

Administration of Joseph R. Biden, Jr., 2025

Letter to Congressional Leaders Transmitting the 2024 Federal Programs and Services Agreement Between the Government of the United States and the Government of the Republic of Palau

January 14, 2025

Dear Mr. Speaker: (Dear Madam President:)

Consistent with Section 204(e) of the Compact of Free Association Amendments Act of 2024 (Div. G, title II, P.L. 118–42) and section 101(d)(2) of the Joint Resolution to approve the "Compact of Free Association" between the United States and the Government of Palau, and for other purposes (P.L. 99–658), I transmit here the 2024 Federal Programs and Services Agreement between the Government of the United States and the Government of the Republic of Palau (2024 Palau FPSA).

Consistent with section 101(f) of title I of the Compact of Free Association Amendments Act of 2003 (P.L. 108–188) and Section 204(e) of the Compact of Free Association Amendments Act of 2024 (Div. G, title II, P.L. 118–42) I transmit here the 2024 Federal Programs and Services Agreement between the Government of the United States and the Government of the Republic of the Marshall Islands with Annexes (2024 Marshall Islands FPSA).

The reasons for these agreements with Palau and the Marshall Islands are to assist in their development and maintain our close relationship with each country. The 2024 FPSA agreements with Palau and the Marshall Islands would continue most of the services specified in those agreements as they have been provided to each country under previous agreements, with some technical updates. The 2024 FPSAs include significant changes to the provision of postal services for both Palau and the Marshall Islands, including more detailed specifications on the minimum level of services provided, allowing the United States Postal Service (USPS) to reduce the individual services within certain categories. The 2024 FPSA with Palau would also make FDIC insurance available to Palau-chartered banks for the first time, such that existing and future Palau-chartered depository institutions would be eligible to apply for FDIC insurance. A new component of the 2024 FPSA with the Marshall Islands would make FDIC insurance available to existing Marshall Islands-chartered institutions, such that they could apply for FDIC insurance. In addition, the 2024 FPSAs' general provisions that apply to all U.S. Federal agencies providing programs and services in Palau and the Marshall Islands—not just those providing programs and services under the FPSAs—would last in perpetuity unless terminated by mutual agreement. This ensures that benefits for U.S. Federal agencies, personnel, and contractors, including certain privileges and immunities, tax exemptions, and claims and dispute settlement procedures, will continue beyond 2043. With regard to the 2024 FPSA with the Marshall Islands, significant changes relating to disaster assistance include a revision to the process for declaring disasters, increased contributions to the Disaster Assistance Emergency Fund, and changes to promote disaster preparedness.

I commend to the Congress the 2024 Palau FPSA between the United States of America and the Republic of Palau and the 2024 Marshall Islands FPSA between the United States of America and the Republic of the Marshall Islands.

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 : Palau, 2024 Federal programs and services agreement with U.S., letter.

Subjects: Federal Deposit Insurance Corporation (FDIC); Palau, 2024 Federal programs and services agreement with U.S.; U.S. Postal Service.

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