

**STATEMENT OF THE HONORABLE DONNA M. CHRISTENSEN  
CHAIRWOMAN, SUBCOMMITTEE ON INSULAR AFFAIRS  
OVERSIGHT HEARING ON THE IMPLEMENTATION OF  
THE COMPACT OF FREE ASSOCIATION BETWEEN THE  
UNITED STATES AND THE FEDERATED STATES OF MICRONESIA  
JUNE 10, 2008**

I want to begin by thanking the witnesses for joining us for this morning's hearing on the implementation of the Compact of Free Association Amendments Act of 2003 between the United States and the Federated States of Micronesia.

The Compact relationship between the U.S. and the FSM is nearly one quarter of a century, but for anyone who studies the history of this and other smaller island nations in the Pacific – one would find that our involvement now runs us well past a half century. It would also be easy to determine that our interest in the Pacific has not been rooted in humanitarianism. Everyone in this room, as well as people in the islands with whom our relationship exists knows that our primary interests were fixed in strategic defense.

To this end, one could speculate, that the goals of the first Compact were achieved. The Pacific has been secure and no threats to our nation – politically or militarily – have found a home in the Federated States of Micronesia.

This year marks the fifth year of the amended Compact. It continues the U.S. commitment for the defense of the FSM also allows for the continued migration provisions of FSM citizens into the U.S. This amended Compact however, as agreed to by both our countries, calls for greater accountability of U.S. funding. To help accomplish this, the amended Compact established a Joint Economic Management Committee, comprised of both U.S. and FSM officials. The amended Compact also called for annual reporting by the Administration and regular studies by the GAO to keep Congress informed on the progress of this relationship.

In February, I had the honor of meeting FSM President Emanuel Mori. Those of us who stay abreast of Compact issues are optimistic that President Mori will

address outstanding implementation concerns which have been raised within the first four years of operating under the amended Compact. I want to commend President Mori for the work he has done in addressing the fiscal crises in Kosrae (KOS-rye) and Chuuk (Chook). Though the situations did not completely occur on his watch, he has acted swiftly and decisively and I can assure him that he has this Subcommittee's support.

In March, Subcommittee staff traveled to the FSM and met with local and U.S. officials. I believe that their understanding of the development challenges faced by the FSM increased. However, I also believe that they have learned that there are some fundamental changes which should be made above and beyond progress that has come about in the last four years.

I look forward to the testimony which will be provided to the Subcommittee this morning and the dialogue we will have during this hearing. I suspect that we will learn of even more implementation challenges from our witnesses

from the Department of the Interior and the Department of State and I expect them to be able to give our Subcommittee a better understanding of how our two countries can best move forward in the remaining years of the Compact to ensure a greater measure of success.