

BUDGET The United States Department of the Interior **JUSTIFICATIONS**

and Performance Information
Fiscal Year 2024

OFFICE OF INSULAR AFFAIRS

NOTICE: These budget justifications are prepared for the Interior, Environment and Related Agencies Appropriations Subcommittees. Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained through the Office of Budget of the Department of the Interior.



Printed on
Recycled Paper

Page Intentionally Blank

TABLE OF CONTENTS

General Statement	1
Good Accounting Obligation in Government Act Report	2
Budget Highlights	3
Bureau-Level Tables	5
2024 Budget at a Glance	5
2022 Funding (Budget Authority) by Activity and Insular Areas	6
Organization Chart	7
Summary of Requirements.....	9
Assistance To Territories	9
Compact of Free Association - Current Appropriation.....	10
Compact of Free Association - Permanent Appropriation.....	11
Fixed Costs and Related Changes.....	12
Appropriations Language.....	13
American Samoa Operations	17
Capital Improvement Project (CIP) Grants Summary	19
Capital Improvement Project Grants - Mandatory.....	21
Capital Improvement Project Grants - Discretionary	27
Territorial Assistance	29
Office of Insular Affairs.....	30
Technical Assistance.....	33
Maintenance Assistance.....	40
Brown Tree Snake Control	42
Coral Reef Initiative & Natural Resources	45
Energizing Insular Communities	54
Compact Impact - Discretionary	57
Compacts of Free Association	59
Federal Services Assistance.....	59
Enewetak.....	61
Federated States of Micronesia and Republic of the Marshall Islands	62
Compact Impact.....	71
Miscellaneous Schedules	73

Page Intentionally Blank

GENERAL STATEMENT

The Assistant Secretary - Insular and International Affairs and the Office of Insular Affairs (OIA) carry out the Secretary's responsibilities for U.S.-affiliated insular areas. These include the territories of American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), Guam, and the U.S. Virgin Islands (USVI). Residents of these U.S. territories are U.S. citizens or U.S. nationals. Additionally, OIA administers and oversees Federal assistance to three freely associated states (FAS): the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI), and the Republic of Palau (Palau). The territories are an integral part of the fabric of America, and the freely associated states, while independent, sovereign countries, are uniquely interwoven with the United States in terms of a shared history, ongoing partnership, and a common vision for a free and open Indo-Pacific.

Each of the territories and freely associated states are unique, yet their economies are all small, isolated, and primarily dependent on one or two main sources of income. The Office of Insular Affairs has an important role in understanding the nuances of the Federal government's interrelationship with each of the insular areas. OIA facilitates coordination of Federal policies and programs to best serve the insular areas and utilizes its own assistance programs to fill gaps not fulfilled by other Federal programs to meet the needs of the insular areas.

The 2024 budget request strengthens insular economies through strategic investments in infrastructure, energy independence and security, and compliance with the Insular Areas Act (P.L. 112-149) related to groundwater monitoring of Runit Dome. The Office of Insular Affairs will also promote policies and work to improve Federal coordination on issues impacting insular economies and promoting well-being, equity, and justice for insular communities. OIA programs are purposely designed to offer the flexibility needed to respond to urgent, immediate needs in the insular areas. In 2024, technical assistance will be provided to address pressing issues and priorities and develop action plans to mitigate the challenges the insular areas are facing. This assistance will include core investments that support the territories and FAS in delivering basic public services, such as healthcare, and economic development to their communities. Direct grants, reimbursable agreements, and contracts with technical assistance providers, both within and outside the Federal government, support these efforts. In addition, Capital Improvement Project (CIP) funds address a variety of infrastructure needs in the U.S. territories, including critical infrastructure such as hospitals, schools, wastewater, and solid waste systems to promote economic development; they can also be leveraged as local matching funds for other Federal grant programs.

Financial assistance provided under the Compacts of Free Association is scheduled to end after fiscal year 2023 for the FSM and the RMI and fiscal year 2024 for Palau. The Administration supports funding the renewal of our Compact of Free Association relationships with the FSM, the RMI, and Palau. Continuing decisions established in the 2023 budget, the 2024 budget will seek \$6.5 billion in economic assistance over 20 years to be provided through a mandatory appropriation at the Department of State, and language calling for continued implementation of the Compacts at the Department of the Interior. In addition to the \$6.5 billion requested for economic assistance, the mandatory proposal will also include \$634 million for continued U.S. Postal Service services to the FAS. Funding for postal services will be requested as a direct payment to the Postal Service Fund. The United States remains committed to its long-standing

partnerships with the governments and the people of the freely associated states as we work together to promote a free and open Indo-Pacific.

Negotiations on the expiring provisions of the Compacts of Free Association continue, underscoring the importance of these bilateral relationships and opportunities for greater cooperation on a free and open Indo-Pacific. The Administration intends to submit a legislative proposal to Congress upon completion of these negotiations later this year.

The Department of the Interior looks forward to working with Congress on a Compact Impact Fairness Act. The Administration supports allowing Compact migrants to become eligible for key Federal social safety net programs while residing in the United States, as a long-term solution to the financial impacts of Compact citizens on state and territorial governments. With mandatory appropriations for Compact Impact authorized under the 2003 Compacts of Free Association Act expiring after 2023, the 2024 budget for Assistance to Territories also discontinues the smaller discretionary supplement to the mandatory funds for Compact Impact.

Good Accounting Obligation in Government Act Report

The Good Accounting Obligation in Government Act (GAO-IG Act, P.L. 115-414) enacted January 3, 2019, requires that Agencies report the status of each open audit recommendation issued more than one year prior to the submission of the Agency's annual budget justification to Congress. The Act requires Agencies to include the current target completion date, implementation status, and any discrepancies on closure determinations.

The Department of the Interior leadership takes audit follow-up very seriously and considers our external auditors, to include the Government Accountability Office (GAO) and Office of the Inspector General, valued partners in not only improving the Department's management and compliance obligations but also enhancing its programmatic and administrative operations. As stewards of taxpayer resources, the Department applies cost-benefit analysis and enterprise risk management principles in recommendation implementation decisions.

The Department's GAO-IG Act Report is available at the following link: <https://www.doi.gov/cj>

BUDGET HIGHLIGHTS

The proposed 2024 OIA budget for current appropriations is \$122.3 million. All permanent amounts for 2023-2024 in the table below are estimates.

Total OIA 2024 Budget Request
(Dollars in Thousands)

Budget Authority	2022 Actual	2023 Enacted	2024 Request	Change from 2023 Enacted
Current Discretionary	94,220	101,100	94,539	-6,561
Current Mandatory	27,720	27,720	27,720	0
Total Current	121,940	128,820	122,259	-6,561
Total Permanent¹ w/o Supplemental²	523,858	619,197	414,304	-204,893
<i>Inflation Reduction Act (IRA) P.L. 117-169</i>	<i>15,900</i>			
Total Permanent¹ w/Supplemental²	539,758	619,197	414,304	-204,893
Total OIA	661,698	748,017	536,563	-211,454
<i>FTEs</i>	<i>30</i>	<i>36</i>	<i>36</i>	<i>0</i>

¹ Permanent figures shown in the OIA tables represent budget authority for FY 2022-2024. Figures reported in the Department Budget in Brief and the President's Budget Appendix reflect baseline construction rules under 2 USC 907, which do not reflect ongoing negotiations or amounts due under the 2003 Amended Compacts (P.L. 108-188).

² Supplemental funding reflects amounts made available in the fiscal year, not estimated allocations or obligations.

OIA's budget is divided into two major categories of funding – current and permanent appropriations. Most of OIA's budget reflects mandatory commitments to the U.S.-affiliated insular areas and is permanently appropriated. For 2024, these commitments are estimated at \$380.0 million for fiscal payments to Guam and the U.S. Virgin Islands and \$34.3 million for payments to the RMI under the Compact of Free Association's subsidiary Military Use and Operating Rights Agreement.

Page Intentionally Blank

BUREAU-LEVEL TABLES

2024 Budget at a Glance

Office of Insular Affairs

(Dollars in Thousands)

Appropriation:	2022 Actual	2023 Enacted	Fixed Costs (+/-)	Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request
<u>Assistance to Territories</u>						
American Samoa Operations	27,120	28,120	0	0	0	28,120
Capital Improvement Projects	27,720	27,720	0	0	4,000	31,720
Capital Improvement Projects Mandatory	27,720	27,720	0	0	0	27,720
Capital Improvement Projects Discretionary	0	0	0	0	+4,000	4,000
<i>Address critical infrastructure needs</i>					[+4,000]	
Territorial Assistance	58,637	64,517	539	0	-4,100	60,956
Office of Insular Affairs	9,837	10,217	+539	0	0	10,756
Technical Assistance	22,300	22,300	0	0	+1,000	23,300
<i>Compliance with P.L. 112-149</i>					[+1,000]	
Maintenance Assistance	4,375	4,375	0	0	0	4,375
Brown Tree Snake Control	3,500	3,500	0	0	0	3,500
Coral Reef Initiative & Natural Resources	2,625	2,625	0	0	+900	3,525
<i>Address additional conservation needs in the Insular Areas</i>					[+900]	
Energizing Insular Communities	11,000	15,500	0	0	0	15,500
Compact Impact Discretionary	5,000	6,000	0	0	-6,000	0
<i>Expiration of Compact Impact authorization</i>					[-6,000]	
TOTAL, Assistance to Territories	113,477	120,357	+539	0	-100	120,796
<u>Compact of Free Association - Current</u>						
Federal Services	7,813	7,813	0	0	-7,000	813
<i>RMI Tax and Trade obligation fulfilled</i>					[-5,000]	
<i>USPS covered under new mandatory proposal</i>					[-2,000]	
Enewetak	650	650	0	0	0	650
TOTAL, Compact of Free Association, Current	8,463	8,463	0	0	-7,000	1,463
TOTAL, Current Discretionary/Mandatory	121,940	128,820	+539	0	-7,100	122,259
<u>Compact of Free Association</u>						
Marshall Islands Compact	80,402	85,247	0	0	-50,943	34,304
<i>Expiration of 2003 Compact authorities</i>					[-50,943]	
Federated States of Micronesia Compact	116,515	123,550	0	0	-123,550	0
<i>Expiration of 2003 Compacts authorities</i>					[-123,550]	
Compact Impact	30,000	30,000	0	0	-30,000	0
<i>Expiration of 2003 Compact authorities</i>					[-30,000]	
Judicial Training	377	400	0	0	-400	0
<i>Expiration of 2003 Compact authorities</i>					[-400]	
TOTAL, Compact of Free Association, Permanent¹	227,294	239,197	0	0	-204,893	34,304
<u>Fiscal Payments</u>						
Guam Section 30 Income Taxes	70,399	80,000	0	0	0	80,000
VI Rum Excise Taxes	226,165	300,000	0	0	0	300,000
TOTAL, Fiscal Payments (Permanent)	296,564	380,000	0	0	0	380,000
TOTAL, Permanent w/o Supplemental²	523,858	619,197	0	0	-204,893	414,304
Inflation Reduction Act (IRA) P.L. 117-169²	15,900	0	0	0	0	0
TOTAL, Permanent w/ Supplemental²	539,758	619,197	0	0	-204,893	414,304
TOTAL, Office of Insular Affairs	661,698	748,017	+539	0	-211,454	536,563

¹ Permanent figures shown in the OIA tables represent budget authority for FY 2022-2024. Figures reported in the Department Budget in Brief and the President's Budget Appendix reflect baseline construction rules under 2 USC 907, which do not reflect ongoing negotiations or amounts due under the 2003 Amended Compacts (P.L. 108-188).

² BIL, IRA, and other Supplemental funding displayed reflects the amounts made available in the fiscal year not estimated allocations or obligations.

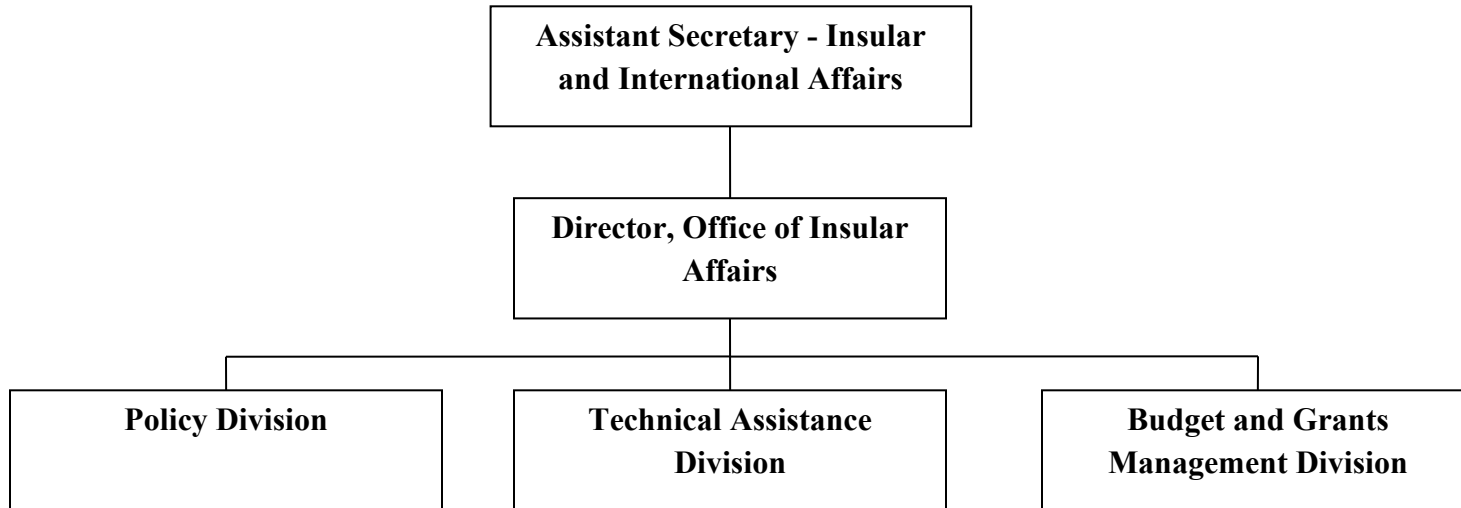
**Office of Insular Affairs
2022 Funding (Budget Authority) by Activity and Insular Areas**

\$(000)

Activity	Am Samoa	CNMI	Guam	USVI	FSM	RMI	Palau	Hawaii	DC	Other*	Total
<u>Assistance to Territories</u>											
American Samoa Operations	27,120										27,120
Capital Improvement Projects	10,263	8,829	6,628	2,000							27,720
Office of Insular Affairs								638	692	8,507	9,837
Technical Assistance	2,299	3,707	3,231	2,029	625	3,129	529	585	3,220	2,946	22,300
Maintenance Assistance	861	1,088	576	750	542	558					4,375
Brown Tree Snake Control		450	1,073					1,056		921	3,500
Coral Reef Initiative & Natural Resources	299	235	552	378	298		652			211	2,625
Energizing Insular Communities		3,285	3,272	3,441						1,002	11,000
Compact Impact Discretionary	3	275	2,089					2,633			5,000
<i>Total, Assistance to Territories w/o Supplemental Inflation Reduction Act (IRA) P.L. 117-169</i>	40,845	17,869	17,421	8,598	1,465	3,687	1,181	4,912	3,912	13,587	113,477
<i>Total, Assistance to Territories w/ Supplemental</i>										15,900	15,900
											129,377
<u>Compact of Free Association - Current</u>											
Federal Services						5,000	596			2,217	7,813
Enewetak						650					650
<i>Total, Compact of Free Association - Current</i>	0	0	0	0	0	5,650	596	0	0	2,217	8,463
Total Current Discretionary/Mandatory	40,845	17,869	17,421	8,598	1,465	9,337	1,777	4,912	3,912	31,704	137,840
<u>Compact of Free Association</u>											
Marshall Islands Compact						80,402					80,402
Federated States of Micronesia Compact					116,515						116,515
Compact Impact	16	1,653	12,532					15,799			30,000
Judicial Training										378	378
<i>Total, Compact (Permanent)</i>	16	1,653	12,532		116,515	80,402		15,799		378	227,295
<u>Fiscal Payments</u>											
Guam Section 30 Income Taxes			70,399								70,399
VI Rum Excise Taxes				226,165							226,165
<i>Total, Fiscal Payments (Permanent)</i>			70,399	226,165							296,564
Total Permanent Mandatory	16	1,653	82,931	226,165	116,515	80,402	0	15,799	0	378	523,859
Grand Total - Office of Insular Affairs	40,861	19,522	100,352	234,763	117,980	89,739	1,777	20,711	3,912	16,182	661,699

*Includes unawarded amounts where the funds are not appropriated for a specific location.

Organization Chart
Office of Insular Affairs



Page Intentionally Blank

SUMMARY OF REQUIREMENTS

Office of Insular Affairs
ASSISTANCE TO TERRITORIES
2024 Summary of Requirements
(Dollars in Thousands)

	2022 Actual	2022 Enacted Total FTE	2023 Enacted	2023 Enacted FTE	2024 Request Fixed Costs (+/-)	2024 Request Internal Transfers (+/-)	2024 Request Program Changes (+/-)	2024 Request Program Changes FTE (+/-)	2024 Request	2024 Request FTE	2024 Request TOTAL Change from 2023 (+/-)
ASSISTANCE TO TERRITORIES											
1. American Samoa Operations	27,120	2	28,120	2	-	-	-	-	28,120	2	-
Subtotal, American Samoa Operations	27,120	2	28,120	2	-	-	-	-	28,120	2	-
2. Capital Improvement Project (CIP) Grants											
Capital Improvement Projects - Mandatory	27,720	-	27,720	-	-	-	-	-	27,720	-	-
Capital Improvement Projects - Discretionary	-	-	-	-	-	-	+4,000	-	4,000	-	+4,000
Subtotal, CIP Grants	27,720	-	27,720	-	-	-	+4,000	-	31,720	-	+4,000
3. Territorial Assistance											
Office of Insular Affairs	9,837	34	10,217	34	+539	-	-	-	10,756	34	+539
Technical Assistance	22,300	-	22,300	-	-	-	+1,000	-	23,300	-	+1,000
Maintenance Assistance	4,375	-	4,375	-	-	-	-	-	4,375	-	-
Brown Tree Snake Control	3,500	-	3,500	-	-	-	-	-	3,500	-	-
Coral Reef Initiative & Natural Resources	2,625	-	2,625	-	-	-	+900	-	3,525	-	+900
Energizing Insular Communities	11,000	-	15,500	-	-	-	-	-	15,500	-	-
Compact Impact - Discretionary	5,000	-	6,000	-	-	-	-6,000	-	-	-	-6,000
Subtotal, Territorial Assistance	58,637	34	64,517	34	+539	-	-4,100	-	60,956	34	-3,561
TOTAL, Assistance to Territories, Current	113,477	36	120,357	36	+539	-	-100	-	120,796	36	+439
<i>Inflation Reduction Act (IRA) P.L. 117-169, Permanent¹</i>	<i>[15,900]</i>	<i>[-]</i>	<i>[-]</i>	<i>[-]</i>	<i>[-]</i>	<i>[-]</i>	<i>[-]</i>	<i>[-]</i>	<i>[-]</i>	<i>[-]</i>	<i>[-]</i>
TOTAL, Assistance to Territories w/SUPPLEMENTAL¹	129,377	36	120,357	36	+539	-	-100	-	120,796	36	+439

¹ BIL, IRA, and other Supplemental funding displayed reflects the amounts made available in the fiscal year not estimated allocations or obligations.

Office of Insular Affairs
COMPACT OF FREE ASSOCIATION - CURRENT APPROPRIATION
2024 Summary of Requirements
(Dollars in Thousands)

Compact of Free Association - Current Appropriation	2022 Actual	2022 Enacted Total FTE	2023 Enacted	2023 Enacted FTE	2024 Request Fixed Costs (+/-)	2024 Request Internal Transfers (+/-)	2024 Request Program Changes (+/-)	2024 Request Program Changes FTE (+/-)	2024 Request	2024 Request FTE	2024 Request TOTAL Change from 2023 (+/-)
COMPACT OF FREE ASSOCIATION - CURRENT											
1. Federal Services	7,813	-	7,813	-	-	-	-7,000	-	813	-	-7,000
2. Enewetak	650	-	650	-	-	-	-	-	650	-	-
TOTAL, Compact of Free Association, Current	8,463	-	8,463	-	-	-	-7,000	-	1,463	-	-7,000

Office of Insular Affairs
COMPACT OF FREE ASSOCIATION - PERMANENT APPROPRIATION
2024 Summary of Requirements
(Dollars in Thousands)

Compact of Free Association - Permanent Appropriation	2022 Actual	2022 Enacted Total FTE	2023 Enacted	2023 Enacted FTE	2024 Request Fixed Costs (+/-)	2024 Request Internal Transfers (+/-)	2024 Request Program Changes (+/-)	2024 Request Program Changes FTE (+/-)	2024 Request	2024 Request FTE	2024 Request TOTAL Change from 2023 (+/-)
COMPACT OF FREE ASSOCIATION - PERMANENT											
1. Assistance to the Marshall Islands											
Sector Grants	35,484	-	36,968	-	-	-	-27,167	-	9,801	-	-27,167
Audit	500	-	500	-	-	-	-500	-	-	-	-
Trust Fund	20,133	-	22,021	-	-	-	-22,021	-	-	-	-22,021
Rongelap Resettlement	-	-	-	-	-	-	0	-	-	-	-
Kwajalein Lease Payment	22,649	-	24,023	-	-	-	+480	-	24,503	-	+480
Enewetak	1,636	-	1,735	-	-	-	-1,735	-	-	-	-1,735
Subtotal, Marshall Islands Assistance	80,402	-	85,247	-	-	-	-50,943	-	34,304	-	-50,943
2. Assistance to the Federated States of Micronesia											
Sector Grants	79,776	-	83,546	-	-	-	-83,546	-	-	-	-83,546
Trust Fund	36,239	-	39,504	-	-	-	-39,504	-	-	-	-39,504
Audit	500	-	500	-	-	-	-500	-	-	-	-500
Subtotal, FSM Assistance	116,515	-	123,550	-	-	-	-123,550	-	-	-	-123,550
3. Compact Impact	30,000	-	30,000	-	-	-	-30,000	-	-	-	-30,000
4. Judicial Training	377	-	400	-	-	-	-400	-	-	-	-400
TOTAL, Compact of Free Association, Permanent¹	227,294	-	239,197	-	-	-	-204,893	-	34,304	-	-204,893

¹ Permanent figures shown in the OIA tables represent budget authority for FY 2022-2024. Figures reported in the Department Budget in Brief and the President's Budget Appendix reflect baseline construction rules under 2 USC 907, which do not reflect ongoing negotiations or amounts due under the 2003 Amended Compacts (P.L. 108-188).

FIXED COSTS AND RELATED CHANGES

Office of Insular Affairs Justification of Fixed Costs Changes

(Dollars in Thousands)

Fixed Cost Element	2023 Enacted Total or Change	2023 Enacted to 2024 Request Change	Description
Change in Number of Paid Days	-23	+24	This column reflects changes in pay associated with the change in the number of paid days between 2023 and 2024. 2024 has one day more than 2023.
Pay Raise	+238	+298	The President's Budget for 2024 includes one quarter of the 4.6% pay raise for 2023 and three quarters of a planned 5.2% pay raise for 2024.
Employer Share of Federal Employee Retirement System	+0	+0	This column reflects no budgeted increase to the employer contribution to the Federal Employee Retirement System and a 0.6% increase to the employer contribution for the Law Enforcement Federal Employees Retirement System.
Departmental Working Capital Fund (WCF)	+62	+48	The change reflects the final 2024 Central Bill approved by the Working Capital Fund Consortium.
Worker's Compensation Payments	+0	+0	The amounts reflect final chargeback costs of compensating injured employees and dependents of employees who suffer accidental deaths while on duty. Costs for 2024 will reimburse the Department of Labor, Federal Employees Compensation Fund, pursuant to 5 U.S.C. 8147(b) as amended by Public Law 94-273.
Unemployment Compensation Payments	+0	+0	The amounts reflect projected changes in the costs of unemployment compensation claims to be paid to the Department of Labor, Federal Employees Compensation Account, in the Unemployment Trust Fund, pursuant to Public Law 96-499.
Rental Payments	+103	+169	The amounts reflect changes in the costs payable to General Services Administration (GSA) and others for office and non-office space as estimated by GSA, as well as the rental costs of other currently occupied space. These costs include building security. Costs of mandatory office relocations, i.e., relocations in cases where due to external events there is no alternative but to vacate the currently occupied space, are also included.
Baseline Adjustments for O&M Increases	+0	+0	In accordance with space maximization efforts across the Federal Government, this adjustment captures the associated increase to baseline operations and maintenance requirements resulting from movement out of GSA or direct-leased (commercial) space and into Bureau-owned space. While the GSA portion of fixed costs will go down as a result of these moves, Bureaus often encounter an increase to baseline O&M costs not otherwise captured in fixed costs. This category of funding properly adjusts the baseline fixed cost amount to maintain steady-state funding for these requirements.
Total, Fixed Costs OIA	+380	+539	

APPROPRIATIONS LANGUAGE

Assistance to Territories

For expenses necessary for assistance to territories under the jurisdiction of the Department of the Interior and other jurisdictions identified in section 104(e) of Public Law 108–188, [\$120,357,000] \$120,796,000, of which: (1) [\$110,140,000] \$110,040,000 shall remain available until expended for territorial assistance, including general technical assistance, maintenance assistance, disaster assistance, coral reef initiative and natural resources activities, and brown tree snake control and research; grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for construction and support of governmental functions; grants to the Government of the Virgin Islands, as authorized by law; grants to the Government of Guam, as authorized by law; and grants to the Government of the Northern Mariana Islands, as authorized by law (Public Law 94–241; 90 Stat. 272); and (2) [\$10,217,000] \$10,756,000 shall be available until September 30, [2024] 2025, for salaries and expenses of the Office of Insular Affairs: *Provided*, That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or used by such governments, may be audited by the Government Accountability Office, at its discretion, in accordance with chapter 35 of title 31, United States Code: *Provided further*, That Northern Mariana Islands Covenant grant funding shall be provided according to those terms of the Agreement of the Special Representatives on Future United States Financial Assistance for the Northern Mariana Islands approved by Public Law 104–134: *Provided further*, That the funds for the program of operations and maintenance improvement are appropriated to institutionalize routine operations and maintenance improvement of capital infrastructure with territorial participation and cost sharing to be determined by the Secretary based on the grantee's commitment to timely maintenance of its capital assets: *Provided further*, That any appropriation for disaster assistance under this heading in this Act or previous appropriations Acts may be used as non-Federal matching funds for the purpose of hazard mitigation grants provided pursuant to section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c). (*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2023.*)

Compact of Free Association

For grants and necessary expenses, [\$8,463,000] \$1,463,000, to remain available until expended, as provided for in sections 221(a)(2) and 233 of the Compact of Free Association for the Republic of Palau; and section 221(a)(2) of the Compacts of Free Association for the Government of the Republic of the Marshall Islands and the Federated States of Micronesia, as authorized by Public Law 99–658 and Public Law 108–188 [: *Provided*, That of the funds appropriated under this heading, \$5,000,000 is for deposit into the Compact Trust Fund of the Republic of the Marshall Islands as compensation authorized by Public Law 108-188 for adverse financial and economic impacts]. (*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2023.*)

Administrative Provisions (including transfer of funds)

At the request of the Governor of Guam, the Secretary may transfer discretionary funds or mandatory funds provided under section 104(e) of Public Law 108–188 and Public Law 104–134, that are allocated for Guam, to the Secretary of Agriculture for the subsidy cost of direct or guaranteed loans, plus not to exceed three percent of the amount of the subsidy transferred for the cost of loan administration, for the purposes authorized by the Rural Electrification Act of 1936 and section 306(a)(1) of the Consolidated Farm and Rural Development Act for construction and repair projects in Guam, and such funds shall remain available until expended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That such loans or loan guarantees may be made without regard to the population of the area, credit elsewhere requirements, and restrictions on the types of eligible entities under the Rural Electrification Act of 1936 and section 306(a)(1) of the Consolidated Farm and Rural Development Act: *Provided further*, That any funds transferred to the Secretary of Agriculture shall be in addition to funds otherwise made available to make or guarantee loans under such authorities. (*Department of the Interior, Environment, and Related Agencies Appropriations Act, 2023.*)

Authorizations

(1) Guam. Executive Order 10077, dated September 7, 1949, transferred administrative responsibilities for Guam from the Secretary of the Navy to the Secretary of the Interior. Executive Order 10137, of June 30, 1950, amended Executive Order 10077 to make the transfer effective on July 1, 1950. The Guam Organic Act was approved on August 1, 1950 (64 Stat. 384, 48 U.S.C. Sec. 1421 et. seq.) and declared Guam to be an unincorporated territory of the United States and provided that Guam's relationship with the Federal Government shall be under the general administrative supervision of the Secretary of the Interior. As a result of subsequent amendments to the Organic Act, Guam also elects its Governor and a Delegate to the United States Congress.

(2) American Samoa. In 1900, the islands were placed under the administration of the Secretary of the Navy by Executive Order. In the Act of February 20, 1929 (48 U.S.C. 1661), Congress stated that until it shall provide for the Government of the islands of American Samoa, "all civil, judicial, and military powers shall be vested in such manner as the President of the United States shall direct." The President vested these powers in the Secretary of the Interior by Executive Order 10264, dated June 29, 1951. Secretary's Order No. 2657, dated August 29, 1951, set forth the extent and nature of the authority of the Government of American Samoa and the manner in which the authority is to be exercised. Secretarial Order 3009 dated September 24, 1977, provided for an elected Governor and Lt. Governor for American Samoa, and elected officials first took office on January 3, 1978. Pursuant to Public Law 95-556, American Samoa, in November 1980, elected its first Delegate to the United States Congress.

(3) U.S. Virgin Islands. The islands were under the jurisdiction of the Navy Department from March 21, 1917, until March 18, 1931 (48 U.S.C. 1391), when responsibilities were transferred to the Secretary of the Interior pursuant to Executive Order 5566, dated February 27, 1931. Organic legislation was first passed in 1936 (49 Stat. 1812), and was revised by Public Law 83-517, effective July 22, 1954 (48 U.S.C.

et. seq.). The latter has since been amended in various respects and the Virgin Islands' elected officials first took office on January 3, 1978.

(4) Northern Mariana Islands. On March 24, 1976, the President signed a joint resolution of Congress approving the "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America" (Public Law 94-241). The islands remained a part of the Trust Territory of the Pacific Islands under the jurisdiction of the Secretary of the Interior pursuant to Executive Order 11021 of May 7, 1962. Secretarial Order 2989, dated March 14, 1976, and effective January 9, 1978, provided for the separate administration of the Northern Mariana Islands, provided for the elected Government in the Northern Mariana Islands, and activated various sections of the Covenant. By Presidential Proclamation of November 3, 1986, and as a result of a valid act of self-determination pursuant to Section 1002 of the Covenant, the Northern Mariana Islands ceased to be bound by the United Nations Trusteeship Agreement of 1947, and became a commonwealth in political union and under the sovereignty of the United States.

(5) Office of Insular Affairs. Established August 4, 1995, by Secretarial Order No. 3191.

(6) Covenant (CIP) Grants. Funding under the Northern Marianas Covenant was first established in 1976 under Public Law (P.L.) 94-241, A Joint Resolution to Approve the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America. This was later amended in 1986 by Section 10 of P.L. 99-396 (100 Stat. 840). These provisions were further amended by Public Law 104-134, enacted in 1996, which reduced annual funding to the Northern Mariana Islands and reallocated additional funding to other uses, including capital infrastructure projects in American Samoa, Guam, and the U.S. Virgin Islands.

(7) Compacts of Free Association. The Compact of Free Association Act of 1985 was enacted in January 1986 (P.L. 99-239) and authorized funding over a fifteen-year period for the Federated States of Micronesia and the Republic of the Marshall Islands. In December 2003, the President signed Public Law 108-188, enacting amendments to the Compact of Free Association and providing an additional twenty years of guaranteed annual assistance to the Federated States of Micronesia and the Republic of the Marshall Islands. The Compact of Free Association for the Republic of Palau was enacted on November 14, 1986 as P.L. 99-658, and was implemented on October 1, 1994.

These basic legal authorities have been supplemented and modified over the years by various omnibus territory acts and other program legislation.

Page Intentionally Blank

AMERICAN SAMOA OPERATIONS

Activity: American Samoa

Subactivity: American Samoa Operations \$(000)

	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
American Samoa Operations	27,120	28,120	0	0	0	28,120	0
General Operations	26,208	27,208	0	0	0	27,208	0
High Court	912	912	0	0	0	912	0
<i>FTE</i>	2	2	0	0	0	2	0

Program Overview

Each year the Office of Insular Affairs provides grant funds to American Samoa for the operation of the local government, including the judiciary. The American Samoa Government (ASG) does not have sufficient local revenues to fund the entire operating costs of its government. The purpose of this program activity is to fund the difference between budget needs and local revenues. The Department defines “budget needs” as the cost of maintaining current programs and services. Unless mutually agreed upon by the ASG and the Department, new programs are funded from local revenues.

2024 Program Performance

American Samoa will provide financial reports beginning with the quarter ending December 31, 2023, through the quarter ending September 30, 2024.

The following chart reflects the ASG’s operations funding priorities for 2022, 2023 and 2024:

Funding Category	2022 Award	2023 Award	2024 Proposed Award
Basic Department of Education Operations	\$13,090,000	\$13,087,000	\$13,087,000
Lyndon B. Johnson Tropical Medical Center (Hospital)	\$11,564,400	\$12,563,000	\$12,563,000
American Samoa Community College Operations	\$1,558,400	\$1,558,000	\$1,558,000
High Court	\$907,200	\$912,000	\$912,000
Total	\$27,120,000	\$28,120,000	\$28,120,000

Designation of the American Samoa Government (ASG) as High Risk: OIA designated ASG as a “high-risk” grantee in 2005 as provided for in 2 CFR 200.519, due to Federal concerns of ASG’s internal controls for general financial management and the administration of Federal grant programs. The designation was recommended by the Government Accountability Office (GAO) and the Office of Inspector General (OIG) and allows OIA to require ASG to comply with special conditions for existing and future grants. Although ASG has satisfied two of the three conditions for removal of the “high-risk” designation, i.e., timely completion of annual independent audits and balanced budgets for at least two consecutive years, material issues remain in ASG’s internal controls for effective financial management and compliance with Federal grant programs. Until ASG achieves unmodified audit opinions on its financial data and has sufficient internal controls in place to prevent and detect fraud, waste, and abuse in the administration of Federal grant programs, the designation as a “high-risk” grantee will remain. OIA performs periodic reviews to determine if there is justification for removal of the “high-risk” designation.

CAPITAL IMPROVEMENT PROJECT (CIP) GRANTS SUMMARY

Activity: Capital Improvement Project (CIP) Grants \$(000) SUMMARY TABLE

	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Capital Improvement Project Grants	27,720	27,720	0	0	+4,000	31,720	+4,000
Capital Improvement Project Grants - Mandatory	27,720	27,720	0	0	0	27,720	0
Capital Improvement Project Grants - Discretionary	0	0	0	0	+4,000	4,000	+4,000
<i>FTE</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Capital Improvement Project (CIP) funds address a variety of infrastructure needs in the U.S. territories including critical infrastructure such as hospitals, schools, wastewater, and solid waste systems. Improvements to critical infrastructure not only benefit the current population and businesses but also lay the groundwork to attract new investment to the territories thereby promoting economic development. This is the first time the OIA budget has included discretionary funding for Capital Improvement Projects, which will further support critical infrastructure projects in the territories.

Program Overview

Section 701 of the Covenant (Public Law 94-241) states, *"The Government of the United States will assist the Government of the Northern Mariana Islands in its efforts to achieve a progressively higher standard of living for its people as part of the American economic community and to develop the economic resources needed to meet the financial responsibilities of local self-government."* Section 701 does not contain a standard to measure what is an adequate standard of living or the amount of economic resources necessary to meet the financial responsibilities of local self-government. Instead, it speaks of achieving progressively higher standards and a commitment by the Federal government to assist the CNMI in making progress.

Legislation enacted in 1996 established a minimum six-year CIP program for Guam as impact aid resulting from Micronesian immigration authorized in the Compacts of Free Association. Beginning in 2004, however, funding for impact aid for Guam was authorized and appropriated under the Compact of Free Association Amendments Act of 2003 (P.L. 108-188), which shifted the funding for impact aid from the CIP program to the Compact Impact program.

Public Law 104-134, enacted in 1996, allowed mandatory Covenant CIP funding, previously provided only to the CNMI, to be disbursed throughout the U.S.-affiliated insular areas. Over the years, significant increases in construction and labor costs continue to erode at the impact of the mandatory CIP funding on infrastructure needs in the territories. The 2024 budget includes \$4,000,000 in discretionary funding to

provide additional grant funding and financial support to the territories as they continue to address critical needs for infrastructure improvement.

Capital Improvement Project Grants

Activity: Capital Improvement Project (CIP) Grants \$(000)

Subactivity: CIP Grants -Mandatory

	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Capital Improvement Project Grants - Mandatory	27,720	27,720	0	0	0	27,720	0
CNMI Construction	8,829	8,278	0	0	+1,246	7,032	-1,246
American Samoa Construction	10,263	10,982	0	0	-623	11,605	+623
Guam Construction	6,628	6,460	0	0	-623	7,083	+623
Virgin Islands Construction	2,000	2,000	0	0	0	2,000	0
<i>FTE</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Capital Improvement Project (CIP) funds address a variety of infrastructure needs in the U.S. territories including critical infrastructure such as hospitals, schools, wastewater, and solid waste systems. Improvements to critical infrastructure not only benefit the current population and businesses but also lay the groundwork to attract new investment to the territories thereby promoting economic development.

Beginning with 2005, OIA implemented a competitive allocation system for the \$27.7 million in mandatory CIP grants. It is based on a premise that all funds will be used for capital needs in the U.S. territories. The process offers the U.S. insular area governments an opportunity to compete each year for a portion of the guaranteed funding in addition to other assistance or local funding that might be available.

Base level funding was established based on historic trends in 2005 when the competitive allocation system was implemented. It was adjusted for fiscal years 2012, 2017, and 2022 based upon the performance of each of the U.S. territories over the past five years as required by the 2004 Section 702 Funding Agreement between OIA and the CNMI.

FY 2022 Baseline CIP Funding (\$000)

CNMI	9,032
American Samoa	9,963
Guam	6,328
U.S. Virgin Islands	<u>2,397</u>
TOTAL	27,720

The determination of the annual allocation is made based on a set of competitive criteria that measure the demonstrated ability of the governments to exercise prudent financial management practices and to meet Federal grant requirements. These criteria were revised in 2009 to strengthen these measures and to ensure that awarded funds are being utilized efficiently and effectively. In addition to the application of these criteria to the allocation of capital improvement assistance, the Office of Insular Affairs may consider the capacity of each insular government to absorb the amount of capital assistance it would

otherwise qualify for and any special or extenuating conditions, such as unspent balances, that might require adjustments to the allocation. The competitive criteria are listed below:

Competitive Criteria for the Proposed Allocation of Mandatory CIP Funding

1. The extent to which the applicant complies with completion deadlines established under the Single Audit Act of 1984.
2. The extent to which the applicant's financial statements are reliable.
3. The extent to which the applicant is exercising prudent financial management and is solvent.
4. The extent to which the applicant has demonstrated prompt and effective efforts to resolve questioned costs and internal control deficiencies identified in single audits.
5. The extent to which the applicant has responded to recommendations identified in reviews completed by the Office of Inspector General, the Government Accountability Office and other Federal agencies.
6. The extent to which the applicant has demonstrated effective contract administration and compliance with local statutes and regulations regarding procurement practices and processes.
7. The extent to which the applicant's capital improvement application is complete and submitted on time.
8. The extent to which the applicant has complied with all reporting requirements applicable to past and ongoing grants in an accurate manner.
9. The extent to which the applicant dedicates adequate resources to critical offices to help ensure properly functioning internal controls and efficient operations, including the presence of a qualified independent auditor with an adequately funded office and strong safeguards to its independence.
10. The extent to which the applicant is able to successfully expend capital improvement funds within the award period.

While the total available for funding stays constant (\$27.72 million), allocations will vary from year to year depending upon the performance of each insular government with respect to the above competitive criteria, however adjustments to the allocation to any territory shall not increase or decrease by more than \$2 million from each territory's baseline allocation. A change in an annual allotment does not necessarily indicate deterioration in performance. It instead recognizes those governments whose performance has increased during a fiscal year.

The competitive allocation system is applied to the \$27.72 million in CIP funds using a point method. The territories are given a score on each of the above criteria. The criteria themselves are ranked so that those considered more significant receive a higher weight than those considered less important in the overall, final score.

To ensure that no territory receives less than \$2 million as a result of the annual allocation and to discourage accumulating CIP funding over multiple fiscal years, OIA proposed an allocation floor of \$2 million. This proposal was communicated to the Governors of each territory in the notice of the fiscal year 2023 allocations and baseline recalculations. No objections or comments were received.

The following chart reflects the baseline distribution along with adjustments made to 2023 and 2024 requests based on each insular government’s score on the competitive criteria.

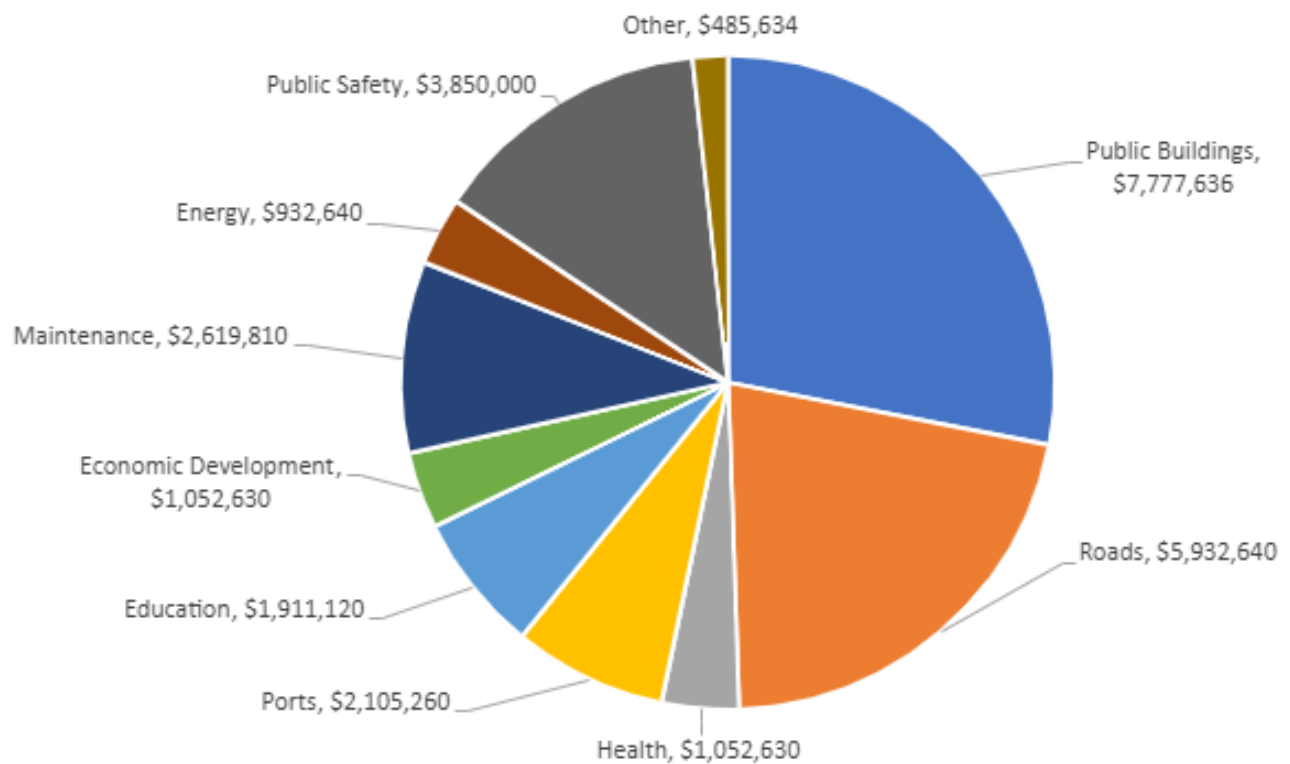
CIP Grant - Mandatory Funding Levels

(\$000)

Territory	Baseline Funding	FY 2023 +/- Baseline	FY 2024 +/- Baseline	Total FY 2023	Total FY 2024	Diff +/- 2023
CNMI	9,032	-754	-2,000	8,278	7,032	-1,246
American Samoa	9,963	+1,019	+1,642	10,982	11,605	623
Guam	6,328	+132	+755	6,460	7,083	623
Virgin Islands	<u>2,397</u>	<u>-397</u>	<u>-397</u>	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Total	27,720	0	0	27,720	27,720	0

Capital Improvement Project funds address a variety of infrastructure needs in the U.S. territories including critical infrastructure such as hospitals, schools, wastewater, and solid waste systems. OIA will work closely with the Governors in future years to identify and prioritize investment in health care infrastructure. The following pie chart displays 2022 spending on infrastructure by category.

2022 CIP BY FUNDING CATEGORY



Note: Funds shown as “Other” consist of Project Cost Share and CIP Program Administration.

2024 Program Performance

CNMI Construction- \$7,032,000

The \$7.03 million allocated to CNMI for 2024 will be used to continue meeting critical infrastructure needs similar to previous years.

The global COVID-19 pandemic caused multiple delays in shipping of materials and full work stoppages as a method of curbing transmission, in addition to continued delays resulting from the lack of available contracts, supply chain issues, and the local government's uncertain financial situation. While these conditions continue, the CNMI continues its progress. The Commonwealth Utilities Corporation continues to make progress on various completed its Stipulated Order projects, as required by the U.S. District Court, Justice Department, and Environmental Protection Agency. Work related to the Commonwealth Disability Center, the Commonwealth Healthcare Corporation, and the renovation of multiple government buildings continue. Numerous fire alarm and sprinkler system projects, including at the Department of Corrections and within the Public School System continue, and various cost share projects related to FEMA projects also continue, including improvements of Beach Road, Joeten Kiyu Public Library, and the Department of Fire and Emergency Management Services.

Many projects are also currently undergoing NEPA review, and the CNMI looks forward to commencing these projects upon completion of review, such as the West San Jose Waterline and Powerline construction projects, upgrades at the Tinian healthcare clinic, and renovations and repairs at the CNMI Department of Finance.

The following chart summarizes the CNMI's funding priorities for 2022 and 2023:

Funding Category	2022 Award	2023 Award*
Health	-	\$2,500,000
Energy	\$932,640	\$874,330
Education	\$595,840	-
Solid Waste	-	\$2,245,973
Water	-	\$874,330
Roads	\$932,640	-
Public Safety	\$3,850,000	-
Public Buildings	\$1,150,000	-
Maintenance	\$882,974	\$455,269
Other**	\$485,634	\$1,327,765
Total	\$8,829,728	\$8,277,667

*Amounts reflect requested FY 2023 projects that have yet to be awarded.

**Funds shown as "Other" consist of Project Cost Share and CIP Program Administration.

American Samoa Construction - \$11,605,007

The \$11.6 million allocated to American Samoa for 2024 will be used to continue meeting critical infrastructure needs in American Samoa similar to previous years.

Until 1996, American Samoa received annual grants for capital improvement needs, as determined by the Department of Interior and Congress. These grants averaged approximately \$5.0 million annually. During this time American Samoa fell further and further behind in keeping up with the infrastructure needs of a rapidly growing population. As a consequence, the people of the territory had been faced with increasing hardship and risk with regard to such basic needs as drinking water, medical services and education. In recognition of these severe problems, Congress enacted legislation in 1996 which directs a portion of the mandatory CIP funds to be used to pay for critical infrastructure in American Samoa. The legislation required the development of a multi-year capital improvement plan. The plan was prepared by a committee appointed by the Governor of American Samoa. The Army Corps of Engineers served as technical advisors to the committee under an interagency agreement funded through the Office of Insular Affairs. This plan was transmitted to Congress on August 8, 1996. The Capital Improvement Master Plan is updated on an annual basis. All projects have been categorized into three general priority areas. First order priorities include health, safety, education, and utilities. Second order priorities include ports and roads. Third order priorities include industry, shoreline protection, parks and recreation and other government facilities.

Over the past year, American Samoa's infrastructure projects have rebounded after delays resulting from the COVID-19 pandemic. Although the pandemic continues to impact the island and supply chain, multiple projects were completed by the American Samoa Power Authority and the Department of Public Works, including purchasing garbage trucks, excavators, and other heavy-duty equipment for routine and deferred maintenance projects. Additionally, progress continues on the American Samoa Shipyard Authority 3,000 Ton Slipway and the Lyndon B. Johnson Tropical Medical Center Labor Delivery and Operating Room renovations.

The following chart reflects the ASG's funding priorities for 2022 and 2023:

Funding Category	2022 Award	2023 Award*
Health	-	\$1,000,000
Ports	\$3,760,000	\$2,500,000
Education	\$3,150,000	\$1,000,000
Wastewater	-	-
Public Buildings	-	\$2,000,000
Economic Development	-	-
Maintenance	\$659,649	\$3,082,000
Roads	\$2,692,987	\$1,400,000
Total	\$10,262,636	\$10,982,000

*Amounts reflect requested FY 2023 projects that have yet to be awarded.

O&M Set-aside: Five percent of all grant funds from the mandatory CIP account for American Samoa Construction is set aside for operations and maintenance.

Guam Construction - \$7,083,000

The \$7.08 million allocation for Guam in 2024 will be used to continue meeting critical infrastructure needs in Guam, similar to previous years.

CIP funded infrastructure projects on Guam continue to be impacted by the COVID-19 pandemic, delays due to supply chain issues, and prolonged NEPA reviews. The Guam Memorial Hospital Authority continues its renovations and upgrades of its heating, ventilation, and air conditioning (HVAC) systems. The Department of Public Works continues Phase II of its renovation and repair of public gymnasiums, sports facilities, and public restrooms throughout the island, while projects at the Department of Public Health and Social Services Division of Environmental Health Facility and Department of Youth Affairs projects continue to get reviewed for NEPA clearance.

The following chart reflects Guam's funding priorities for 2022 and 2023:

Funding Category	2022 Award	2023 Award*
Public Buildings	\$6,627,636	\$6,460,333
Total	\$6,627,636	\$6,460,333

Virgin Islands Construction - \$2,000,000

The \$2 million allocation for the Virgin Islands in 2024 will be used for a Virgin Islands Police Department project, the installation of a Real Time Crime Center (RTCC).

Also affected by the global COVID-19 pandemic, the U.S. Virgin Islands experienced delays in its CIP-funded infrastructure projects this past year, though recently many projects were completed. These projects include park improvements on St. John, St. Croix, and St. Thomas, library renovations on all three islands, and road repairs on St. Croix.

Ongoing efforts in the USVI are focused on repairing critical road infrastructure, water and wastewater site improvements, and deferred maintenance reduction within the Virgin Islands Department of Education. The public libraries are also a focus, as the Florence Williams Public Library and Athalie McFarlane Petersen Public Library on St. Croix continue to address structural renovations and install upgrades to the electrical, mechanical, plumbing, and telephone systems.

The requested \$2 million for 2024 will be used for a Virgin Islands Police Department project, the installation of a Real Time Crime Center (RTCC). The following chart summarizes the U.S. Virgin Islands' funding priorities for 2022 and 2023:

Funding Category	2022 Award	2023 Award*
Roads	\$2,000,000	-
Public Safety	-	\$2,000,000
Total	\$2,000,000	\$2,000,000

*Amount reflects requested FY 2023 projects that have yet to be awarded.

Capital Improvement Project Grants

Activity: Capital Improvement Project (CIP) Grants \$(000)

Subactivity: CIP Grants - Discretionary

	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
CIP Grants - Discretionary	0	0	0	0	+4,000	4,000	+4,000
<i>FTE</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Capital Improvement Project (CIP) funds address a variety of infrastructure needs in the U.S. territories including critical infrastructure such as hospitals, schools, wastewater, and solid waste systems. Improvements to critical infrastructure not only benefit the current population and businesses but also lay the groundwork to attract new investment to the territories thereby promoting economic development.

Justification of 2024 Program Changes

Program Changes	(\$000)	FTE
Discretionary program increase	+4,000	0
TOTAL Program Changes	+4,000	0

The 2024 budget request for CIP Grants - Discretionary is \$4,000,000 and 0 FTE, a program change of +\$4,000,000 and 0 FTE from 2023.

Capital Improvement Project Grants – Discretionary (+\$4,000,000 / 0 FTE)

The 2024 budget includes increased support to the territories for investments in infrastructure to strengthen America and be more competitive as the world continues to change. Mandatory funding for the Capital Improvement Project program has not been increased or adjusted for inflation since the program's current authorization in 1996, and significant increases in construction and labor costs continue to erode at the impact of the program on infrastructure needs in the territories. The 2024 budget includes \$4,000,000 in discretionary funding to provide additional grant funding and financial support to the territories as they continue to address critical needs for infrastructure improvement.

2024 Program Performance

The budget request of \$4.0 million would be used to supplement mandatory CIP Grant funding provided to each territory through the competitive allocation process. OIA proposes to provide each territory with an additional \$1.0 million of discretionary funding to further support investments in infrastructure that are deemed eligible under the CIP Grants – Mandatory program. OIA will evaluate whether future allocation determinations or adjustments to the discretionary allocation amounts will incorporate performance in future years.

Page Intentionally Blank

TERRITORIAL ASSISTANCE**Activity: Territorial Assistance \$(000)****SUMMARY TABLE**

	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Territorial Assistance	58,637	64,517	+539	0	-4,100	60,956	-3,561
Office of Insular Affairs	9,837	10,217	+539	0	0	10,756	+539
Technical Assistance	22,300	22,300	0	0	+1,000	23,300	+1,000
Maintenance Assistance	4,375	4,375	0	0	0	4,375	+0
Brown Tree Snake Control	3,500	3,500	0	0	0	3,500	+0
Coral Reef Initiative & Natural Resources	2,625	2,625	0	0	+900	3,525	+900
Energizing Insular Communities	11,000	15,500	0	0	0	15,500	+0
Compact Impact- Discretionary	5,000	6,000	0	0	-6,000	0	-6,000
<i>FTEs</i>	<i>30</i>	<i>34</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>34</i>	<i>0</i>

The Territorial Assistance activity involves funding for two major functions. The first is salaries and expenses of the Office of Insular Affairs. Its policy and assistance activities involve dealing with virtually every major Federal agency, as well as seven insular governments. Sound financial management and effective internal controls are emphasized within the Office, and the Office has been able to attain clean audit opinions for all annual financial statements prepared under requirements defined in the Chief Financial Officers Act.

The second major function within this program area includes the various technical assistance activities carried out by the office. OIA's technical assistance activities have been an effective tool to implement Administration policy, and to achieve mutually desired improvements in the insular areas. Technical assistance activities have and will continue to secure environmental justice for the insular areas, such as by ensuring that benefits of climate change and clean energy investments are directed to insular communities.

Office of Insular Affairs**Activity: Territorial Assistance****Subactivity: Office of Insular Affairs (OIA) \$(000)**

	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Office of Insular Affairs	9,837	10,217	+539	0	0	10,756	+539
<i>FTE</i>	<i>28</i>	<i>34</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>34</i>	<i>0</i>

Program Overview

The Office of Insular Affairs carries out the Secretary's responsibilities with respect to U.S.-affiliated insular areas. The office is organized into three divisions:

- 1.) Policy Division: performs general program, political, and economic analysis. It monitors and tracks Federal programs extended to the insular areas and handles legislative affairs, other than those related to the appropriations process. The Division maintains a field presence in American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam.
- 2.) Technical Assistance Division: manages all Technical Assistance grants that provide support not otherwise available to the insular areas to combat deteriorating economic and fiscal conditions. Activities often include, but are not limited to, building institutional capacity in the following critical areas: health care, education, public safety, data collection and analysis, fiscal accountability, energy, transportation, economic development and communication. The Division also manages the Coral Reef and Natural Resources program, Brown Tree Snake and Maintenance Assistance programs as well as payments to the U.S. Virgin Islands (rum excise taxes) and Guam (Section 30 income taxes).
- 3.) Budget and Grants Management Division: responsible for budget formulation and presentation, chief financial officer activities, and strategic planning. It manages financial assistance under the Compacts of Free Association, operations and capital improvement grants to U.S. territories, Compact Impact grants, and infrastructure-related Territorial Assistance. The Division monitors accountability issues and tracks insular area audit resolutions, including Single Audits. The Division maintains an office in Hawaii for Compact oversight in the FSM, RMI and Palau and maintains field presence at the embassies in the FSM and the RMI.

The Office of Insular Affairs is headed by the Assistant Secretary - Insular and International Affairs, who provides overall policy direction, a Deputy Assistant Secretary, and a Director, who is responsible for overall management of the Office.

2024 Program Performance

In 2024, OIA will support the Department’s mission of to Promote Well-Being, Equity, and Justice for Insular Communities by executing activities to strengthen economic and health capacities in the territories, fulfill Compact obligations, and address climate resilience, conservation, and clean energy deployment. With financial assistance programs averaging \$700 million per year, OIA requires sufficient personnel resources to provide oversight of grants. At the 2024 level of funding OIA will:

- Improve out-year performance by grantees by continuing to focus on oversight.
- Continue providing professional services to the Insular Areas through interagency agreements.
- Continue interagency coordination on issues impacting the Insular Areas
- Conduct site visits to grant projects.
- Continue to actively work with the U.S. Territories and the Freely Associated States to ensure their compliance with the Single Audit Act and to improve the timeliness of their audit submissions and resolution of financial statement qualifications and audit findings.
- Continue to advance negotiations on the expiring provisions of the Compacts of Free Association with FSM, the RMI, and Palau.

Section 403 Compliance**Working Capital Fund**

All of OIA’s overhead and administrative costs that support Departmental functions are paid from the Office of Insular Affairs account as assessed through the Department’s Working Capital Fund (WCF) as follows:

Working Capital Fund Billings (\$000)

Activity	2023 Estimate			2024 Estimate		
	Central	Direct	TOTAL	Central	Direct	TOTAL
OS Shared Services	102.01	6.85	108.86	107.46	6.27	113.73
OS Activities	353.51	24.05	377.56	366.23	67.82	434.05
IT Shared Services	192.27	59.78	252.05	206.64	162.47	369.11
Interior Business Center	16.47	142.03	158.50	21.95	156.25	178.20
TOTAL, WCF Billing	664.26	232.71	896.97	702.28	392.81	1,095.09

**Office of Insular Affairs
Employee Count by Grade**

(Total Employment)

Employee Count by Grade	2022 Actual	2023 Estimate	2024 Estimate
Executive Level V	0	0	0
SES	0	1	1
Subtotal	0	1	1
SL - 00	1	1	1
ST - 00	0	0	0
Subtotal	1	1	1
GS/GM -15	6	6	5
GS/GM -14	5	6	7
GS/GM -13	10	10	11
GS -12	8	9	10
GS -11	0	1	1
GS -10	0	0	0
GS - 9	1	0	0
GS - 8	0	0	0
GS - 7	0	0	0
GS - 6	0	0	0
GS - 5	0	0	0
GS - 4	0	0	0
GS - 3	0	0	0
GS - 2	0	0	0
GS - 1	0	0	0
Subtotal	30	32	34
Other Pay Schedule Systems	0	0	0
Total employment (actuals & estimates)	31	34	36

**Includes two American Samoa judges (SL-1 & GS-15) which are funded through the American Samoa Operations program, and are not funded by the OIA operations account.*

Technical Assistance

Activity: Territorial Assistance

Subactivity: Technical Assistance (TAP) \$(000)

	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Technical Assistance	22,300	22,300	0	0	+1,000	23,300	+1,000
FTE	0	0	0	0	0	0	0

Justification of 2024 Program Changes

Program Changes	(\$000)	FTE
Compliance with Insular Areas Act (P.L. 112-149)	+1,000	0
TOTAL Program Changes	+1,000	0

The 2024 budget request for the Technical Assistance Program is \$23,300,000 and 0 FTE, a program change of +\$1,000,000 and 0 FTE from 2023.

RMI Runit Dome Groundwater Monitoring (+\$1,000,000 / 0 FTE)

The proposed increase will help support groundwater monitoring of Runit Dome in the Republic of the Marshall Islands in order to meet the requirements of the Insular Areas Act of 2011 (P.L. 112-149). This Act was enacted to assist the people of Enewetak Atoll to better understand the long-term environmental and public health status of the waste containment structure on Runit Island. DOI is required to provide funding to the U.S. Department of Energy through OIA's Technical Assistance Program for the radiochemical analysis of the groundwater. OIA has been informed by the Department of Energy that \$4 million will be required between 2023 and 2024.

Program Overview

The Technical Assistance program provides support not otherwise available to the insular areas to meet immediate needs and to combat deteriorating economic and fiscal conditions and to maintain the momentum needed to make and sustain meaningful systemic changes.

The Office of Insular Affairs' (OIA's) Technical Assistance program (TAP) was authorized in Section 601 of Public Law 96-597 on December 24, 1980. The law as amended reads:

The Secretary of the Interior is authorized to extend to the governments of American Samoa, Guam, the Northern Mariana Islands, the Virgin Islands, and the Trust Territory of the Pacific Islands, and their agencies and instrumentalities, with or without reimbursement, technical assistance on subjects within the responsibility of the respective territorial governments. Such assistance may be provided by the Secretary of the Interior through members of his staff, reimbursements to other departments or agencies

of the Federal Government under sections 1535 and 1536 of Title 31, grants to or cooperative agreements with such governments, agreements with Federal agencies or agencies of State or local governments, or the employment of private individuals, partnerships, or corporations. Technical assistance may include research, planning assistance, studies, and demonstration projects.

Eligible applicants are non-federal entities such as local government agencies (including utilities) in Guam, American Samoa, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau; and hospitals/health centers, institutions of higher education and any non-profit organizations, including entities located within the United States, in the U.S. territories and/or international entities, whose projects directly benefit the seven insular areas in accordance with regulations contained in 2 CFR 200. If the applicant is not a local government entity, letters of support for the project are requested from the local government impacted. OIA also sends a listing of all applications received to high-level officials in each insular area for their respective areas. OIA requests that the high-level officials from each insular area rank the importance of all the requested grants for their respective area, including those received from entities outside the local government. OIA considers these rankings when making award decisions.

The purpose of the Technical Assistance program is to fund priority projects for which there are little to no funds available from other Federal agencies. The program provides the flexibility needed to respond to urgent, immediate needs in the insular areas. Some programs are necessary on an ongoing basis for the insular areas; including, but not limited to: ongoing financial management, management, and audit training for all insular areas. The ongoing programs were incorporated into the Technical Assistance program because there was no other source of funds in the Federal budget for these projects.

The Technical Assistance program allows each government to identify pressing issues and priorities and develop action plans to mitigate these problems. Direct grants, reimbursable agreements, and contracts, both within and outside the Federal government, are keys to implementation. Funded projects are focused to meet immediate needs in the short term and assist the governments in developing long-term solutions.

OIA staff and outside experts provide information on a variety of topics to help improve government operations in areas such as financial management, procurement and contract management, and the administration of Federal grant programs.

2024 Program Performance

In 2024, the Technical Assistance Program will support the Administration's commitment to promoting equity and supporting underserved communities through continued financial assistance and support to the insular areas for projects which foster the development of the insular areas in the following categories: climate change (including food and water security), energy production, natural and cultural resources, youth programs, health initiatives and health IT systems, public safety/emergencies, and invasive species management. Other priorities include, but are not limited to: accountability, financial management, economic development, education, management control initiatives, disaster planning, capacity building, and information technology.

The table below shows the allocation of 2022 Technical Assistance funding:

2022 Technical Assistance Summary

(Dollars in Thousands)

Recipient	2022
Grants to Benefit Insular Areas	
American Samoa	2,299
Northern Mariana Islands (CNMI)	3,007
Guam	2,388
U.S. Virgin Islands	2,823
Federated States of Micronesia (FSM)	907
Republic of the Marshall Islands (RMI) (includes 4 Atoll Healthcare)	3,195
Republic of Palau	528
Total, Grants to Benefit Insular Areas	15,147
Other TAP Crosscutting (Provides Benefits to Multiple Insular Areas)	7,153
Total, Technical Assistance	22,300

OIA receives Technical Assistance requests through www.grants.gov under CFDA number 15.875.

Grants to Benefit Insular Areas

In 2022, OIA received \$87 million in Technical Assistance grant requests. Approximately \$22.3 million in Technical Assistance was provided with fiscal year 2022 funds. See preceding chart for amounts by insular area. Highlights of some of the awarded financial assistance include:

Commonwealth of the Northern Mariana Islands (CNMI): Office of the Governor - \$298,081 for Marianas Resilience and Sustainability Planning Group, which aims to establish a forum where matters affecting the CNMI and Guam may be addressed and mitigated. Department of Finance - \$551,612 for the development of a new tax system that will address the challenges posed by COVID-19, meet the needs of CNMI Tax Laws, replace outdated IBM AS/400, meet IRS compliance standards, and implement an online tax platform in order to provide better service to CNMI taxpayers. The new system will be integrated to work with the Department of Finance Financial Management Information System. \$180,669 to support the CNMI Federal Grants Enhancement program. \$152,625 to support the Commonwealth Utilities Corporation Grants Management Coordination and Technical Assistance Facilitator. \$106,7663 to the Municipality of Rota for Rota Aquaponics Initiative. \$140,000 to support Commonwealth Utilities Corporation Certified Employee, Water & Wastewater Training Program. \$356,120 to Commonwealth Ports Authority to procure a much-needed light rescue utility truck. \$214,946 to the Department of Fire and Emergency Services for Rota Emergency Responders Radio Repeater Site Security & Improvement Project. \$112,000 to Commonwealth Ports Authority Customs and Border Protection federal inspection service area fire system upgrade. \$45,348 to the Department of Commerce Climate Change and Environmental Literacy Training for CNMI Government Employees. \$69,394 to Commonwealth Healthcare Corporation for an Inter-Island Teledentistry Program. \$157,664 to Commonwealth Healthcare Corporation to upgrade the Public Address System. \$527,840 to Northern Marianas College

for Leveraging Aquaculture Technology to enable a sustainable and economically viable Mangrove Crab Farming Industry. \$93,544 to Commonwealth Utilities Corporation for the continuation of the Automated Water Read, Supply, and Leak Detection System.

Guam: Government of Guam - \$450,000 for Grants Management Training. This training will build capacity and enhance performance for grant staff. Mane'lu - \$748,095 for the continuation of the Micronesian Resource Center One Stop Shop, which provides information and resources to Freely Associated States citizens who live on Guam. The Guam Ancestral Lands Commission and the Chamorro Land Trust Commission each received funding for IT Infrastructure upgrades, to digitize records and make them more easily accessible to the public. Association of State and Territorial Health Officials - \$500,000 for Guam interagency business process improvement and centralized grants management to strengthen administrative capacity.

American Samoa: American Samoa Government (ASG) Department of Agriculture - \$423,000 for Soil and Residual Testing Research program. ASG will purchase soil and residual testing equipment to identify nutrient contents, compositions, and other characteristics that impact productivity in farmlands in American Samoa. ASG Department of Port Administration - \$219,000 for Public Address systems in the public port and airport. The system will be integrated with other port systems, including flight and security management systems, and plays a key role in the event of an alarm, facilitating evacuations following the pre-defined emergency procedure. ASG Environmental Protection Agency - \$250,000 for modernizing environmental regulations for a sustainable future. Clean water and properly managed wastes are fundamental to socio-economic well-being in American Samoa. Regulatory efficiency will protect American Samoa's sensitive and unique natural environment and contribute to development of a sustainable tourist economy.

U.S. Virgin Islands (USVI): Association of State and Territorial Health Officials - \$500,000 for USVI Interagency Business Process Improvement to Streamline Public Health Priorities. VI Fish and Wildlife Services and VI Department of Agriculture - \$159,871.60 for Developing a Regional Mariculture Facility for the US Caribbean. Schneider Regional Medical Center - \$294,719 for Telemedicine Hardware and Software Upgrades. VI Bureau of Corrections - \$499,550 for the Re-Entry Program. VI Economic Development Authority - \$500,000 for the J. Antonio Jarvis Complex Building a Heritage Renovation. University of the Virgin Islands - \$499,796 for the Development of Strategies for Sargassum Mitigation in the USVI Using Oceanographic Methods and Modeling.

Federated States of Micronesia (FSM): Habele - Robo League – \$327,000 to support student robotics teams at 26 public and private high schools across the Federated States of Micronesia where at least 450 students are participating weekly in designing, building, and navigating robots. Micronesia Conservation Trust - \$298,000 for improving management effectiveness of Protected Areas in Micronesia by elevating the capacity of resources, managers, and communities. Falanruw Foundation - \$247,083 for Yap Outer Islands Public Safety/Emergency Station. Pohnpei Government - \$35,000 to develop a feasibility study to create a Pohnpei State Museum.

Republic of the Marshall Islands (RMI): Republic of the Marshall Islands 4 Atoll Health Care - \$1,876,297 to provide primary healthcare physicians and nurses and healthcare programs to nuclear affected residents of Enewetak, Bikini, Rongelap and Utrik in the Republic of the Marshall Islands

(approximately 20,000 residents). Canoes of the Marshall Islands - \$110,000 for the Cultural and Vocational Training Program. Wotje Atoll Local Government - \$239,500 for Solar Water Desalination Systems. RMI Ministry of Finance - \$200,000 for the Grant Writing and Management project. Maloelap Atoll Local Government - \$200,500 for Sanitary Toilets and Community Solar Water Pumps. Enewetak and Ujelang Local Government - \$468,500 for the Invasive Species Eradication Project. Lib Local Government - \$100,000 for the Retention and Recruitment of a Health Professional.

Palau: Palau Office of Planning and Statistics - \$402,574 for a Household Income and Expenditure Survey. Palau Ministry of Education - \$126,000 for Building a Healthier Palau. This program will provide training to teachers in Palau to provide improved physical education to students, improving their overall health and wellbeing. East-West Center - \$87,848 for travel for participants from the insular areas to attend the Pacific Ecological Security Conference.

Highlights of Ongoing Programs

Statistical Improvement Program

One of OIA's goals is to improve the quality and quantity of economic data in the territories. In December 2008, OIA completed a Memorandum of Understanding (MOU) with the Bureau of Economic Analysis (BEA) of the Department of Commerce to develop GDP data for the four U.S. Territories (American Samoa, Commonwealth of the Northern Mariana Islands, Guam, and the U.S. Virgin Islands). The initial agreement with BEA was structured for a period of 18 months for a total cost of \$1.6 million. Annually, OIA pays \$786,219 to BEA to continue this project.

To calculate U.S. GDP, the BEA collects all the data it needs from other Federal agencies such as the Census Bureau, the Bureau of Labor Statistics, and the Internal Revenue Service. Because the territories are not included in most of the current data and research work by Federal agencies, the BEA has to collect the data in the territories and put them in a format they use for U.S. GDP calculations. Since territorial data sources are not as extensive as those for the 50 States and DC and not as readily available, it takes more work, time, and resources to put them together in the format consistent with the BEA's framework for U.S. GDP.

The GDP estimates for the four territories are available at the BEA web site which can be reached at: http://www.bea.gov/national/gdp_territory.htm

Republic of the Marshall Islands 4 Atoll Healthcare Program

The Four Atoll Health Care Program addresses the medical needs of Marshall Islands communities affected by the nuclear weapons testing program which the U.S. Department of Defense carried out in the Marshall Islands between 1946 and 1958. Technical Assistance provides for the primary health care needs of the Enewetak, Bikini, Rongelap and Utrik communities in the Republic of the Marshall Islands. In 2022, the Technical Assistance program funded \$1.8 million for medical professionals and needed medical supplies for the population of the 4 Atolls in the Republic of the Marshall Islands: Kili/Bikini/Ejit, Enewetak/Ujelang, Rongelap/Mejatto, and Utrik. Technical Assistance has funded this program annually since 2005. Program deliverables include:

- A full-time primary care physician for each of the four atolls to work in collaboration with a full-time island-based health assistant;

- Improve access to quality and specialty care services; reduce inter-island referrals for secondary care; improve overall health of the communities served; utilize the full potential of our doctors for better delivery of service; and conduct drinking water quality tests for presence of pathogens; and
- Visual impairment screenings by primary care physicians; access to specialty clinics for diabetes, hypertension, well baby, and reproductive health; and improved maternal and child-care programs.

The Marshall Islands Ministry of Health provides local support to this Interior-funded program.

Prior Service Benefits Program

In the last days of World War II, Micronesians started working for the U.S. Military providing essential services to active-duty soldiers, sailors and airmen, including care for the wounded and support for the men fighting in places like Iwo Jima and Okinawa. These people were paid very low salaries, often as low as 9 cents an hour, with no employee benefits. The Prior Service Benefits Trust Fund provides payments to beneficiaries that are citizens of the Commonwealth of the Northern Mariana Islands, Federated States of Micronesia, the Republic of the Marshall Islands and the Republic of Palau who worked for the U.S. Department of Navy and the U.S. Trust Territory of the Pacific Islands for the period from 1944 through June 30, 1968. The Prior Service Benefits Trust Fund helps ensure the solvency of the Fund so that payments to beneficiaries will continue uninterrupted. Without the funds provided by OIA, the Prior Service Benefits Trust fund will be unable to continue payments to its beneficiaries. Checks are sent out from this fund on a monthly basis. Currently, there are no funds available for any additional payments beyond those funds provided by OIA. Funds are needed in order to allow the Prior Service Benefits Trust Fund to continue to make the monthly payments. OIA made available \$700,000 in 2022 to support the Prior Service Trust Fund Administration (PSTFA).

Close Up Foundation

The Close Up Foundation has conducted the Close Up Insular Areas Program under a grant from the Technical Assistance program since 1988. Close Up was provided \$1,000,000 in 2022 and conducted virtual civic education work with students, teachers and administrators from American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau, and the U.S. Virgin Islands.

The goals of Close Up's Insular Areas Program for students and teachers are to: demonstrate how the United States' model of democracy functions and to foster the interest, knowledge, and skills needed to effectively participate in a democracy; address the academic needs of the insular areas and to provide training and materials to improve teachers' civic education skills; and increase mutual understanding of the United States' diverse citizenry with a special emphasis on public policy concerns and culture.

Junior Statesmen Foundation

OIA awarded \$499,430 in 2022 for Junior Statesmen Foundation (JSF) scholarships for twenty-eight high school students from the insular areas to attend virtual Junior Statesmen Summer Schools. This was the 27th year that the Junior Statesmen Foundation has worked in partnership with the Office of Insular Affairs to identify, educate and train outstanding insular-area high school students for active, effective, and ethical participation in public affairs.

OIA grants cover the cost of each scholarship winner's summer school tuition and access to virtual learning. The Junior Statesmen Summer School is conducted at Georgetown, Princeton, and Stanford Universities. At the month-long summer schools, students take a Political Science college level course, along with high level instruction in debate and leadership. All insular areas participate in the scholarship program. OIA also funds academic prep programs in colleges in American Samoa, the Northern Mariana Islands, Guam, Palau and the U.S. Virgin Islands to help prepare their students for their summer school experience.

The Junior Statesmen mission is to strengthen American democracy by educating and preparing high school students for life-long involvement and responsible leadership in a democratic society.

Programs Managed by the Graduate School USA

As part of OIA's Technical Assistance program, the International Institute of the Graduate School USA (GSUSA) provides training and related services through the Pacific and Virgin Islands Training Initiatives (PITI-VITI) to assist the insular governments to improve the financial management and program performance of the Pacific and Virgin Islands insular governments. During 2022, training programs were conducted virtually and in person as the areas are transitioning from the pandemic. Programs include but are not limited to: Executive Leadership Development Program, Island Government Finance Officers Association training events, Association of Pacific Island Public Auditors training events, Audit Improvement, Performer Analysis, support to the Economic Advisory Group, consultation and training in each of the seven insular areas, and economic monitoring and analysis.

Maintenance Assistance

Activity: Territorial Assistance

Subactivity: Maintenance Assistance (MAP) \$(000)

	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Maintenance Assistance	4,375	4,375	0	0	0	4,375	0
<i>FTE</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

The Maintenance Assistance program is used to support, develop, improve, and as much possible, institutionalize infrastructure maintenance practices in the seven insular areas. Funds can also be used for critical repairs to infrastructure.

Program Overview

The Office of Insular Affairs continues to provide limited maintenance assistance to support public infrastructure investments in the insular areas. Historically, insular governments have not prioritized maintenance planning and budgeting, life cycle costing, and training. As a consequence, the usefulness of power plants, roads, ports, water and sewer systems, and public buildings declined prematurely. The Maintenance Assistance program addresses this problem by providing funding for expert reviews and recommendations on the general condition of the infrastructure and by providing funds to provide long-term solutions to systemic problems.

The Maintenance Assistance program focuses on changing those conditions that allow poor maintenance practices to exist. The program underwrites training, education, and technical advice related to maintenance. Funding is used to purchase specialized maintenance equipment or information technology related to maintenance. The program also funds the cost to inventory maintenance needs, develop maintenance plans, and fund urgent repairs.

The Maintenance Assistance program also provides funding to address general regional training needs and allows the insular governments to share expertise and develop maintenance practices appropriate to the region. The program has proven to be an effective method of institutionalizing better maintenance practices throughout the U.S. affiliated islands.

2024 Program Performance

In 2024, the Maintenance Assistance program will continue to provide critical support otherwise unavailable to the insular areas to foster proper maintenance practices, fund necessary maintenance training, supplies, equipment and repairs.

In 2022, the Maintenance Assistance program awards included: \$750,000 to the VI Water and Power Authority for the Substation and Underground Power Lineman Training Program. The American Samoa

Department of Public Works was awarded \$200,000 for the Expansion of a DPW Heavy Equipment Storage Structure and \$403,146 was awarded to the CNMI Public Schools for the Deferred School Maintenance Program. The Maintenance Assistance program also awarded \$254,090 to the Pohnpei Port Authority for the Procurement of Critical Emergency Supplies for the Port.

Brown Tree Snake Control

Activity: Territorial Assistance

Subactivity: Brown Tree Snake Control \$(000)

	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Brown Tree Snake Control	3,500	3,500	0	0	0	3,500	0
<i>FTE</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Brown Tree Snake Control (BTS) is an environmental justice and conservation program, combining research and operational components designed to prevent the dispersal of BTS from Guam to other vulnerable geographic areas and to ultimately eradicate existing or newly established BTS populations in U.S. areas.

Program Overview

The invasive Brown Tree Snake (BTS) was introduced to the island of Guam following World War II. Due to an abundant prey base and an absence of natural predators, the BTS' population on Guam grew exponentially. It was not until the 1980s when researchers began to study the sudden and sharp decline in Guam's bird populations that the environmental and socioeconomic damage caused by the BTS began to be understood.

The BTS is directly responsible for the extinction or local extirpation of 9 of 13 native forest birds and 3 of 12 native lizards on Guam. In addition, the BTS has had significant, negative impacts on Guam's economy. The risk of accidental transport and establishment of the BTS in other locations has impacted regional shipping and transportation through increased bio-security needs.

BTS routinely climb wires accessing electrical distribution and transmission lines. This can cause ground faults or short circuits resulting in power outages of varying severity and duration. Island-wide outages result in lost productivity, damage to electrical equipment and lost revenues; and often interfere with national defense activities on the island.

Since Guam is a major transportation hub in the Pacific, numerous opportunities exist for this invasive species to be inadvertently introduced to other areas. The BTS has already been accidentally transported from Guam to other sites worldwide through infested civilian and military vessels and cargo.

Documented sites include: Hawaii; the CNMI; Corpus Christi, Texas; McAlester, Oklahoma; Japan; Anchorage, Alaska; Wake Island; Taiwan; Kwajalein; Diego Garcia; Darwin, Australia; and Rota, Spain. The majority of those sightings were in the CNMI (93) and on Oahu (10). There is appropriate concern that the introduction of the BTS to other vulnerable sites, such as Hawaii, will have similarly catastrophic ecological and economic impacts as on Guam.

In 2020, a population of snakes was documented on Cocos Island and threatens several native species. Cocos Island is a 36-hectare atoll-like island off southern Guam, and has native species no longer present

on the main island of Guam due to the brown tree snake. Three species of nesting sea birds, including the locally endangered sãli and federal endangered ko'ko' birds, and many species of lizards, all provide a pre-snake-invasion picture of Guam. Their survival is now at risk due to the recent invasion of BTS on this island.

Research is conducted to improve existing BTS control tools, such as barriers, traps and baits as well as to develop better control techniques such as toxins, repellents and attractants. Research is also intended to improve our understanding of the basic biology of the BTS and to develop methods enabling large-scale suppression of BTS on Guam. It is largely accepted that severe population suppression must be achieved before eradication can be pursued. The operational program utilizes the control tools and techniques developed via the research effort to reduce the risk of BTS dispersal to other Pacific islands, the U.S. mainland, and other vulnerable locations.

The BTS Program is a cooperative effort involving primarily the Office of Insular Affairs (financial assistance and grants management); the U.S. Fish and Wildlife Service (overall program coordination); the U.S. Geological Survey (basic and applied research); the U.S. Department of Agriculture's Animal and Plant Health Inspection Service, Wildlife Services (control, management and applied research); the U.S. Department of Defense (financial assistance, control and management on military facilities); and the Governments of Hawaii, Guam, and the Commonwealth of the Northern Mariana Islands.

2024 Program Performance

It is anticipated that 2023 and 2024 BTS funds will continue to support environmental justice and conservation through a continued focus on the operational interdiction and control initiatives including suppression and eradication. Funding may be used to aid in the efforts to remove BTS from Cocos Island, and to continue research funding and educational outreach dependent upon the availability of funding.

In 2022, USDA-APHIS-Wildlife Services caught and killed 1,280 snakes at the commercial ports on Guam. There were zero credible snake sightings in the CNMI or Hawaii. As mentioned above, BTS is now present on Cocos Island, which had little to no biosecurity measures in place. USGS and USDA-WS-National Wildlife Research Center began and continued several research projects that are aimed towards landscape scale suppression and early detection and rapid response. USGS typically provides rapid response training to new people every year, and the current Rapid Response Team has 98 total members. Some future goals of the program are making the Aerial Bait Delivery System fully operational, expanding it to a larger landscape, and finding a viable artificial bait to replace mice.

Actual BTS awards for 2022 are detailed below:

- \$1,205,101 to the U.S. Department of Agriculture's Animal and Plant Health Inspection Service, Wildlife Services (WS), which continued its Guam-based operational BTS control program on and around commercial facilities operated by the Government of Guam and private entities. Current operations were maintained at A.B. Won Pat International Airport, Commercial Port of Guam and commercial transportation and cargo facilities, aimed at reducing the risk of BTS dispersal to other Pacific islands, the U.S. mainland, and other locations at risk. WS incorporated an integrated wildlife damage management approach to BTS containment using the following

types of activities: detector dogs, traps, nighttime fence searches, oral toxicants, barriers, prey reduction, and public outreach activities. WS staff ensured inspection of at least 90 percent of commercial cargo and aircraft departing Guam.

- \$450,000 to the CNMI Department of Lands and Natural Resources, Division of Fish and Wildlife (DFW), which continued to operate a BTS interdiction program on the islands of Saipan, Tinian, and Rota and ensured that, at the minimum, a 90 percent canine inspection rate of Guam-based cargo arrivals was reached and subsequently maintained. DFW also maintained BTS traps at CNMI ports of entry and conducted public outreach.
- \$375,000 to the Hawaii Department of Agriculture which continued to operate the Hawaii BTS interdiction program, which includes a functioning Detector Dog program. They inspect all cargo and air and sea crafts arriving from Guam to Honolulu, as well as maintain traps around the ports.
- \$376,659 to the USDA-WS-National Wildlife Research Center for various research projects including improved camera monitoring of BTS on Cocos Island, Caged Bird colonies as “super attractors” with integrated BTS trapping and studying the efficacy of self-resetting humane kill traps.
- \$921,456 to the USGS for researchers to continue the development and testing of tools intended to improve BTS interdiction, control, and management. Research focuses on decision analysis for early detection and rapid response, as well as establishing a beachhead at Asan Ridge, where they will conduct baseline data collection of BTS and associated prey and application of BTS removal in a landscape surrounded by semi-permeable features. The USGS Rapid Response leader and team also responds to all credible off-island BTS sightings, including Cocos Island. This year they were also working towards restructuring the Rapid Response Team to prioritize active early detection protocols.
- \$304,212 to the U.S. Fish and Wildlife Service (USFWS) to continue to provide overall BTS program coordination on a regional and national level to ensure continued progress. USFWS also provides technical assistance to program partners and develops a strategic planning document for the program.
- \$100,000 to the Guam Department of Agriculture, Division of Aquatic and Wildlife Resources for the “Kontra I Kulepbla – Challenge the Snake!” program. This is a public awareness campaign to educate the public on Guam on how the BTS effects the ecosystem, human health, and other factors on Guam. This will garner public support for the necessary interdiction and eradication efforts in the territory.
- \$70,000 to the Guam Power Authority to gather and share existing and new GIS data on snake related power outages.

Coral Reef Initiative & Natural Resources

Activity: Territorial Assistance

Subactivity: Coral Reef Initiative & Natural Resources \$(000)

	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Coral Reef Initiative and Natural Resources	2,625	2,625	0	0	+900	3,525	+900
FTE	0	0	0	0	0	0	0

Justification of 2024 Program Changes

Program Changes	(\$000)	FTE
Address additional conservation needs in the Insular Areas	+900	0
TOTAL Program Changes	+900	0

The 2024 budget request for Coral Reef Initiative and Natural Resources is \$3,525,000 and 0 FTE, a program change of +\$900,000 and 0 FTE from 2023.

Coral Reef Initiative and Natural Resources Address additional conservation needs in the Insular Areas (+\$900,000 / 0 FTE)

The proposed increase will support efforts to protect the health of all natural resources in the U.S. insular areas for the long-term economic and social benefit to their island populations including control, prevention, rapid response, eradication, and other efforts to combat invasive species and restore native species.

Program Overview

Natural resources, from mountain ridges to reefs and in between, provide an integral foundation for healthy economies and the livelihood of islands and the people who reside therein. Funding provided through OIA plays a critical role by supporting the efforts of U.S. insular area governments, as well as regional and non-profit organizations, in the development of strategies and effective programs for managing and protecting their natural resources.

Healthy coral reef resources for example, from the U.S. Virgin Islands to Guam, protect these islands from coastal erosion and storm damage, provide habitat to numerous marine species, and support important tourism and recreational industries. These resources are experiencing a variety of stresses including poor water quality, over-harvesting, coastal development, disease, and bleaching, directly related to climate change and related extreme weather events. OIA has supported coral reef

recommendations identified by the U.S. Coral Reef Task Force and the All Islands Coral Reef Committee, as well as the Micronesia Challenge and The Nature Conservancy.

Other threats to natural resources include invasive species such as the Coconut Rhinoceros Beetle (CRB), *Oryctes rhinoceros*, which is found on Guam and Palau and was discovered on Rota in the Commonwealth of the Northern Mariana Islands (CNMI) as well as the Little Fire Ant (LFA), *Wasmannia auropunctata*, currently found on Guam and recently discovered in Yap. OIA funding has supported insular area governments and been leveraged with funding from other partners such as USDA and the University of Guam to detect, respond to, contain and eradicate invasive species.

OIA continues to support and bolster the efforts and work of each of the U.S. territories and the freely associated states to set their own priorities for natural resource management in accordance with focal areas and species included in the Regional Biosecurity Plan. Work of regional organizations such as the Micronesia Challenge, the Micronesia Conservation Trust, and the Regional Invasive Species Council (RISC) are encouraged and supported when possible. OIA also takes into consideration priorities identified by the Micronesian Islands Forum (MIF), composed of the Governors and Presidents of the Pacific Insular Areas and the Micronesian Presidents' Summit.

2024 Program Performance

Coral Reef Initiative & Natural Resources

In 2024, the Coral Reef Initiative and Natural Resources program is expected to continue to provide financial assistance to the insular areas to protect natural resources and to combat invasive species related to focal themes and focal species identified in the Regional Biosecurity Plan update at the end of this section.

With fiscal year 2022 funds, OIA provided \$2,625,000 in grants to the U.S. territories and the freely associated states to help protect coral reefs and marine resources. Projects ranged from rehabilitation of corals, to outreach, restoration, and removal of invasive species and pests. Invasive species in the islands are disruptive of both marine and terrestrial resources in the islands, which already are under stress. Grants were provided to help control and eradicate invasive species in the islands in order to protect public health, livelihoods, and fragile environments and economies.

Fiscal year 2022 accomplishments included (but are not limited to):

- Placed a Coral Fellow in fiscal year 2022 in each of the following territories: American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands. The Coral Fellow program has provided needed capacity in the territories for both coral reef conservation and invasive species management. Grantee: Nova Southeastern University National Coral Reef Management Fellowship Program – \$210,000.
- Guam – Support for Guam Coral Reef initiative Projects to attend the Coral Reef Task force meeting, fund a coral reef management position and continue to monitor current restoration efforts to develop a more meaningful database. Grantee: Guam Department of Agriculture- \$163,526.

- Guam- Supports RBP. Focal Species: Little Fire Ant. Assist Guam Airport officials in the removal of LFA from the surrounding airport tenants Marianas Air Cargo Services and Star Marianas Airline. Grantee: University of Guam- \$130,631.
- USVI- Continuation of Eradication and Response for Nuisance and Invasive Species. Grantee: Department of Planning and Natural Resources - \$127,538.79.
- American Samoa-Supports RBP. Focal species: small mammalian carnivores. Remove invasive rats from Swains Atoll. Increase awareness and respond to Stoney Coral Tissue Loss Disease. Grantee: American Samoa Government - \$298,570.
- CNMI- The continuation of the CNMI Invasive Species Coordinator and Entomologist to continue safeguarding and affirming the ideas and intention of the CNMI Invasive Species Strategy and Action Plan. Grantee: Department of Lands and Natural Resources- \$234,498.

House Report 116-448 (July 14, 2020) contained the following directive requiring the Department to include an update on efforts to implement the Regional Biosecurity Plan for Micronesia and Hawaii. The following is the requested biosecurity update.

REGIONAL BIOSECURITY PLAN (RBP)

The U.S. Department of the Interior (DOI) continues to lead extensive activities in the Pacific region in collaboration with Federal agencies, State, territorial, and international governments, and other organizations to improve biosecurity and minimize invasive species threats. DOI investments through Region 12 – Pacific Islands agencies include the National Park Service (NPS), Office of Insular Affairs (OIA), Office of Native Hawaiian Relations (ONHR), U.S. Fish and Wildlife Service (USFWS), and U.S. Geological Survey (USGS), which support a range of invasive species-related activities in Hawaii and U.S. affiliated Pacific Islands (USAPI) such as prevention, detection, control, eradication, research, education, and restoration. The USAPI consists of three United States territories: American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam; and three independent countries in free association with the United States: the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

In Hawaii and the USAPI, DOI activities aim to limit the introduction, establishment, and spread of numerous invasive species of concern. Species range from brown tree snakes to insects, such as the coconut rhinoceros beetle and little fire ant, marine species such as smothering seaweed, and other invasive species capable of changing island ecology including feral swine, Miconia, and plant pathogens such as the fungi that causes rapid Ohia death impacting 80 percent of Hawaii’s forests. DOI is committed to working internally and with other Federal departments, including the Departments of Defense, Commerce, Agriculture, and State, as well as with the U.S. Ambassadors to the Freely Associated States, and regional and local partners to identify opportunities to improve biosecurity and invasive species management in the Pacific region.

Efforts undertaken by DOI bureaus and offices in Hawaii and the USAPI complement strategies identified by partners in the Pacific region. These efforts also align with priorities identified in the “Regional Biosecurity Plan for Micronesia and Hawaii (RBP),” a plan developed by the Department of the Navy in 2015 that provides strategic guidance and sets forth recommended actions necessary to strengthen biosecurity.

In fiscal year 2024 bureaus will continue to focus on high-impact invasive species, or groups of species, that are either established or identified as likely to become established and warrant actions to minimize risk of introduction and impacts. These focal areas and species are listed below.

Central to all work conducted in Hawaii and the USAPI is the relationship to biocultural resources. Biocultural resources are physical, biological, and human elements that strengthen a native people's evolving relationship with a defined place and maintain their unique set of customs, beliefs, language, traditional knowledge, objects, and built environment. Understanding the importance of biocultural resources and integrating them into stewardship activities is crucial for project success and long-term viability in Hawaii and the USAPI.

Focal Themes (which will continue in fiscal year 2024):

- **Prevention:** The action of stopping invasive species from being introduced or spreading into a new ecosystem.
- **Early Detection (Surveillance) and Monitoring:** A process of surveying for, reporting, and verifying the presence of a non-native species before it becomes established such that eradication is no longer feasible. Monitoring is the action of conducting surveys repeated through time to document changes in select attributes of wildlife, plants, habitats, ecological communities, or abiotic resources.
- **Rapid Response (including Eradication, when possible):** A process that is employed to eradicate a non-native species from a specific location before it becomes established such that eradication is no longer feasible. Eradication is the removal or destruction of an entire population of invasive species.
- **Long-term Control (including Eradication, when possible):** Containing, suppressing, or reducing populations of invasive species.
- **Research:** Scientific investigation into invasive species such as biology, impacts, risk, detection, monitoring, and control methods.
- **Outreach:** The action of providing information externally, outside of DOI, or internally, within DOI, related to invasive species.

Focal Species:

- **Invasive plants:** This category includes non-native grasses, shrubs, and trees.
- **Rapid Ohia death (and other plant pathogens):** This category includes plant pathogens (diseases). Rapid Ohia death is a plant pathogen that attacks and kills the culturally and ecologically significant native Ohia tree in Hawaii.
- **Mosquitoes and avian malaria:** The combination of introduced mosquitoes and avian malaria have decimated Hawaii's native forest birds and limited their distribution to high elevations that are too cool for mosquitoes to breed. These high-elevation habits are shrinking with a warming climate.
- **Ants and other non-native social insects:** Some Pacific Islands had no or limited species of social insects. Introduced ants and wasps have had devastating impacts on natural resources.
- **Brown Tree Snakes:** The Brown Tree Snake caused significant negative impacts to the avifauna, ecosystems, economy, and agriculture on Guam. The spread of this invasive species

to other Pacific islands is a significant national concern. Other reptiles and some amphibians are also potential threats.

- Small mammalian carnivores: This category includes species such as rats, mice, cats, and mongoose. All have historically, and currently, had devastating impacts on Pacific Island ecosystems.
- Ungulates: This category includes ungulates such as feral goats, pigs, mouflon, water buffalo, cattle, and deer that have had significant negative impacts on ecosystems and water resources.
- Aquatic invasive species: This category includes a wide range of invasive marine algae, freshwater fish, macroinvertebrates, and aquatic plants that have had significant negative impacts on aquatic ecosystems.

Roles and Responsibilities:

- National Park Service: The NPS preserves unimpaired the natural and cultural resources and values of the National Park System for the enjoyment, education, and inspiration of this and future generations. The NPS collaborates with partners to extend the benefits of natural and cultural resource conservation and outdoor recreation throughout the United States and the world. Over 6,500 non-native invasive species have been found on NPS lands and waters. Of these, about 650 are in marine environments. The NPS utilizes several approaches for addressing invasive species including, but not limited to, an integrated pest management approach, coordinated and prioritized strategic planning, and Invasive Plant Management Teams to rapidly respond to invasive plants. For example, in Hawaii, NPS has designated Special Ecological Areas that best represent native Hawaiian systems, and these areas are managed as high priorities for the removal of plant and animal exotic species.
- Office of Insular Affairs: The OIA implements the Secretary of the Interior's responsibilities for U.S. Territories of American Samoa, Guam, the Northern Mariana Islands, and the U.S. Virgin Islands. OIA also administers funding for the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. OIA is the primary agency within DOI that funds Brown Tree Snake interdiction, control, and research and collaborates closely with USFWS, USGS, USDA, and the local governments of Hawaii, Guam, and the Commonwealth of the Northern Mariana Islands. Within DOI, OIA reports to Congress on implementation of the Regional Biosecurity Plan for Micronesia and Hawaii. OIA also supports invasive species prevention and control efforts through Coral Reef & Natural Resources funding provided annually by Congress.
- Office of Native Hawaiian Relations: The Office of Native Hawaiian Relations discharges the Secretary's responsibilities for matters related to Native Hawaiians and serves as a conduit for DOI's field activities in Hawaii. The mission of the Office is to serve as a liaison with the Native Hawaiian Community and work with DOI and its bureaus on issues affecting Hawaii.

- U.S. Fish and Wildlife Service: The mission of the USFWS is to work with others to conserve, protect, and enhance fish, wildlife, and plants and their habitats for the continuing benefit of the American people. The USFWS accomplishes their mission through eight national programs: Ecological Services, Fish and Aquatic Conservation, National Wildlife Refuge System, Habitat Conservation, Office of Law Enforcement, Wildlife and Sport Fish Restoration, Migratory Birds, and Science Applications, all of which address invasive species issues at some level. For example, the Ecological Services Program provides regulatory, coordination and technical assistance roles relative to invasive species including leadership for Brown Tree Snake management regionally and nationally through the statutorily mandated Brown Tree Snake Working Group. The Fish and Aquatic Conservation Program leads designation of invasive wild mammals, wild birds, fishes, reptiles, amphibians, mollusks, and crustaceans as injurious wildlife under the Lacey Act, which prohibits their importation and shipment between the continental United States, the District of Columbia, Hawaii, the Commonwealth of Puerto Rico, and any possession of the United States. The National Wildlife Refuge System addresses invasive species issues on approximately 100 million acres of wildlife habitat spread across its 568 Refuges. The Office of Law Enforcement agents inspect wildlife shipments and collaborate with other jurisdictions to combat illegal movement and trafficking of invasive species.
- U.S. Geological Survey: The USGS is the research arm of DOI and its role with invasive species management in the Pacific is broad. USGS conducts a wide range of applied and basic research on invasive species in the Pacific. USGS also provides technical assistance to Federal, State, and Territorial partners on biosecurity invasive species control, quarantine, and eradication. The USGS Brown Tree snake Rapid Response Team provides training and response capabilities to support ongoing efforts to contain brown tree snakes on Guam through funding provided by OIA.

For fiscal year 2024 resources allocated toward these efforts, please refer to each bureau's Congressional Budget Justification.

Updates:

OIA: In 2022, OIA provided funds for BTS interdiction, control, and research, and collaborated closely with USFWS, USGS, USDA, and the local governments of Hawaii, Guam, and the Commonwealth of the Northern Mariana Islands to prevent the dispersal of the snake to other geographic areas. OIA also funded activities related to preventing, detecting, responding to, and controlling invasive species identified in the RBP as focal species. These projects included: CNMI – Focal species: invasive plants. Supported the CNMI Department of Land and Natural Resources to eliminate certain plant species that threaten the natural resources in the CNMI by eradicating the mucuna pruriens. Funding is used for eradication supplies such as herbicides and power sprayers. Guam- Focal species: Little Fire Ant- University of Guam. Continue monitoring of forest pest at Guam's ports of entry to identify new invasive pests and evaluate present risks. UOG will conduct baited ant surveys and identify and catalog ant species collected. Guam- Focal species: Wild Pig- Funds were provided to White Buffalo Inc (non-profit) for next steps in solving the wild pig problem, controlling at the landscape level using their trap

system. Guam- UOG- Focal Species: Coconut Rhinoceros Beetle (CRB): To reduce CRB population by injecting identical pesticide on approximately 2000 palm trees around Guam ports of entry and maintain tree trimming to prevent flower/fruit production. CNMI- Focal species: Coconut Rhinoceros Beetle. Supported the Department of Land and Natural Resources to continue CRB detection, eradication, and preventative measures on Rota. Virgin Island – Eradication and Response for Nuisance and Invasive Species. A collaboration effort with USFWS to create eradication plans for the invasive agave snout weevil on St. Croix. Virgin Islands- Focal species: invasive rats. Funds were provided to Island Conservation with collaboration with U.S. Virgin Islands Department of Planning and Natural Resources for rodent eradication that will ensure the long-term viability of the endangered Virgin Island tree boa. Palau- Focal species: Coconut Rhinoceros Beetle and Invasive Rats. Supported Island Conservation to remove invasive rats and CRB that will result in a healthier community, increased natural resources abundance, and revive economic opportunity in Palau.

In fiscal years 2023 and 2024, OIA expects to continue to provide support for the Brown Tree Snake interdiction, control, and research and collaborate closely with USFWS, USGS, USDA, and the local governments of Hawaii, Guam, and the Commonwealth of the Northern Mariana Islands to prevent the dispersal of the snake to other geographic areas. In fiscal years 2023 and 2024, OIA also expects to continue to fund activities related to preventing, detecting, responding to, and controlling invasive species identified in the RBP as focal species.

NPS: NPS has been working closely with federal, state, and local agencies and organizations to protect Hawaiian forest birds from invasive mosquitoes that spread avian malaria. Haleakala National Park (HALE) will serve as the first site for deployment of an Insect Incompatibility Technique (IIT) that will help to control invasive mosquito populations. Further, NPS units continue to manage invasive ungulates, small predatory vertebrates, invasive plants, and invertebrates, as they have in past years. For example, Hawaii Volcanoes National Park (HAVO) continues efforts to remove mouflon (*Ovis aries orientalis*) from the Kahuku Unit of their park. HAVO also implements a rigorous little fire ant program that includes monitoring of equipment, vehicles, and materials entering the park and use of pesticides where ants are found. Efforts trapping Indian mongoose (*Herpestes javanicus*) and free-ranging cats (*Felis catus*) continue at Kaloko-Honokōhau National Historical Park in Hawaii, as well. Further, a number of parks use fencing to protect sensitive areas from feral ungulates, including HAVO, HALE, Kalaupapa National Historic Park, and Pu'uhonua o Honaunau National Historical Park. The Pacific Islands Invasive Plants Management Team also continues to provide support to parks to control and eradicate invasive plant species and has a program that trains “youth rangers” in underserved communities to manage invasive plants.

USFWS: The USFWS has had great success in its yellow crazy ant (YCA) eradication efforts at Johnston Atoll National Wildlife Refuge (NWR), deploying Invasive Species Strike Teams (ISST) over the past decade to remove the ants. USFWS announced eradication of YCA at Johnston Atoll NWR in June 2021. In March 2021, ISST contractors and staff treated 250 albizia (*Falcataria mollucana*) trees in Oahu Forest NWR using cut stump and point injection methods of control. In the Hawaiian Islands NWR, there were two expeditions to control sandbur (*Cenchrus echinatus*) on Nihoa Island and USFWS funded research on an invasive algae smothering corals at Pearl and Hermes Atoll in 2021. Beginning in 2022, a second, permanent ISST was established in the Pacific. This team was focused on

the marine national monuments including Papahānaumokuākea, Marianas Trench, Pacific Remote Islands, and Rose Atoll. The Palmyra Atoll Rainforest and Reef Resilience Project (PARP) was initiated in April 2019 with one of the goals to eradicate the invasive coconut palm from the atoll. By October 2021 the Team reached a milestone, having removed one million palms. The Midway Seabird Protection Project aims to eradicate introduced house mice (*Mus musculus*) from Sand Island, part of Midway Atoll, in the summer of 2023.

The USFWS continued annual coordination and collaboration with the member agencies of the Brown Tree Snake Technical Working Group (BTS TWG) to implement the 2020-2025 BTS TWG Strategic Plan. FY 2022 efforts included leadership coordination of the BTS TWG, facilitating the annual meetings, overseeing the CNMI BTS program, and interagency collaboration on the development of the feasibility assessment and eradication of an incipient population of BTS on Cocos Island (Guam).

In FY 2022, the USFWS Pacific Islands Office and the U.S. Department of Navy developed a 5-year Implementation Plan under the Guam Micronesia Kingfisher Memorandum of Agreement prioritizing two objectives to (1) assess brown tree snake (BTS) eradication capabilities within a BTS exclusion fence (135 acres/ 55 ha) and (2) to refine landscape scale BTS aerial treatments and implementation methods on unbound (without exclusion fencing) areas. These projects are vital to understand efforts and funds needed to inform native avian reintroductions to Guam. The projects are being implemented collaboratively by the U.S. Geological Survey Pacific Island Ecosystems Research Center and the U.S. Department of Agriculture National Wildlife Research Center with efforts projected to continue through FY 2025.

The USFWS continues to work with other federal, state, and local agencies and organizations in the Birds Not Mosquitoes partnership to address nonnative mosquitoes responsible for spreading disease to Hawaii's highly endangered forest birds. Using appropriations from the Infrastructure Investment and Jobs Act (also referred to as the Bipartisan Infrastructure Law (BIL)), the U.S. Fish and Wildlife Service (FWS/Service), in collaboration with other DOI bureaus, provided financial assistance in support of BIL-Ecosystem Restoration Activities. The FWS/Service provided \$1 million to the FWS PIFWO field office for Activity 6; Invasive Species and \$1.5 million to the State of Hawaii Department of Land and Natural Resources under BIL activity 4; Grants to States and Tribes for Voluntary Restoration to support inter-bureau Hawaiian Forest Bird Extinction Prevention Efforts: Novel Eradication Techniques for Invasive Mosquitos in Hawaii.

The Service is an active member of the Coordinating Group on Alien Pest Species (CGAPS) in Hawaii, a partnership of agencies and non-governmental organizations working together to protect Hawaii from invasive species. In FY 2022, the Service provided CGAPS financial assistance to support and advance the Hawaii Invasive Species Council (HISC) and CGAPS 2025 Joint Strategy. Funds supported strategy 3 focused on Aquatic Biosecurity and resulted in the coordination of activities and messaging related to reduce species movement through ballast water, biofouling, intentional import and release, and unintentional modes of introduction. In addition to supporting interagency coordination and

outreach, funds supported the development of a short explainer video on the risks and issues of biofouling in Hawaii.

In FY 2023, the Service in partnership with Pulama Lanai will be eradicating invasive rodents from the Hi'i Predator Proof Fence on Lāna'i. At 80+ acres, this fenced area will be one of the largest fully-predator-proof fences outside of New Zealand and will protect one of the densest nesting concentrations of Hawaiian petrel burrows on Lāna'i. Maintaining high island protected areas is a climate change resiliency projects priority.

USGS: USGS conducts training courses on Guam for USAPI-based members of the BTS Rapid Response Team (RRT) and conducts outreach trips to the USAPI to raise awareness of invasive-species issues. In 2020 a population of BTS was discovered on the small island of Cocos off the southern coast of Guam, and the RRT was instrumental in conducting intensive searches and demonstrating that multiple snakes were present. USGS remains an active participant in interagency meetings to plan and conduct eradication of the Cocos Island BTS population. Other USGS activities include designing and implementing early detection and rapid response measures and understanding the role of invasive disease and vectors in the decline of Hawaiian forest birds. USGS has been involved in the response to rapid Ohia death in Hawaii since its detection in 2015 and is part of the Rapid Ohia Death Working Group, which was formed to share information and coordinate research, resource management, and outreach activities. USGS is also involved in the development of biosecurity plans and effectiveness testing for the USFWS remote refuges and uses genetic tools to identify invasions of cryptic species that are difficult to detect using traditional sampling methods. Along with a wide range of partners in the USAPI, U.S. Virgin Islands, and Puerto Rico, USGS remains involved with coordination and facilitation of early detection and range delineation of invasive reptiles including large constrictor snakes. USGS also is leading an array of BIL-funded projects to create infrastructure for a national Early Detection and Rapid Response Framework that will benefit invasive species management in Hawaii and the USAPI.

Energizing Insular Communities

Activity: Territorial Assistance

Subactivity: Energizing Insular Communities \$(000)

	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Energizing Insular Communities	11,000	15,500	0	0	0	15,500	0
<i>FTE</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Program Overview

Insular communities face unique economic growth and environmental justice challenges due to their geographic isolation, finite resources, and dependence on imported oil for their energy needs. To assist the islands in meeting these challenges, the Office of Insular Affairs is working to strengthen the foundations for economic development by addressing energy needs through building reliable, affordable, and clean/renewable energy strategies.

The Office of Insular Affairs provided direct funding assistance in FY 2019 and FY 2020 for the update of the territorial energy plans, as requested, and professional services beginning in FY 2020 through an interagency agreement with the U.S. Department of Energy for those updates and implementation.

2024 Program Performance

Energy security is critical to the insular areas' future economic development and viability. In terms of residential cost per kilowatt hour, the territories on average pay nearly two or three times the national average for electricity. Public Law 109-58 enacted in 2005 directed the Secretary of the Interior to draft long-term energy plans for the insular areas with the objective of reducing their reliance on energy imports, increase energy conservation and energy efficiency, and use native energy sources.

To combat the high cost of electricity the Office of Insular Affairs (OIA) entered into an Inter-Agency Agreement (IAA) with the U.S. Department of Energy, National Renewable Energy Lab (NREL) in 2010 to help develop long-term strategic energy plans in American Samoa, Commonwealth of the Northern Mariana Islands (CNMI), and Guam. The ultimate goal was to help the insular areas develop advanced energy systems that increase energy independence and security.

The governors of the three Pacific territories each established energy task forces that included a variety of energy stakeholders from the territories: colleges and universities, utility companies, energy offices, environmental protection agencies, and private sector organizations. The NREL staff worked closely with each territory's energy task force to develop long-term strategic energy plans and short-term energy action plans. These energy plans were finalized and published in July 2013 for the CNMI and Guam. American Samoa's energy action plan was published in August and its strategic energy plan was

published in December 2013. In the end, these energy plans are the result of a tremendous collaborative effort among various energy stakeholders over several months.

Intended to be fluid foundational documents, the strategic energy plans lay out a variety of strategies that should be revisited and updated as appropriate. The strategies include analysis of diesel generation systems and renewable energy systems as well as cost effective energy efficiency improvements. Subsequently, the energy action plans were developed to outline how the strategic energy plans will be implemented. The action plans are meant to be much more detailed and specific, assigning specific tasks to individuals with detailed deadlines.

The energy action plans select a handful of specific strategies that are achievable in the short term (1-3 years), detail the strategies in feasible incremental steps, identify the stakeholders and desired outcomes, identify the organizations and individuals responsible for implementing the actions, and set a timeline for each step. The action plans are also considered to be living documents that will be regularly updated by the task forces and OIA has offered funding for the update of energy plans. In fiscal year 2019, the CNMI and the Virgin Islands Water and Power Authority applied for and received funding to update the territorial energy plan and integrated resource plan, respectively. In fiscal year 2020, American Samoa applied and received funding to update its energy plan and reestablish its American Samoa Renewable Energy Committee (ASREC). In fiscal year 2021, the island of Guam received funding to update the Guam Strategy and Energy Plan.

In fiscal year 2022, in compliance with P.L. 113-235, OIA entered into a new agreement with NREL to provide technical support to OIA and the U.S. territories for continued efforts to improve energy security and resilience, reduce energy costs, and diversify away from dependence on petroleum-based fuels. As part of this agreement, NREL will update energy system baseline data in the territories and assist the territories with the development of their energy security plans and needs assessments. The agreement also provides other programmatic support to OIA and the territories.

OIA's EIC grant program plays a crucial role in helping the territories implement the actions identified in the strategic energy plans and action plans and will be key to a clean energy future in the territories. In response to the Administration's prioritization of clean and renewable energy, electric vehicles, and grid infrastructure, the EIC program will adjust accordingly. This shift will further reduce reliance and expenditures on imported fuels, develop and utilize domestic energy sources, and continue to improve the performance of current energy infrastructure and overall energy efficiency in the territories while transitioning to cleaner and renewable energy sources and infrastructure. Each year, OIA publishes the grant application instructions with set criteria for selecting the best submissions. The greatest weight is given to proposals that reduce a territory's cost of electricity, are identified in the territory's strategic energy plan or energy action plan and propose to expend the funds within 24-36 months. Review meetings are held with OIA senior staff, the Budget and Grants Management Division, and others, including subject matter experts from NREL, to review and discuss each submission. Projects are selected for funding based on the results of these meetings and information provided by territorial governments.

Since 2013, American Samoa has made significant progress in implementing the strategies identified in its 2013 Energy Action Plan. The ASREC updated its Energy Action Plan in 2016 with the assistance of

NREL and added new strategies that continue to reduce the cost of electricity and improve energy infrastructure in the territory. In fiscal year 2021, awards were provided to the American Samoa Medical Center for a solar photovoltaic microgrid and energy efficient cooling, and for solar panels at the Shipyard, continuing upgrades to increase energy efficiency and reduce costs. The American Samoa Power Authority also continues its work on EIC-funded energy project in the territory. For Phase II of the Manu'a Renewable Energy Initiative, OIA awarded the American Samoa Power Authority a fiscal year 2017 EIC grant to of \$817,528 to help purchase battery-storage for the Ofu Solar Photovoltaic system, which were received and transported to the Ofu power plant in early 2019. The system has been in full operation and has significantly reduced diesel usage, depending on PV production. The Power Authority continues to make progress in its goal of providing 100% renewable energy on the island of Aunu'u with securing a land lease to install solar photovoltaic systems with battery storage.

The Guam Power Authority (GPA) continues its Bringing Energy Savings To (BEST) Schools partnerships to improve energy efficiency in the education sector. Energy efficient lighting retrofits were completed at Maria Ulloa Elementary School, and similar work continues at Agueda Johnston Middle School, Tamuning Elementary School, and the University of Guam, where they will also conduct an HVAC control retrofit. In 2022, GPA also received funding to conduct energy efficient lighting retrofits and install solar PV panels at Ordot Chalan Pago Elementary School. In 2021 and 2022, funding was provided for solar PV systems to be installed at Guam Community College to reduce utility costs. In 2022 funds were awarded to the University's Guam Green Growth (G3) Initiative and the Guam Waterworks Authority for electric vehicles and related infrastructure.

In the CNMI, the 2022 focus has been on solar PV projects. The Commonwealth Healthcare Corporation received funding for a second phase of solar PV integration and the Commonwealth Utilities Corporation received funds for the design of a 1.2-megawatt solar PV integrated facility. Solar PV light projects also received funding this year for public pavilions on the islands of Saipan and Rota, and at the Tinian Children's Park. Funding was also provided to the CUC to bolster its Renewable Energy Division Management Team and the CNMI Energy Task Force for its Renewables-Technical Development Program.

The U.S. Virgin Islands continued to focus on sustainable transportation in fiscal year 2022. Funding was again awarded for the Water and Power Authority to procure hybrid bucket trucks and electric vehicles for its fleets and the Virgin Islands Energy Office received funds to procure all-electric light commercial vehicles for the government fleet and the procurement and installation of battery storage-coupled level 2/DC fast chargers. The University of the Virgin Islands also received funding focused on Sustainable Transportation for the acquisition of electric golf carts and shuttles for its security department and solar/battery EV charging stations, as well as electric bicycles and related infrastructure to promote sustainable transportation for the student and faculty population.

Compact Impact - Discretionary**Activity: Territorial Assistance****Subactivity: Compact Impact - Discretionary \$(000)**

Compact Discretionary	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Compact Impact - Discretionary	5,000	6,000	0	0	-6,000	0	-6,000
<i>FTE</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Program Overview

Discretionary Compact Impact grants supplement the \$30.0 million permanently appropriated for Compact Impact as authorized by Section 104(e) of Title One of the amended Compacts of Free Association. In previous years, OIA used discretionary Compact Impact funding to offset educational service and infrastructure costs incurred by the affected jurisdictions (Guam, Hawaii, CNMI, and American Samoa) due to the resident of qualified nonimmigrants from the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. OIA also expanded this funding criteria to include community development priorities such as job training and other social services for FAS citizens.

Justification of 2024 Program Changes

Program Changes	Amount	FTE
Expiration of Compact Impact authorization	-6,000	0
TOTAL Program Changes	-6,000	0

The 2024 budget request does not include funding for Compact Impact-Discretionary.

Compact Impact- Discretionary (-\$6.0 million / 0 FTE)

The Department of the Interior looks forward to working with Congress on a Compact Impact Fairness Act. The Administration supports allowing Compact migrants to become eligible for key Federal social safety net programs while residing in the United States, as a long-term solution to the financial impacts of Compact citizens on state and territorial governments. With mandatory appropriations for Compact Impact authorized under the 2003 Compacts of Free Association Act expiring after FY 2023, the FY 2024 budget for Assistance to Territories also discontinues the smaller discretionary supplement to the mandatory funds for Compact Impact.

Page Intentionally Blank

COMPACTS OF FREE ASSOCIATION

Federal Services Assistance

Activity: Compact of Free Association (Current Appropriation)

Subactivity: Federal Services Assistance \$(000)

	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Federal Services	7,813	7,813	0	0	-7,000	813	-7,000
<i>FTE</i>	0	0	0	0	0	0	0

The Federal Services Assistance program provides discretionary funding to support activities related to the Compacts of Free Association. These activities have previously included U.S. Postal Service mail and package delivery to the freely associated states, the Republic of Palau's single audit, and \$5.0 million for RMI Tax and Trade.

Justification of 2024 Program Changes

Program Changes	Amount	FTE
RMI Tax & Trade obligation fulfilled	-5,000	0
USPS covered under new mandatory proposal	-2000	
TOTAL Program Changes	-7,000	0

The 2024 budget request for Federal Services is \$813,000 and 0 FTE, a program change of -\$7,000,000 and 0 FTE from 2023.

Federal Services (-\$7.0 million / 0 FTE)

The Congress allocated \$5,000,000 per year from 2020 to 2023 to fulfill the \$20,000,000 U.S. commitment for Tax and Trade Compensation to the Republic of the Marshall Islands under the Compact of Free Association. This obligation has been fulfilled. In addition to the \$6.5 billion requested for economic assistance, the mandatory proposal will also include \$634 million for continued U.S. Postal Service services to the FAS. Funding for postal services will be requested as a direct payment to the Postal Service Fund.

Program Overview

The Federal Services Assistance provides funding to support activities related to the Compacts of Free Association. In prior years, such funds were used for reimbursing USPS for services provided in the freely associated states, the RMI Tax and Trade payment, and funding for the Palau Single Audit.

2024 Program Performance

The Federal Services Assistance program will continue to provide funding to support activities related to the Compacts of Free Association. The next Compact period will also likely require available discretionary funds for similar activities including judicial training for freely associated state justices and professional services to support proposed financial management and performance reviews.

Enewetak**Activity: Compact of Free Association (Current Appropriation)****Subactivity: Enewetak \$(000)**

Compact Discretionary	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Enewetak	650	650	0	0	0	650	0
<i>FTE</i>	0	0	0	0	0	0	0

Program Overview

The natural vegetation of the Republic of the Marshall Islands' Enewetak Atoll was largely destroyed during World War II and during the subsequent nuclear testing program conducted by the United States. Following the cleanup and resettlement of Enewetak, food bearing trees and root crops had to be replanted. However, the depleted soil of the island environment made it difficult to support sufficient agricultural activity to feed the population. In 1980, the Enewetak Support program was implemented to provide supplemental foods for the community, replant vegetation on the inhabited islands, provide agricultural maintenance training and transport food to the island.

2024 Program Performance

The Enewetak program currently uses a portion of its funding for operations of the agriculture field station and the agriculture rehabilitation program. Funding is also used to purchase food and commodities for the residents of the atoll, including the ones living on Majuro, the capital city. Remaining funds are used to operate the atoll's vessel and support the office in Majuro. OIA will provide a grant to the Government of the Republic of the Marshall Islands for Enewetak/Ujelang Local Atoll Government to continue these activities.

Federated States of Micronesia and Republic of the Marshall Islands

Account: Compact of Free Association (Permanent and Indefinite)
Activity: Economic Assistance
Subactivity: Federated States of Micronesia and Republic of the Marshall Islands
\$(000)

	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Federated States of Micronesia and Republic of the Marshall Islands¹	197,294	209,197	0	0	-174,893	34,304	-174,893
RMI	80,402	85,247	0	0	-50,943	34,304	-50,943
FSM	116,515	123,550	0	0	-123,550	0	-123,550
Judicial Training	377	400	0	0	-400	0	-400
<i>FTE</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

¹ Permanent figures shown in the OIA tables represent budget authority for FY 2022-2024. Figures reported in the Department Budget in Brief and the President's Budget Appendix reflect baseline construction rules under 2 USC 907, which do not reflect ongoing negotiations or amounts due under the 2003 Amended Compacts (P.L. 108-188).

With the exception of \$34 million due to the RMI under the Compact Military Use and Operating Rights Agreement, Economic Assistance provisions of the Compacts of Free Association for the RMI and the FSM end after FY 2023.

Continuing decisions established in the FY 2023 budget, the FY 2024 budget will seek \$6.5 billion in economic assistance over 20 years to be provided through a mandatory appropriation at the Department of State, with language calling for continued implementation of the Compacts at the Department of the Interior.

Justification of 2024 Program Changes

Program Changes	Amount	FTE
Judicial Training	-400	0
Expiration of Economic Assistance provisions of the Compacts of Free Association	-174,493	0
TOTAL Program Changes	-178,493	0

Compact of Free Association-Economic Assistance (-\$178,493,000 / 0 FTE)

The program changes as shown for this account reflect the expiration of the Economic Assistance provisions to the RMI and FSM in FY 2023, as well as the end of the provision of judicial training funding to the RMI and the FSM.

Program Overview

Article I of Title Two of the Compacts of Free Association describes the financial assistance commitment by the United States to the Federated States of Micronesia and the Republic of the Marshall Islands. The first period of financial assistance expired on September 30, 2003. Following four years of negotiations led by the Department of State with support from OIA, Congress enacted amendments to the Compact as Public Law 108-188 on December 17, 2003. These amendments also include a new permanent and indefinite appropriation that ensures continuation of direct financial assistance through 2023 for the FSM and the RMI.

The long-term goal of United States' Compact financial support is to assist the freely associated states in their efforts to advance the economic self-sufficiency of their peoples. The funding provided during the first Compact financial assistance period (1987-2003) provided the basis for meeting the two primary political goals of the Compact, to (1) secure self-government for each country by ending the four decades-old Trusteeship; and (2) ensure national security rights for the United States in the freely associated states. The two primary goals could not have been achieved without the stability Compact funding gave the FSM and the RMI economies. Through FY 2023, the FSM has received \$3.7 billion in Compact funding while the RMI has received \$2.4 billion. The following provides historical and estimated Compact funding through the end of the current Compacts:

FSM (\$3.7 billion estimated, 1987 – 2023)

- 1987 – 2003: \$ 1.5 billion
- 2004 – 2023: \$ 2.2 billion (estimated)

RMI (\$2.4 billion estimated, 1987-2023)

- 1987 – 2003: \$1.0 billion
- 2004 – 2023: \$1.4 billion (estimated)

Palau (\$802.8 million estimated, 1995 – 2024)

- 1995 – 2009: \$573.8 million
- 2010 – 2024: \$229.0 million

The first Compact financial assistance period and related agreements provided funding by category and purpose and established general guidelines for the use of funds. The FAS governments, through their own legal processes, allocated funding among self-chosen priorities. Compact funds were disbursed to the FSM and RMI according to negotiated procedures rather than standard Federal practices. All funds dedicated to capital purposes were transferred to the governments the first day of the fiscal year. All operational funding was disbursed in quarterly lump sums. Customary regulations for the use of Federal funds, such as the Common Rule for grant funds, did not apply to Compact funding. The lack of effective enforcement mechanisms over the use of funds was well documented.

During the first Compact financial assistance period, the FSM and the RMI did not make significant progress toward achieving the long-term Compact goals of economic self-sufficiency. The U.S. believes part of the reason for poor economic performance over the first Compact financial assistance period was

in the design of the first Compact itself. The lack of performance standards, measures and monitoring systems allowed poor practices to take root in local government administration.

The amended Compacts provide financial assistance in the form of direct grants in seven sectors: education, health care, infrastructure, public sector capacity building, private sector development, environment, and enhanced reporting and accountability (FSM only). Joint economic management committees, comprised of officials from the U.S. and the RMI or the FSM, meet bi-annually to agree on the allocation of Compact funds among the sectors and to discuss performance, accountability issues and conditions for the use of assistance. OIA serves as the administrator of the financial assistance and ensures enforcement of conditions. An office for monitoring Compact assistance was established in Honolulu in 2003 and personnel are also located in the RMI and the FSM capitals. Through a negotiated fiscal procedures agreement, accountability and control standards similar to those which apply domestically to grant agreements between the Federal Government and state and local governments have been implemented.

The amended Compacts also require the United States to make contributions to trust funds for each government. The trust funds are intended to help provide a source of income to the FSM and the RMI following the conclusion of direct assistance in 2023.

2024 Program Performance

Continuing decisions established in the 2023 budget, the 2024 budget will seek \$6.5 billion in economic assistance over 20 years to be provided through a mandatory appropriation to the Department of State, and language calling for continued implementation of the Compacts by the Department of the Interior.

OIA will continue to monitor activities in the FSM and the RMI through a combination of site-visits and reviews of FSM and RMI-submitted financial and performance reports. It is expected OIA staff will:

- Conduct site visits in the RMI, Palau and the FSM.
- Collect quantitative and qualitative data on performance objectives and measures.
- Issue and administer all sector grants and direct economic assistance provide to the RMI, Palau and the FSM.
- Convene regular and special meetings of the joint economic management and financial accountability committee for the RMI and the joint economic management committee for the FSM.

OIA will continue to support ongoing negotiations on the expiring provisions of the Compacts of Free Association with the FSM, the RMI, and Palau.

Specific information for 2024 is not available at the time of this report due to the nature of the Compact agreement.

Fiscal Year 2023 Sector Allocations for the FSM

The base amount of Compact of Free Association financial assistance made available to the Federated States of Micronesia (FSM) for 2023 through Section 211 of Public Law 108-88 was \$62,600,000. This amount is adjusted annually by 2/3 of the Gross Domestic Product Implicit Price Deflator. The inflation

adjustment for 2022 was \$20,945,960. Combining the base amount and inflation adjustment, the total amount of Section 211 Compact of Free Association financial assistance made available to the FSM was \$83,545,960. From this total, an amount of \$266,920 was provided to the FSM's Disaster Assistance Emergency Fund.

\$24,983,712 was reserved for the Public Infrastructure Sector. Since September 2017, the FSM has received support from the U.S. Army Corps of Engineers for technical program assistance in administering the Compact Public Sector Infrastructure program.

\$39,504,160 was deposited into the Compact Trust Fund for the People of the Federated States of Micronesia in October of 2022.

Long Term Fiscal Planning Efforts by the FSM

The Compact of Free Association, as amended, included two provisions that, by design, lead to annual reductions in the real value of the grants made available to the FSM. The first was similar to that which prevailed during the initial Compact period, which is the partial inflation adjustment applied to grants. The FSM receives annual adjustments equal to two-thirds of inflation as measured by annual changes in the U.S. GDP implicit price deflator; thus, the real value of assistance declines in proportion to a broad measure of U.S. inflation from 2005 to 2023. The baseline for this annual calculation is established as the index value at the end of the third quarter of 2003—in other words at the outset of 2004—as the beginning of the amended Compact twenty-year period.

The second provision, although less familiar, is simply a different and larger-in-magnitude version of what was done during the initial Compact period. This is the so-called decrement, whereby from 2007 to 2023 the nominal value of the grants available for award to the FSM is reduced by \$800,000 per year. During the initial Compact period, reductions were done at Year 6 and Year 11 (the so-called “first stepdown” and “second stepdown”). The design shift to an annual decrement was meant to present a less difficult (more gradual) adjustment. The decrement, rather than the step-downs implemented during the initial Compact period, represents a reduction in grant funding. It does not, however, represent a reduction in total funding from the U.S., instead it represents a redirection of the same \$800,000 as an annual increment in the level of annual U.S. contributions to the Compact Trust Fund.

Taken together—and assuming a 2.5 percent annual inflation rate—the partial inflation adjustment and the decrement result in approximately a 2 percent loss in the real value of grants each year. Since Compact funds are an important component of revenues for all four states of the FSM, the result is a persistent form of fiscal compression, requiring some combination of reductions in real government services or increases in the real value of tax and fee revenue collections. The preferred way to offset declines in real resource transfers is sustained and significant economic growth. Such remains the goal of the FSM; however, it would not be prudent to rely upon such growth exclusively in the FSM's planning fiscal process. The likelihood of such sustained growth is reduced in the face of an increasing level of outward migration.

While the annual real decline was present from the outset of the Compact, as amended, other adjustment problems, and the difficulty of transitioning to the greatly revised grant assistance terms at the outset of

the amended Compact period, resulted in limited policy focus on the substantial cumulative impact of the annual decline in the real value of Compact sector grants.

By 2009, observers both within the FSM and among U.S. government officials noted that the standard response to the declining real value of Compact sector grants was to instigate incremental cuts that did not reflect focused deliberations and thus did not tend to reflect priorities.

The observed behavior of incremental, un-prioritized budget cuts that has prevailed for the state governments within the FSM, would almost certainly be sustainable during short periods of fiscal compression; however, over a long period of fiscal compression, an entirely different and more thoughtful approach is needed. The governments are clearly faced with the latter circumstance of a prolonged period of fiscal compression. In that context, priority activities with an impact on human health or public safety may need to be protected entirely or even enhanced, while lower priority activities, even if popular among some interest groups, may need to be eliminated entirely. A phrase used to reflect a needed change in policy approach going forward over the long period of declining real value of Compact sector grants is to “avoid dilution” of truly prioritized governmental activities.

Some entire functions or activities of government need to be eliminated or disproportionately reduced, so that other, higher priority activities can be maintained in an efficient and effective manner. Alternatively, all of the adjustments to declining resources could be offset by tax and fee revenue reform; however, only limited progress has been made in this area nationally. Ultimately, a balanced fiscal adjustment is likely to be preferred—with a mix of expenditure cuts and revenue increases.

As a result of this observed common pattern of behavior throughout the FSM, the Joint Economic Management Committee (JEMCO), comprised of three US and two FSM members, adopted a series of increasingly specific and binding resolutions which, taken together and with some delays, resulted in the current requirement for “decrement management planning,” that has now come to be known as the Long-Term Fiscal Framework (LTFF). The LTFF was developed, on a state-by-state basis before its full development with the FSM National Government, to allow it to become an FSM-wide fiscal planning commitment.

The strength of the commitments undertaken for the LTFF development process in the FSM state governments was demonstrated by the inclusion of policy makers at all levels of government. The LTFF process was designed to address a broad range of fiscal challenges including, in no particular order:

- Unsustainable growth trends in health and education expenditures, including rapid growth of wages in these two sectors;
- Evidence of unmet needs in critical service areas of government, especially in health and education;
- Unsustainable growth in government wage bills—to the detriment of spending on all other expenditure categories—including both Compact-funded areas and all or most other areas funded by local revenues;
- Limited progress on broad-based and FSM-wide tax reforms and limitations on the extent to which its own tax policy can be stretched to raise further revenues without severely distorting incentives for private sector development;

- Apparent political obstacles to achieving sustained, broad-based and FSM-wide tax reform (as opposed to narrow, and potentially inefficient, tax increase measures);
- The decline of Compact funding in real terms, by design, due to the combined impact of the partial inflation adjustment and the annual decrement;
- Stagnant or declining economic activity during the early amended Compact period followed by more positive results in the recent few years;
- The inability, to date, of the FSM to meet its obligations under the Compact to match contributions to the Infrastructure Maintenance Fund, and the evident need of still greater allocations towards infrastructure maintenance; and,
- The need to constrain expenditures, increase revenues, and/or find subsequent domestic or foreign contributors to increase Compact Trust Fund contributions, in order to be able credibly to adjust to projected levels of sustainable support after 2023.

The LTFF for the FSM was also designed to take into consideration other factors of importance, which may either worsen or lessen the evident fiscal challenge, such as:

- Population trends and the impact of outmigration;
- Demographic and service delivery requirement trends;
- Remittance levels and trends, to the extent such data is available; and,
- The current and reliable future levels of assistance from other donors.

Finally, the LTFF and the embedded commitments herein for the FSM were to be reflected in the budgets and policy/planning priorities from 2014 onward. A clear demonstration of this commitment was presented in the monitoring matrix as part of the annual budget preparation process and in budget consultations with OIA staff; however, budgets since 2016 have not included LTFF considerations.

Education

The Education Sector Grant is intended to support and improve the educational system of the Federated States of Micronesia, including, without limitation, the systems for primary, secondary, and post-secondary education, respectively, and develop the human and material resources necessary for the Federated States of Micronesia to perform these services. Emphasis is on advancing a quality basic education system by increasing the achievement levels of students in the primary and secondary education system based on performance standards and assessments appropriate for the Federated States of Micronesia; providing secondary education or vocational training to qualified students; improving management and accountability within the educational system; raising the level of staff quality, including teacher training, with the ultimate aspiration that highly qualified teachers are in the classroom; and improving the relevance of education to the needs of the economy.

Health

The Health Sector Grant is intended to support and improve the delivery of preventive, curative and environmental care, and develop the human and material resources necessary for the Federated States of Micronesia to perform these services. Priority is given to establishing sustainable funding mechanisms for operating a community-based system with emphasis on prevention, primary care, mental health, substance abuse prevention, and the operation of hospitals to provide secondary care at appropriate levels and reduce reliance on medical referrals abroad.

Public Infrastructure

In accordance with section 211(a) of the Compact, as amended, unless otherwise agreed, annual Grant assistance is intended to assist the Government of the Federated States of Micronesia in its efforts to provide adequate public infrastructure assistance. With respect to the Public Infrastructure Sector Grant, the highest priority is to be given to primary and secondary education capital projects and projects that directly affect health and safety, including water and wastewater projects, solid waste disposal projects, and health care facilities. Second priority shall be given to economic development-related projects, including airport and seaport improvements, roads, sea walls, and energy development including renewable energy that cannot be funded through the rate structure.

Environment

The Environment Sector Grant is intended to support the efforts of the Government of the Federated States of Micronesia to protect the Nation's land and marine environment and to conserve and achieve sustainable use of its natural resources. These efforts are to include the ongoing development, adoption and enforcement of policies, laws and regulation in pursuit of the above stated goals; the reduction and prevention of environmental degradation and all forms of environmental pollution; adaptation to climate change; the protection of biological diversity, including the assurance of adequate legal and international treaty safeguards relating to the protection of botanical and other agroecological property belonging to the Federated States of Micronesia; the establishment and management of conservation (sustainable use) areas; environmental infrastructure planning, design construction, and operation; interaction and cooperation with nongovernmental organizations; the promotion of increased environmental awareness in governmental and private sectors; and the promotion of increased involvement of citizens and traditional leaders of the Federated States of Micronesia in the process of conserving their country's natural resources.

Private Sector Development

The Sector Grant for private sector development is intended to support the efforts of the Government of the Federated States of Micronesia to attract new foreign investment and increase indigenous business activity by vitalizing the commercial environment, ensuring fair and equitable application of the law, promoting adherence to Core Labor Standards, maintaining progress toward the privatization of state-owned and partially state-owned enterprises, and engaging in other reforms. Priority is given to advancing the private development of fisheries, tourism and agriculture; employing new telecommunications technologies; and analyzing and developing new systems, laws, regulations and policies to foster private sector development, to facilitate investment by potential private investors, and to develop business and entrepreneurial skills.

Enhanced Reporting and Accountability

This sector is intended to address the additional complexities and costs of compliance inherent in the Compact, as amended, specifically those related to budgeting, financial accountability, and expanded financial and performance reporting requirements.

Priority is given to achieving and maintaining full and timely compliance with Articles V and VI of this Agreement, the development and operation of a Financial Management Information System that is capable of accurately and efficiently accounting for and reporting on the use of Compact and all other funds available to the national and state governments of the Federated States of Micronesia; the

development and operation of a performance-based budgeting and reporting system for the planned use and expenditure of Compact and all other funds available to each of the national and state governments of the Federated States of Micronesia; and including the development and operation of financial management procedures, practices and internal controls that ensure timely revenue collections, accurate and timely payments, and accurate and timely submission of all required quarterly and annual reports by each of the national and state governments of the Federated States of Micronesia.

Public Sector Capacity Building

The Sector Grant for capacity building is intended to support the efforts of the Federated States of Micronesia to build effective, accountable, and transparent national and local government and other public sector institutions and systems. Priority is given to improving economic planning, financial management, auditing, law enforcement, immigration controls, the judiciary, and the compilation and analysis of appropriate statistical indicators with the goal of ensuring essential functions can be carried out and essential positions are filled with qualified personnel.

Fiscal Year 2023 Allocations for the RMI

The base amount of Compact of Free Association financial assistance made available to the Republic of the Marshall Islands (RMI) for 2023 through Section 211 of Public Law 108-88 was \$27,700,000. This amount is adjusted annually by 2/3 of the Gross Domestic Product Implicit Price Deflator. The inflation adjustment for 2023 was \$9,268,420. Combining the base amount and inflation adjustment, the total amount of Section 211 Compact of Free Association financial assistance made available to the RMI was \$36,968,420. From this total, an amount of \$266,920 was provided to the RMI's Disaster Assistance Emergency Fund.

- \$11,090,526 was reserved for the Public Infrastructure Sector.
- \$ 22,020,900 was contributed to the Compact Trust Fund for the People of the Republic of the Marshall Islands.
- \$24,022,800 was reserved for payments during Fiscal Year 2023 made to Kwajalein Landowners by the Marshall Islands government.

Education

The RMI continues to utilize Compact education sector funds to make progress in meeting the following education goals:

1. Improve curriculum at all levels.
2. Improve effectiveness of staff and teachers.
3. Improve student performance and learning outcomes.
4. Implement infrastructure development and maintenance plan.
5. Supplement special educational needs of Ebeye.
6. Provide financial assistance to post-secondary students.
7. Improve performance of the College of the Marshall Islands.

Funding from the Compact, Ebeye Special Needs (ESN), Supplemental Education Grants, and Special Education funds from the U.S. Department of Education fund a percentage of the RMI's education system. Many of these schools are located on remote atolls over 200 miles from the population centers

and accessible only by ship and small RMI Government airplanes. The geographic isolation of these schools, lack of resources and access to technology, and a limited pool of qualified human resources are major impediments to providing quality education service. As Compact assistance continues to decline in real value, the Marshall Islands Public School System (RMI PSS) will face even greater challenges to improve education service delivery.

Lack of credentialed teachers and low student achievement continue to be associated with persistent problems. Many of RMI's teachers still possess only a high school degree. Despite a significant investment in upgrading teacher skills, the percentage of teachers with only a high school degree has remained roughly the same due to high turnover rates. Many teachers leave for higher paying government jobs once they have received a college degree. As more teachers receive college degrees and a commensurate increase in their salary, personnel costs will rise to unsustainable levels if there is no contribution of additional resources to RMI PSS budget. The RMI has steadily provided additional resources from its General Fund to further support its education system. General fund allocations to the education sector increased by 17% from fiscal years 2016-2023.

Health

The Ministry of Health and Human Services combines several revenue resources in developing its global budget. General funds and Compact financial assistance are the Ministry's two primary resources. The remaining budgetary inputs have statutory predetermined uses. Because the Compact's annual decrements erode the real value of economic assistance over the term of the Compact, it behooves the Ministry to maintain fiscal discipline, raise fees for service where appropriate, and institute efficiency and effectiveness measures within its authority. These steps are essential to counteract declining funding for health. Additionally, Taiwan has established a Non-Communicable Disease Clinic within the hospital and provides technical assistance and hospital medical supplies and equipment, when requested by the RMI.

Public Infrastructure

The RMI allocated \$11 million for infrastructure improvements and maintenance in 2023. The RMI consistently adheres to the Amended Compacts' policy that at least 30 percent of all annual United States Compact financial assistance made available through Section 211 of the Amended Compacts be directed toward infrastructure development.

Environment

Assistance is used to support the RMI Environmental Protection Agency (EPA) activities and programs on Ebeye and throughout Kwajalein Atoll. Assistance is also used to support operations of the main EPA office on Majuro Atoll supporting environmental activities within Kwajalein.

Compact Impact

Account: Compact of Free Association (Permanent and Indefinite)

Activity: Compact Impact \$(000)

Compact Impact	2022 Actual	2023 Enacted	2024 Fixed Costs (+/-)	2024 Internal Transfers (+/-)	2024 Program Changes (+/-)	2024 Request	Change from 2023 Enacted (+/-)
Compact Impact	30,000	30,000	0	0	-30,000	0	-30,000
Hawaii	15,799	15,799	0	0	-15,799	0	-15,799
Guam	12,532	12,532	0	0	-12,532	0	-12,532
CNMI	1,653	1,653	0	0	-1,653	0	-1,653
American Samoa	16	16	0	0	-16	0	-16
<i>FTE</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Justification of 2024 Program Changes

Program Changes	Amount	FTE
Expiration of Compact Impact authorization	-30,000	0
TOTAL Program Changes	-30,000	0

The 2024 budget request does not include funding for mandatory Compact Impact.

Expiration of Compact Impact Authorization (-\$30,000,000 / 0 FTE)

The program changes in this account reflect the expiration of the Compact Impact authorization which provided affected jurisdictions with assistance through FY 2023. The Department of the Interior looks forward to working with Congress on a Compact Impact Fairness Act. The Administration supports allowing Compact migrants to become eligible for key Federal social safety net programs while residing in the United States, as a long-term solution to the financial impacts of Compact citizens on state and territorial governments.

Program Overview

Section 104 (e) of Title One of the amended Compacts of Free Association Act describes the financial assistance committed by the United States to the State of Hawaii, Guam, the Commonwealth of the Northern Mariana Islands and American Samoa. The goal of this financial support was to provide through 2023, \$30.0 million in grants to affected jurisdictions each year to aid in defraying costs incurred as a result of increased demands placed on health, educational, social, or public safety services, or infrastructure related to such services, due to the residence of qualified nonimmigrants from the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau.

2024 Program Performance

Compact Impact grant assistance may be used only for health, educational, social, or public safety services, or infrastructure related to such services, specifically affected by qualified nonimmigrants. Each

jurisdiction is to provide a spending plan to the Office of Insular Affairs for the use of the funds prior to the awarding of the grant.

The State of Hawaii elected to use its 2023 allocation to supplement State funds to support indigent health care as in past years. Guam continued to use its 2023 Compact Impact funding toward the Department of Education/Department of Public Works School Leaseback and as a Government of Guam general operations offset. The CNMI used its entire 2023 Compact Impact allotment as a general operations offset. American Samoa used its Compact Impact funding as an operational offset for the American Samoa Department of Education.

MISCELLANEOUS SCHEDULES

**U.S. Department of the Interior
Compact of Free Association (PI 99-239)
Marshall Islands and Federated States of Micronesia
Payments 1987 – 2003
(In thousands of dollars)**

	FY 1987	FY 1988	FY 1989	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	TOTALS	FY 2002	FY 2003
Republic of Marshall Islands (RMI)																		
S.211 Capital and Current	26,100	26,100	26,100	26,100	26,100	22,100	22,460	22,460	22,100	22,100	19,100	19,100	19,100	19,100	19,100	337,220	22,433	22,433
S.217 Inflation	6,468	6,816	7,668	8,520	9,656	9,272	10,004	10,736	11,224	11,712	10,700	11,342	11,342	11,556	11,984	149,000	14,384	14,384
S.213 Kwajalein Impact	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	28,500	1,900	1,900
S.214 Energy Production	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	28,000	1,867	1,867
S.215 Communications O&M	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	4,500	300	300
S.215 Communications Hardware	3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000	200	200
S.111 Tax & Trade Compensation	0	6,000	0	4,000	0	0	0	0	0	0	0	0	0	0	0	10,000	0	0
S.216 Maritime Surveillance/ Med. Ref./ Scholarships	2,367	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	1,700	26,167	1,744	1,744
Subtotal	40,135	44,816	39,668	44,520	41,656	37,272	38,364	39,096	39,224	39,712	35,700	36,342	36,342	36,556	36,984	586,387	42,828	42,828
S.221 Health & Ed. Block Grant	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	45,000	3,000	3,000
Military Use and Operating Rights Grant	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,500	0
Enewetak Operations	900	1,100	1,100	1,100	1,094	1,094	1,091	1,091	1,089	1,091	1,091	1,191	1,576	1,191	1,388	17,187	1,391	1,620
Rongelap Resettlement	0	0	0	0	0	1,975	1,983	1,983	6,979	0	24,020	0	0	0	0	36,940	0	0
Enjebi	5,000	2,500	2,500	0	0	0	0	0	0	0	0	0	0	0	0	10,000	0	0
Bikini Resettlement	0	2,300	5,000	22,000	21,000	21,000	21,000	0	0	0	0	0	0	0	0	92,300	0	0
Section 177 (Nuclear Claims)	150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	150,000	0	0
Other Construction	0	400	1,000	2,000	1,989	0	0	1,000	499	0	0	0	0	0	0	6,888	0	0
TOTAL - RMI	199,035	54,116	52,268	72,620	68,739	64,341	65,438	46,170	50,791	43,803	63,811	40,533	40,918	40,747	41,372	944,702	49,719	47,448
Federated States of Micronesia (FSM)																		
S.211 Capital and Current	60,000	60,000	60,000	60,000	60,000	51,000	51,000	51,000	51,000	51,000	40,000	40,000	40,000	40,000	40,000	755,000	50,333	50,333
S.217 Inflation	14,652	15,504	17,442	19,380	21,964	21,128	22,797	24,464	25,576	26,688	22,300	23,638	23,638	24,084	24,976	328,231	31,940	31,939
S.214 Energy Production	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	42,000	2,800	2,800
S.215 Communications O&M	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	9,000	600	600
S.215 Communications Hardware	6,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,000	400	400
S.213 Yap Impact	160	0	0	0	0	0	0	0	0	0	0	0	0	0	0	160	11	11
S.111 Tax & Trade Compensation	0	12,000	0	8,000	0	0	0	0	0	0	0	0	0	0	0	20,000	0	0
S.216 Maritime/Med. Ref./Scholarships	4,335	3,669	3,669	3,669	3,669	3,669	3,669	3,669	3,669	3,669	3,669	3,669	3,669	3,669	3,669	55,701	3,713	3,713
S.212 Civic Action Teams	0	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	14,000	933	933
Other Construction	0	0	0	0	3,979	3,950	0	500	1,497	0	0	0	0	0	0	9,926	0	0
Subtotal, permanent (FSM)	85,747	95,773	85,711	95,649	94,212	84,347	82,066	84,233	86,342	85,957	70,569	71,907	71,907	72,353	73,245	1,240,018	90,730	90,729
S.221 Health & Ed. Block Grant	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	105,000	7,000	7,000
TOTAL - FSM	92,747	102,773	92,711	102,649	101,212	91,347	89,066	91,233	93,342	92,957	77,569	78,907	78,907	79,353	80,245	1,345,018	97,730	97,729
Federal Services - FSM/RMI/Palau																		
	18,750	17,320	12,760	10,160	7,660	7,810	7,294	7,528	6,514	6,964	6,964	7,354	7,354	7,120	7,338	138,890	7,354	7,306
GRAND TOTAL, RMI & FSM	310,532	174,209	157,739	185,429	177,611	163,498	161,798	144,931	150,647	143,724	148,344	126,794	127,179	127,220	128,955	2,428,610	154,803	152,483

**FSM-RMI Compact Budget Authority
2004-2008**
(In thousands of dollars)

	2004			2005			2006			2007			2008			Subtotal 2004-2008
	Base	Inflation 0.00%	Total	Base	Inflation 2.00%	Total	Base	Inflation 4.35%	Total	Base	Inflation 6.68%	Total	Base	Inflation 8.58%	Total	
Federated States of Micronesia																
Annual Grant Section 211	76,200	-	76,200	76,200	1,524	77,724	76,200	3,315	79,515	75,400	5,037	80,437	74,600	6,401	81,001	394,876
Audit Grant Section 212 (b)	500	-	500	500	-	500	500	-	500	500	-	500	500	-	500	2,500
Trust Fund Section 215	16,000	-	16,000	16,000	320	16,320	16,000	696	16,696	16,800	1,122	17,922	17,600	1,510	19,110	86,048
<i>Total FSM Compact</i>	<i>92,700</i>	<i>-</i>	<i>92,700</i>	<i>92,700</i>	<i>1,844</i>	<i>94,544</i>	<i>92,700</i>	<i>4,011</i>	<i>96,711</i>	<i>92,700</i>	<i>6,159</i>	<i>98,859</i>	<i>92,700</i>	<i>7,911</i>	<i>100,611</i>	<i>483,424</i>
Republic of the Marshall Islands																
Annual Grant Section 211	35,200	-	35,200	34,700	694	35,394	34,200	1,488	35,688	33,700	2,251	35,951	33,200	2,849	36,049	178,281
Audit Grant Section 213 (b)	500	-	500	500	-	500	500	-	500	500	-	500	500	-	500	2,500
Trust Fund Section 216 (a&c)	7,000	-	7,000	7,500	150	7,650	8,000	348	8,348	8,500	568	9,068	9,000	772	9,772	41,838
Kwajalein Impact Section 212	15,000	-	15,000	15,000	300	15,300	15,000	653	15,653	15,000	1,002	16,002	15,000	1,287	16,287	78,242
Rongelap Resettlement Section 103 (f)(4)	-	-	-	1,780	-	1,780	1,760	-	1,760	1,760	-	1,760	-	-	-	5,300
Enewetak Section 103 (f)(2)(c)(i)	1,300	-	1,300	1,300	26	1,326	1,300	57	1,357	1,300	87	1,387	1,300	112	1,412	6,781
<i>Total RMI Compact</i>	<i>59,000</i>	<i>-</i>	<i>59,000</i>	<i>60,780</i>	<i>1,170</i>	<i>61,950</i>	<i>60,760</i>	<i>2,545</i>	<i>63,305</i>	<i>60,760</i>	<i>3,908</i>	<i>64,668</i>	<i>59,000</i>	<i>5,019</i>	<i>64,019</i>	<i>312,942</i>
Compact-Other																
Compact Impact Section 104 (e)	30,000	-	30,000	30,000	-	30,000	30,000	-	30,000	30,000	-	30,000	29,700	(26)	29,674	149,674
Compact Impact Enumeration Section 104 (e)(4)	-	-	-	-	-	-	-	-	-	-	-	-	300	26	326	326
Judicial Training	300	-	300	300	6	306	300	13	313	300	20	320	300	26	326	1,565
<i>Total Compact-Other</i>	<i>30,300</i>	<i>-</i>	<i>30,300</i>	<i>30,300</i>	<i>6</i>	<i>30,306</i>	<i>30,300</i>	<i>13</i>	<i>30,313</i>	<i>30,300</i>	<i>20</i>	<i>30,320</i>	<i>30,300</i>	<i>26</i>	<i>30,326</i>	<i>151,565</i>
GRAND TOTAL	182,000	-	182,000	183,780	3,020	186,800	183,760	6,569	190,329	183,760	10,087	193,847	182,000	12,956	194,956	947,931

**FSM-RMI Compact Budget Authority
2009-2013**
(In thousands of dollars)

	2009			2010			2011			2012			2013			Subtotal 2009-2013
	Base	Inflation 10.51%	Total	Base	Inflation 10.94%	Total	Base	Inflation 11.97%	Total	Base	Inflation 13.40%	Total	Base	Inflation 15.71%	Total	
Federated States of Micronesia																
Annual Grant Section 211	73,800	7,756	81,556	73,000	7,986	80,986	72,200	8,642	80,842	71,400	9,568	80,968	70,600	11,091	81,691.26	406,044
Audit Grant Section 212 (b)	500	-	500	500	-	500	500	-	500	500	-	500	500	-	500.00	2,500
Trust Fund Section 215	18,400	1,934	20,334	19,200	2,100	21,300	20,000	2,394	22,394	20,800	2,787	23,587	21,600	3,393	24,993.36	112,609
<i>Total FSM Compact</i>	<i>92,700</i>	<i>9,690</i>	<i>102,390</i>	<i>92,700</i>	<i>10,087</i>	<i>102,787</i>	<i>92,700</i>	<i>11,036</i>	<i>103,736</i>	<i>92,700</i>	<i>12,355</i>	<i>105,055</i>	<i>92,700</i>	<i>14,485</i>	<i>107,185</i>	<i>521,153</i>
Republic of the Marshall Islands																
Annual Grant Section 211	32,700	3,437	36,137	32,200	3,523	35,723	31,700	3,794	35,494	31,200	4,181	35,381	30,700	4,823	35,523	178,258
Audit Grant Section 213 (b)	500	-	500	500	-	500	500	-	500	500	-	500	500	-	500	2,500
Trust Fund Section 216 (a&c)	9,500	998	10,498	10,000	1,094	11,094	10,500	1,257	11,757	11,000	1,474	12,474	11,500	1,807	13,307	59,130
Kwajalein Impact Section 212	15,000	1,577	16,577	15,000	1,641	16,641	15,000	1,796	16,796	15,000	2,010	17,010	15,000	2,357	17,357	84,380
Rongelap Resettlement Section 103 (f)(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Enewetak Section 103 (f)(2)(c)(i)	1,300	137	1,437	1,300	142	1,442	1,300	156	1,456	1,300	174	1,474	1,300	204	1,504	7,313
<i>Total RMI Compact</i>	<i>59,000</i>	<i>6,148</i>	<i>65,148</i>	<i>59,000</i>	<i>6,400</i>	<i>65,400</i>	<i>59,000</i>	<i>7,002</i>	<i>66,002</i>	<i>59,000</i>	<i>7,839</i>	<i>66,839</i>	<i>59,000</i>	<i>9,190</i>	<i>68,190</i>	<i>331,530</i>
Compact-Other																
Compact Impact Section 104 (e)	30,000	-	30,000	30,000	-	30,000	30,000	-	30,000	30,000	-	30,000	29,700	(47)	29,653	149,653
Compact Impact Enumeration Section 104 (e)(4)	-	-	-	-	-	-	-	-	-	-	-	-	300	47	347	347
Judicial Training	300	32	332	300	33	333	300	36	336	300	40	340	300	47	347	1,688
<i>Total Compact-Other</i>	<i>30,300</i>	<i>32</i>	<i>30,332</i>	<i>30,300</i>	<i>33</i>	<i>30,333</i>	<i>30,300</i>	<i>36</i>	<i>30,336</i>	<i>30,300</i>	<i>40</i>	<i>30,340</i>	<i>30,300</i>	<i>47</i>	<i>30,347</i>	<i>151,688</i>
GRAND TOTAL	182,000	15,870	197,870	182,000	16,519	198,519	182,000	18,075	200,075	182,000	20,234	202,234	182,000	23,722	205,722	1,004,420

**FSM-RMI Compact Budget Authority
2014-2018**
(In thousands of dollars)

	2014			2015			2016			2017			2018			Subtotal 2014-2018
	Base	Inflation 16.54%	Total	Base	Inflation 16.28%	Total	Base	Inflation 17.87%	Total	Base	Inflation 18.91%	Total	Base	Inflation 20.39%	Total	
Federated States of Micronesia																
Annual Grant Section 211	69,800	11,545	81,345	69,000	11,233	80,233	68,200	12,187	80,387	67,400	12,745	80,145	66,600	13,580	80,180	402,291
Audit Grant Section 212 (b)	500	-	500	500	-	500	500	-	500	500	-	500	500	-	500	2,500
Trust Fund Section 215	22,400	3,705	26,105	23,200	3,777	26,977	24,000	4,289	28,289	24,800	4,690	29,490	25,600	5,220	30,820	141,680
<i>Total FSM Compact</i>	<i>92,700</i>	<i>15,250</i>	<i>107,950</i>	<i>92,700</i>	<i>15,010</i>	<i>107,710</i>	<i>92,700</i>	<i>16,476</i>	<i>109,176</i>	<i>92,700</i>	<i>17,435</i>	<i>110,135</i>	<i>92,700</i>	<i>18,800</i>	<i>111,500</i>	<i>546,471</i>
Republic of the Marshall Islands																
Annual Grant Section 211	32,200	5,326	37,526	31,700	5,161	36,861	31,200	5,575	36,775	30,700	5,805	36,505	30,200	6,158	36,358	184,025
Audit Grant Section 213 (b)	500	-	500	500	-	500	500	-	500	500	-	500	500	-	500	2,500
Trust Fund Section 216 (a&c)	12,000	1,985	13,985	12,500	2,035	14,535	13,000	2,323	15,323	13,500	2,553	16,053	14,000	2,855	16,855	76,750
Kwajalein Impact Section 212	18,000	-	18,000	18,000	2,930	20,930	18,000	3,217	21,217	18,000	3,404	21,404	18,000	3,670	21,670	103,221
Rongelap Resettlement Section 103 (f)(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Enewetak Section 103 (f)(2)(c)(i)	1,300	215	1,515	1,300	212	1,512	1,300	232	1,532	1,300	246	1,546	1,300	265	1,565	7,670
<i>Total RMI Compact</i>	<i>64,000</i>	<i>7,526</i>	<i>71,526</i>	<i>64,000</i>	<i>10,338</i>	<i>74,338</i>	<i>64,000</i>	<i>11,347</i>	<i>75,347</i>	<i>64,000</i>	<i>12,008</i>	<i>76,008</i>	<i>64,000</i>	<i>12,948</i>	<i>76,948</i>	<i>374,166</i>
Compact-Other																
Compact Impact Section 104 (e)	30,000	-	30,000	30,000	-	30,000	30,000	-	30,000	30,000	-	30,000	29,700	(61)	29,639	149,639
Compact Impact Enumeration Section 104 (e)(4)	-	-	-	-	-	-	-	-	-	-	-	-	300	61	361	361
Judicial Training	300	50	350	300	49	349	300	54	354	300	57	357	300	61	361	1,770
<i>Total Compact-Other</i>	<i>30,300</i>	<i>50</i>	<i>30,350</i>	<i>30,300</i>	<i>49</i>	<i>30,349</i>	<i>30,300</i>	<i>54</i>	<i>30,354</i>	<i>30,300</i>	<i>57</i>	<i>30,357</i>	<i>30,300</i>	<i>61</i>	<i>30,361</i>	<i>151,770</i>
GRAND TOTAL	187,000	22,825	209,825	187,000	25,397	212,397	187,000	27,877	214,877	187,000	29,500	216,500	187,000	31,808	218,808	1,072,407

**FSM-RMI Compact Budget Authority
2019-2023**
(In thousands of dollars)

	2019			2020			2021			2022			2023			Subtotal 2019-2023	Total 2004-2023
	Base	Inflation 22.13%	Total	Base	Inflation 24.30%	Total	Base	Inflation 25.99%	Total	Base	Inflation 25.83%	Total	Base	Inflation 33.46%	Total		
Federated States of Micronesia																	
Annual Grant Section 211	65,800	14,562	80,362	65,000	15,795	80,795	64,200	16,686	80,886	63,400	16,376	79,776	62,600	20,946	83,546	405,364	1,608,575
Audit Grant Section 212 (b)	500	-	500	500	-	500	500	-	500	500	-	500	500	-	500	2,500	10,000
Trust Fund Section 215	26,400	5,842	32,242	27,200	6,610	33,810	28,000	7,277	35,277	28,800	7,439	36,239	29,600	9,904	39,504	177,072	517,410
<i>Total FSM Compact</i>	<i>92,700</i>	<i>20,404</i>	<i>113,104</i>	<i>92,700</i>	<i>22,405</i>	<i>115,105</i>	<i>92,700</i>	<i>23,963</i>	<i>116,663</i>	<i>92,700</i>	<i>23,815</i>	<i>116,515</i>	<i>92,700</i>	<i>30,850</i>	<i>123,550</i>	<i>584,937</i>	<i>2,135,984</i>
Republic of the Marshall Islands																	
Annual Grant Section 211	29,700	6,573	36,273	29,200	7,096	36,296	28,700	7,459	36,159	28,200	7,284	35,484	27,700	9,268	36,968	181,180	721,744
Audit Grant Section 213 (b)	500	-	500	500	-	500	500	-	500	500	-	500	500	-	500	2,500	10,000
Trust Fund Section 216 (a&c)	14,500	3,209	17,709	15,000	3,645	18,645	15,500	4,028	19,528	16,000	4,133	20,133	16,500	5,521	22,021	98,036	275,754
Kwajalein Impact Section 212	18,000	3,983	21,983	18,000	4,374	22,374	18,000	4,678	22,678	18,000	4,649	22,649	18,000	6,023	24,023	113,708	379,550
Rongelap Resettlement Section 103 (f)(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,300
Enewetak Section 103 (f)(2)(c)(i)	1,300	288	1,588	1,300	316	1,616	1,300	338	1,638	1,300	336	1,636	1,300	435	1,735	8,212	29,976
<i>Total RMI Compact</i>	<i>64,000</i>	<i>14,053</i>	<i>78,053</i>	<i>64,000</i>	<i>15,431</i>	<i>79,431</i>	<i>64,000</i>	<i>16,504</i>	<i>80,504</i>	<i>64,000</i>	<i>16,402</i>	<i>80,402</i>	<i>64,000</i>	<i>21,247</i>	<i>85,247</i>	<i>403,636</i>	<i>1,422,324</i>
Compact-Other																	
Compact Impact Section 104 (e)	30,000	-	30,000	30,000	-	30,000	30,000	-	30,000	30,000	-	30,000	30,000	-	30,000	150,000	598,966
Compact Impact Enumeration Section 104 (e)(4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,034
Judicial Training	300	66	366	300	73	373	300	78	378	300	77	377	300	100	400	1,895	6,918
<i>Total Compact-Other</i>	<i>30,300</i>	<i>66</i>	<i>30,366</i>	<i>30,300</i>	<i>73</i>	<i>30,373</i>	<i>30,300</i>	<i>78</i>	<i>30,378</i>	<i>30,300</i>	<i>84</i>	<i>30,377</i>	<i>30,300</i>	<i>100</i>	<i>30,400</i>	<i>151,895</i>	<i>606,918</i>
GRAND TOTAL	187,000	34,523	221,523	187,000	37,908	224,908	187,000	40,544	227,545	187,000	43,664	227,294	187,000	52,197	239,197	1,140,468	4,165,226

**U.S. Department of the Interior
Office of Insular Affairs
Compact of Free Association
REPUBLIC OF PALAU
Budget Authority 1995 - 2009
(In thousands of dollars)**

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	TOTALS
ACTIVITY (P.L. 99-658)																
Sect. 211(a) Current Account	12,000	12,000	12,000	12,000	7,000	7,000	7,000	7,000	7,000	7,000	6,000	6,000	6,000	6,000	6,000	120,000
Sect. 211(b) Energy Production	28,000															28,000
Sect. 211(c) Communications	1,650	150	150	150	150	150	150	150	150	150	150	150	150	150	150	3,750
Sect. 211(d) Maritime Surveillance, Health, Scholarships	631	631	631	631	631	631	631	631	631	631	631	631	631	631	631	9,465
Sect. 211(e) Start-up for 211(d)	667															667
Sect. 211(f) Investment Fund a/	66,000		4,000													70,000
Subtotal Sec. 211	108,948	12,781	16,781	12,781	7,781	7,781	7,781	7,781	7,781	7,781	6,781	6,781	6,781	6,781	6,781	231,882
Sect. 212(b) Capital Account	36,000															36,000
Sect. 213 Defense Use Impact	5,500															5,500
Sect. 215 Inflation Adjustment	35,719	5,842	6,075	6,440	3,790	3,861	4,004	4,076	4,290	4,362	3,875	3,998	4,121	4,244	4,367	99,060
SUBTOTAL	186,167	18,623	22,856	19,221	11,571	11,642	11,785	11,857	12,071	12,143	10,656	10,779	10,902	11,025	11,148	372,442
Sect. 221(b) Special Block Grant	6,300	4,900	3,500	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	38,700
DIRECT PAYMENTS	192,467	23,523	26,356	21,221	13,571	13,642	13,785	13,857	14,071	14,143	12,656	12,779	12,902	13,025	13,148	411,142
Federal Services	1,340	0	0	0	0	0	0	1,539	1,539	1,539	1,539	1,539	1,539	1,539	1,539	13,652
Sect. 212(a) Palau Road Construction	53,000		96,000													149,000
GRAND TOTAL, PALAU	246,807	23,523	122,356	21,221	13,571	13,642	13,785	15,396	15,610	15,682	14,195	14,318	14,441	14,564	14,687	573,794

a/ PALAU MAY WITHDRAW \$5 MILLION ANNUALLY FROM THE FUND IN YEARS 5 THROUGH 15.

**U.S. Department of the Interior
Office of Insular Affairs
Compact of Free Association
REPUBLIC OF PALAU
Budget Authority 2010 - 2024
(In thousands of dollars)**

Final Enacted Modified Schedule

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>TOTALS 1/</u>
<u>Sec. ACTIVITY (Revised Agreement)</u>																
1 Trust Fund Contributions									65,250							65,250
2a Infrastructure Maintenance Fund 2/									2,000	2,000	2,000	2,000	2,000	2,000	2,000	14,000
3 Fiscal Consolidation Fund									0							0
4a <i>Economic Assistance - Compact Extension</i> Economic Assistance	<i>13,147</i>	<i>13,147</i>	<i>13,147</i>	<i>13,147</i>	<i>13,147</i>	<i>13,147</i>	<i>13,147</i>	<i>13,147</i>	24,574							<i>105,176</i> 24,574
5 Infrastructure Projects									20,000							20,000
<i>Direct Assistance to Palau - Compact Extension</i>	<i>13,147</i>	<i>13,147</i>	<i>13,147</i>	<i>13,147</i>	<i>13,147</i>	<i>13,147</i>	<i>13,147</i>	<i>13,147</i>								<i>105,176</i>
<u>Direct Assistance to Palau</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	111,824	2,000	2,000	2,000	2,000	2,000	2,000	123,824
Total, Direct Assistance to Palau	13,147	13,147	13,147	13,147	13,147	13,147	13,147	13,147	111,824	2,000	2,000	2,000	2,000	2,000	2,000	229,000
<u>PALAU ANNUAL WITHDRAWAL FROM TRUST FUND 3/</u>	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	9,000	15,000	15,000	15,000	15,000	15,000	15,000	<u>139,000</u>

1/Discretionary appropriations provided by the Congress in 2010-2017 Italicized

2/Entry Into Force repayment (Sec. 212) \$3 million paid into Infrastructure Maintenance Fund

3/Palau is limited by Congressional action or by agreement (2017-2024) from withdrawing more than this amount from its US-funded Compact Trust Fund.

Page Intentionally Blank

