review and approve the FSM's and the RMI's fiscal year 2026 budget proposals and strategic development plans. For the first time since 2011, the Department invited a representative from the Government Accountability Office (GAO) to observe these meetings to further transparency and information sharing.

The Administration also convened two meetings of the Interagency Group (IAG) on Freely Associated States. In August 2025, it confirmed the third U.S. member of JEMCO and in

December 2025 it recommended policies on COFA implementation, including in areas such as education, postal, and veterans' services.

### **Ongoing U.S. Support and Regional Collaboration**

Interior collaborates extensively with interagency partners to advance shared goals in the FAS and the broader Pacific region. Recently, OIA awarded \$20 million to Palau, utilizing funds provided by the Department of State, to support reforms to its civil service pension system. This grant will be released in phases, contingent upon Palau enacting necessary and sustainable reforms to ensure the long-term viability of its civil service pension fund.

The Departments of State, Interior, and Treasury have also collaborated with like-minded partners, including Japan and Australia, to demonstrate the Administration's unwavering support and engagement with each of the FAS. Together, we are ensuring that clean, high-speed digital telecommunications connectivity and redundancy are available to the FAS. The PC2 project for Palau, the Eastern Micronesian Cable System for the FSM, and the Pacific Connect Initiative for the RMI and the FSM are all being supported with U.S. financial assistance.

OIA continues to support initiatives that promote long-term economic growth in the FAS, including investments in tourism, critical infrastructure, healthcare, and education. Examples include construction of and improvements to school buildings, roads, water systems, airports, and electrical grids.

While much work remains, the Department, under Secretary Burgum's leadership, remains steadfast in working with our FAS partners to ensure that COFA funds are properly utilized. Our goals are to increase economic opportunity, reduce outmigration, and deny PRC the opportunity to weaken our Pacific partnerships.

Thank you again for the opportunity to testify on the Department's commitment to carrying out its obligations under the COFA agreements. I look forward to your questions.