

*Administration of Joseph R. Biden, Jr., 2023*

**Letter to Congressional Leaders Transmitting Agreements Concerning the United States Compact of Free Association With the Federated States of Micronesia**  
*December 5, 2023*

*Dear Mr. Speaker: (Dear Madam President:)*

Consistent with section 101(f) of title I of the Compact of Free Association Amendments Act of 2003 (Public Law 108–188), I transmit herewith the Agreement Concerning Procedures for the Implementation of United States Economic Assistance Provided in the 2023 Amended Compact Between the Government of the United States of America and the Government of the Federated States of Micronesia, signed at Palikir on May 23, 2023 (2023 FPA), and the 2023 Federal Programs and Services Agreement between the Government of the United States of America and the Government of the Federated States of Micronesia with Annexes, signed at Washington, D.C., on September 28, 2023 (2023 FPSA).

The 2023 FPA and the 2023 FPSA (Agreements) with the Federated States of Micronesia (FSM) serve the important purpose of assisting in the FSM's development and maintaining our close relationship. The 2023 FPA would maintain oversight and accountability for United States taxpayer funds provided to support essential government services by preserving an oversight role for the Joint Economic Management Committee (JEMCO) and United States Government control of the same, while giving the FSM a greater voice on the JEMCO. The 2023 FPA would streamline but generally maintain the FSM's reporting and audit requirements, while giving the FSM more autonomy in setting budget priorities within mutually decided upon sectors.

Under the 2023 FPSA, most of the programs and services would continue as they have over the last 20 years, with some technical updates. The 2023 FPSA includes more substantive modifications to the provision of postal services, disaster assistance, and Federal Deposit Insurance Corporation (FDIC) insurance. Significant changes to postal services include giving the United States Postal Service more flexibility to reduce the minimum level of service it is required to provide for certain categories of service, including commercial mail services. Significant changes to disaster assistance include a revision to the process for declaring disasters and increased contributions to the Disaster Assistance Emergency Fund, as well as changes to promote disaster preparedness. The FDIC agreed to expand its insurance to other eligible banks in the FSM in addition to the already-insured Bank of the Federated States of Micronesia. The 2023 FPSA's general provisions that apply to all United States executive departments and agencies in the FSM—not just those providing programs and services under the 2023 FPSA—would last in perpetuity unless terminated by mutual agreement. This ensures that benefits for United States executive departments and agencies, personnel, and contractors—including certain privileges and immunities, tax exemptions, and claims and dispute settlement procedures—would continue beyond 20 years.

Extending such assistance, including Federal programs and services, is a critical component of my Administration's Indo-Pacific, Pacific Partnership, and National Security Strategies. These Agreements demonstrate our long-term commitment to and strengthen our broader bilateral relationship with the FSM, fostering economic prosperity and stability that form the foundation of our strategic interests in the Indo-Pacific region.

I transmit herewith the 2023 FPA and the 2023 FPSA for the implementation of these Agreements related to the Compact of Free Association Between the United States and the Federated States of Micronesia.

Sincerely,

JOSEPH R. BIDEN JR.

NOTE: Identical letters were sent to J. Michael Johnson, Speaker of the House of Representatives, and Kamala D. Harris, President of the Senate. An original was not available for verification of the content of this letter.

*Categories:* Communications to Congress : Micronesia, Federated States of, compact of free association with U.S., letter transmitting agreements.

*Subjects:* Indo-Pacific, economic and security cooperation; Micronesia, Federated States of, relations with U.S.

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