

**Statement of His Excellency Hersey Kyota  
Ambassador of Palau to the United States**  
to the  
**U.S. House of Representatives Committee on Natural Resources  
Subcommittee on Indian and Insular Affairs**  
on the  
**Implementation of the Compact of Free Association Amendments Act of 2024  
Washington, DC, January 14, 2026**

Mr. Chairman, Ranking Member, and other distinguished Members of the Subcommittee on Indian and Insular Affairs,

Good morning and thank you for this opportunity to appear before the Subcommittee.

The relationship between the United States and Palau under the Compact of Free Association continues to improve and thrive. Our relationship is so close that the last U.S. Indo-Pacific Commander said that Palau is “part of the homeland.” We have cooperated and collaborated on many issues, and we will continue to do so. I hope that you will continue to have hearings like this to discuss issues. It will strengthen our relationship.

Generally, the implementation of the Compact of Free Association Amendments Act of 2024 is progressing well. Funding, projects, and programs are making the intended impacts. Assistance is being disbursed in a timely manner, some infrastructure projects are under construction, and contracts for some will be awarded soon. Federal programs are working and helping our health care and educational systems, in particular. Most of Palau’s domestic responsibilities under the Compact Amendments Act have been met, some are being fulfilled exceptionally well.

The reconstruction of the Peleliu airfield and its facilities is underway at a remarkable pace. The Environmental Impact Assessment and work permit for the renovation and improvements to the Malakal Seaport are completed. These projects are important to the United States military and to Palau commerce as well. Some areas are designated for exclusive military use, and some are designated for joint use. The military’s early-warning radar system is almost operational and missile test shots have been successful.

For the most part, the Compact Act has been implemented as intended. There are a few provisions, however, that have not been or have not fully been implemented. As a result, our citizens -- and our bilateral relationship -- are denied the benefit of these programs.

**Employment Authorization Document (EAD), also referred as a work permit**

The Compact Act incorporated an agreement that citizens of Palau are no longer required to obtain an EAD to work in the U.S., and the Department of Homeland Security has posted this,

although it still urges that an EAD be obtained. Consequently, some of our citizens here are still being told by employers that they need to obtain EAD to work.

This is a confusion that we need to work out with DHS.

### **In-State Tuition**

One of the most important provisions of the Act made our citizens here eligible for in-State tuition at post-secondary schools. Many students from Palau, however, are still being denied this, although the Department of Education initially advised all public colleges and universities of it.

We have to find a way to ensure that these institutions are reminded of the law.

### **Commercial Driver's Licenses**

The Department of Transportation's proposed new rule on Commercial Driver's Licenses would disqualify aliens not domiciled in the U.S. The included citizens of the Freely Associated States, although FAS citizens are domiciled here, in the case of Palau since our Compact first took effect in 1994.

So, I thank Assistant Secretary of State DeSombre and Deputy Assistant Secretary of the Interior Demapan for writing on behalf of the Interagency Group on Freely Associated States established by the Compact Act to the Secretary of the Department of Transportation clarifying that our citizens should be eligible to continue to obtain Commercial Driver's Licenses.

### **New Hospital**

At the Subcommittee's first hearing on the implementation of the Compact Act in September 2024, I explained that Palau desperately needs to replace our old hospital built during the U.S. Trust Territory administration of our islands. It was located in a low-lying area next to the ocean. Now, during King Tides and storms, its floor is regularly flooded. Additionally, it was constructed on the opposite side of a mile-long, two-lane causeway from most of our population, centered in Koror, making access very difficult during emergencies.

I am pleased, however, to report today that, three weeks ago, the Department of State announced that the United States is committed to ensuring that a new hospital is built. A feasibility and site location study, for which the United States has already made a grant, is underway. It is expected to preliminarily design the facility and estimate the cost.

I request your support for this most important project.

### **Veterans Benefits**

The U.S. military recruits in the Freely Associated States in the same way that it does in the U.S. Reflecting negotiations between our governments, the Compact Amendments Act provided that

the same veterans' healthcare should be available in the Freely Associated States as well. The Department of Veterans Affairs, however, has not implemented the law.

So, since November, this Congress has enacted two laws pressing the Department to provide telehealth care and mailed prescription medicines to U.S. military veterans living in Palau, the Federated States of Micronesia, and the Marshall Islands and travel benefits if other needed care cannot be provided in our islands. Further, the Senate has now passed a bill that would mandate that these services be provided, and the House Committee on Veterans Affairs is seriously considering a similar bill sponsored by Delegate King-Hinds and four others, including Delegate Radewagen.

It is wrong to recruit in our islands and effectively prevent our citizens from returning home after their service by denying the healthcare that they not only deserve but are now entitled to under the law.

There are many veterans from Palau who are remaining in the U.S. and its territories because they need healthcare. I have two children in this situation. My daughter retired after 20 years in the Air Force four years ago and my son retired last year after 20 years in the Army. They want to come home to Palau, just like many other Palauan veterans living in the United States.

My Government supports the current legislation, and requests that this Subcommittee continues to advocate for implementation of the law.

On behalf of President Surangel S. Whipps, Jr., the Government, and the people of Palau, I thank you, Mr. Chairman, Madame Ranking Member, and distinguished Members of this Subcommittee for this opportunity to address these issues and reiterate my requests for support. Mesulang, Thank you.