

114TH CONGRESS
2D SESSION

S. 2610

To approve an agreement between the United States and the Republic of Palau.

IN THE SENATE OF THE UNITED STATES

MARCH 1, 2016

Ms. MURKOWSKI (for herself, Ms. CANTWELL, and Ms. HIRONO) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To approve an agreement between the United States and the Republic of Palau.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. APPROVAL OF AGREEMENT BETWEEN UNITED**
4 **STATES AND REPUBLIC OF PALAU.**

5 (a) DEFINITIONS.—In this section:

6 (1) AGREEMENT.—The term “Agreement”
7 means the Agreement and appendices signed by the
8 United States and the Republic of Palau on Sep-
9 tember 3, 2010.

1 (2) COMPACT.—The term “Compact” means
 2 the Compact of Free Association between the Gov-
 3 ernment of the United States of America and the
 4 Government of Palau, as contained in section 201 of
 5 Public Law 99–658 (48 U.S.C. 1931 note).

6 (b) RESULTS OF COMPACT REVIEW.—

7 (1) IN GENERAL.—Title I of Public Law 99–
 8 658 (48 U.S.C. 1931 et seq.) is amended by adding
 9 at the end the following:

10 **“SEC. 105. RESULTS OF COMPACT REVIEW.**

11 “(a) IN GENERAL.—The agreement and appendices
 12 signed by the United States and the Republic of Palau
 13 on September 3, 2010 (referred to in this section as the
 14 ‘Agreement’), pursuant to section 432 of the Compact, are
 15 approved—

16 “(1) except for the extension of article X of the
 17 Agreement regarding Federal programs and services,
 18 concluded pursuant to article II of title II and sec-
 19 tion 232 of the Compact; and

20 “(2) subject to the provisions of this section.

21 “(b) WITHHOLDING OF FUNDS.—If the Republic of
 22 Palau withdraws more than \$5,000,000 from the trust
 23 fund established under section 211(f) of the Compact dur-
 24 ing fiscal year 2016, or more than \$8,000,000 during fis-
 25 cal year 2017, the amounts payable under sections 1, 2(a),

1 3, and 4(a) of the Agreement shall be withheld from the
2 Republic of Palau until the date on which the Republic
3 of Palau reimburses the trust fund for the total amounts
4 withdrawn that exceeded \$5,000,000 during fiscal year
5 2016 or \$8,000,000 during fiscal year 2017, as applicable.

6 “(c) FUNDING FOR CERTAIN PROVISIONS.—Not later
7 than 30 days after the date of enactment of this section,
8 out of any funds in the Treasury not otherwise appro-
9 priated, the Secretary of the Treasury shall transfer to
10 the Secretary of the Interior such sums as are necessary
11 for the Secretary of the Interior to implement sections 1,
12 2(a), 3, 4(a), and 5 of the Agreement, to remain available
13 until expended, without any further appropriation.

14 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated—

16 “(1) to the Secretary of the Interior to sub-
17 sidize postal services provided by the United States
18 Postal Service to the Republic of Palau, the Repub-
19 lic of the Marshall Islands, and the Federated States
20 of Micronesia \$1,500,000 for each of fiscal years
21 2017 through 2024, to remain available until ex-
22 pended; and

23 “(2) to the head of each Federal entity de-
24 scribed in paragraphs (1), (3), and (4) of section
25 221(a) of the Compact (including any successor of

1 such a Federal entity) to carry out the responsibil-
 2 ities of the Federal entity under section 221(a) of
 3 the Compact such sums as are necessary, to remain
 4 available until expended.”.

5 (2) OFFSET.—Section 3 of the Act of June 30,
 6 1954 (68 Stat. 330, 82 Stat. 1213, chapter 423), is
 7 repealed.

8 (c) PAYMENT SCHEDULE; WITHHOLDING OF FUNDS;
 9 FUNDING.—

10 (1) COMPACT FUND.—Section 1 of the Agree-
 11 ment is amended to read as follows:

12 **“SECTION 1. COMPACT FUND.**

13 “The Government of the United States shall con-
 14 tribute \$30,250,000 to the Fund established under section
 15 211(f) of the Compact in accordance with the following
 16 schedule:

17 “(1) \$20,000,000 for fiscal year 2017.

18 “(2) \$2,000,000 for each of fiscal years 2018
 19 through 2022.

20 “(3) \$250,000 for fiscal year 2023.”.

21 (2) INFRASTRUCTURE MAINTENANCE FUND.—
 22 Subsection (a) of section 2 of the Agreement is
 23 amended to read as follows:

24 “(a) GRANT.—

1 “(1) IN GENERAL.—The Government of the
 2 United States shall provide a grant in an amount
 3 equal to \$3,500,000 for each of fiscal years 2017
 4 through 2024 to create a trust fund (referred to in
 5 this agreement as the ‘Infrastructure Maintenance
 6 Fund’), to be used for the routine and periodic
 7 maintenance of major capital improvement projects
 8 financed using funds provided by the Government of
 9 the United States.

10 “(2) CONTRIBUTIONS BY PALAU.—The Govern-
 11 ment of Palau shall match the contributions made
 12 by the Government of the United States by making
 13 contributions of \$150,000 to the Infrastructure
 14 Maintenance Fund on a quarterly basis during the
 15 period beginning on October 1, 2016, and ending on
 16 September 30, 2024.

17 “(3) REQUIREMENT.—The implementation of
 18 this subsection shall be carried out in accordance
 19 with appendix A to this agreement.”.

20 (3) FISCAL CONSOLIDATION FUND.—Section 3
 21 of the Agreement is amended to read as follows:

22 **“SEC. 3. FISCAL CONSOLIDATION FUND.**

23 “(a) IN GENERAL.—The Government of the United
 24 States shall provide to the Government of Palau
 25 \$5,000,000 for each of fiscal years 2017 and 2018 for

1 deposit in an interest-bearing account to be used to reduce
 2 government arrears of the Government of Palau.

3 “(b) REQUIREMENT.—The implementation of this
 4 section shall be carried out in accordance with appendix
 5 B to this agreement.”.

6 (4) DIRECT ECONOMIC ASSISTANCE.—Sub-
 7 section (a) of section 4 of the Agreement is amended
 8 to read as follows:

9 “(a) DIRECT ECONOMIC ASSISTANCE.—

10 “(1) IN GENERAL.—In addition to economic as-
 11 sistance in an amount equal to \$13,147,000 pro-
 12 vided to the Government of Palau by the Govern-
 13 ment of the United States for each of fiscal years
 14 2010 through 2016, and unless otherwise specified
 15 in this agreement or an appendix to this agreement,
 16 the Government of the United States shall provide
 17 to the Government of Palau \$28,721,000 in eco-
 18 nomic assistance, as follows:

19 “(A) \$7,500,000 for fiscal year 2017.

20 “(B) \$6,250,000 for fiscal year 2018.

21 “(C) \$5,000,000 for fiscal year 2019.

22 “(D) \$4,000,000 for fiscal year 2020.

23 “(E) \$3,000,000 for fiscal year 2021.

24 “(F) \$2,000,000 for fiscal year 2022.

25 “(G) \$971,000 for fiscal year 2023.

1 “(2) METHOD.—Unless otherwise specified in
 2 this agreement or in an appendix to this agreement,
 3 the funds provided for a fiscal year under this sub-
 4 section shall be provided in 4 quarterly payments in
 5 an amount equal to—

6 “(A) 30 percent of the total applicable
 7 amount during the first quarter;

8 “(B) 30 percent of the total applicable
 9 amount during the second quarter;

10 “(C) 20 percent of the total applicable
 11 amount during the third quarter; and

12 “(D) 20 percent of the total applicable
 13 amount during the fourth quarter.”.

14 (5) INFRASTRUCTURE PROJECTS.—Section 5 of
 15 the Agreement is amended to read as follows:

16 **“SEC. 5. INFRASTRUCTURE PROJECTS.**

17 “(a) IN GENERAL.—The Government of the United
 18 States shall provide to the Government of Palau grants
 19 in a total amount equal to \$40,000,000, as follows:

20 “(1) \$8,000,000 for each of fiscal years 2017
 21 through 2019.

22 “(2) \$6,000,000 for fiscal year 2020.

23 “(3) \$5,000,000 for each of fiscal years 2021
 24 and 2022.

1 “(b) USE.—The Government of Palau shall use each
 2 grant provided under subsection (a) for 1 or more mutu-
 3 ally agreed-upon infrastructure projects, in accordance
 4 with appendix C to this agreement.”.

5 (d) PASSPORT REQUIREMENT.—Section 141 of the
 6 Compact is amended to read as follows:

7 **“SEC. 141. PASSPORT REQUIREMENT.**

8 “(a) ADMISSION.—

9 “(1) IN GENERAL.—Any person who meets the
 10 requirements of any category described in paragraph
 11 (2) may be admitted to, and lawfully engage in occu-
 12 pations and establish residence as a nonimmigrant
 13 in, the United States and its territories and posses-
 14 sions, without regard to paragraph (5) or
 15 (7)(B)(i)(II) of section 212(a) of the Immigration
 16 and Nationality Act (8 U.S.C. 1182(a)), subject to
 17 the condition that the passport presented to satisfy
 18 paragraph (7)(B)(i)(I) of that section is a valid, un-
 19 expired, machine-readable passport that satisfies the
 20 internationally accepted standard for machine read-
 21 ability.

22 “(2) DESCRIPTION OF CATEGORIES.—The cat-
 23 egories referred to in paragraph (1) are the fol-
 24 lowing:

25 “(A) A person who—

1 “(i) on September 30, 1994, was a
2 citizen of the Trust Territory of the Pacific
3 Islands (as defined in title 53 of the Trust
4 Territory Code in force on January 1,
5 1979); and

6 “(ii) has become, and remains, a cit-
7 izen of Palau.

8 “(B) A person who acquires the citizenship
9 of Palau, at birth, on or after the effective date
10 of the Constitution of Palau.

11 “(C) A naturalized citizen of Palau who—

12 “(i) has been an actual resident of
13 Palau for not less than 5 years after at-
14 taining that naturalization; and

15 “(ii) holds a certificate of that actual
16 residence.

17 “(3) EFFECT OF SUBSECTION.—Nothing in this
18 subsection—

19 “(A) confers on a citizen of Palau the
20 right—

21 “(i) to establish residence necessary
22 for naturalization under the Immigration
23 and Nationality Act (8 U.S.C. 1101 et
24 seq.); or

1 “(ii) to petition for benefits for alien
2 relatives under that Act; or

3 “(B) prevents a citizen of Palau from oth-
4 erwise acquiring—

5 “(i) a right described in subparagraph
6 (A); or

7 “(ii) lawful permanent resident alien
8 status in the United States.

9 “(b) ACCEPTANCE OF EMPLOYMENT.—Any person
10 who meets the requirements of any category described in
11 subsection (a)(2) shall be considered to have the permis-
12 sion of the Secretary of Homeland Security to accept em-
13 ployment in the United States.

14 “(c) ESTABLISHMENT OF HABITUAL RESIDENCE IN
15 CERTAIN TERRITORIES AND POSSESSIONS.—The right of
16 a person who meets the requirements of any category de-
17 scribed in subsection (a)(2) to establish habitual residence
18 in a territory or possession of the United States may be
19 subject to any nondiscriminatory limitation under any law
20 (including regulations) of—

21 “(1) the United States; or

22 “(2) the applicable territory or possession of the
23 United States.”.

24 (e) CONTINUING PROGRAMS AND LAWS.—Section
25 105(f)(1)(B)(ix) of the Compact of Free Association

1 Amendments Act of 2003 (48 U.S.C. 1921d(f)(1)(B)(ix))

2 is amended by striking “2009” and inserting “2024”.

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