United States Senate Washington, DC 20510-0908

April 7, 2022

The Honorable Antony Blinken Secretary U.S. Department of State 2201 C Street NW Washington, D.C. 20522

Dear Secretary Blinken:

We write to express our concern about the lack of progress with negotiations to renew the Compacts of Free Association (COFA) between the United States and the freely associated states (FAS)—the Republic of the Marshall Islands (RMI), the Federated States of Micronesia (FSM), and Palau. We welcome the recent appointment of Joseph Yun as Special Presidential Envoy for Compact Negotiations, but we remain concerned with the pace of the negotiations. While your February visit to Fiji was a welcome gesture of U.S. recognition of the strategic importance of the Pacific Islands, more must be done to ensure that COFA negotiations successfully conclude before the agreements expire in 2023 and 2024.

The United States and the FAS have a long history of close partnership and we must use the COFA negotiations as an opportunity to reaffirm our friendship. These islands span a vast area of the Pacific Ocean and are vital partners in the Indo-Pacific, especially given the maritime competition with the People's Republic of China (PRC) in the region. President Biden's new Indo-Pacific Strategy promises to prioritize compact negotiations, describing them as "the bedrock of the U.S. role in the Pacific," but we have yet to see actions that signal real progress on finalizing new agreements. Given the Department of State's lead role in these negotiations, we ask you to work with your colleagues in the Biden Administration to prioritize COFA renewal.

The FAS are some of our closest allies. Although these countries are sovereign, they let us deny other nations access to their vast waters and air space and veto their foreign interactions as if they were U.S. territory. Last year, FSM reached an agreement with the United States to build a military base on its territory and Palau has also recently offered to host an American military base. The RMI already host the Ronald Reagan Ballistic Missile Defense Test Site. The strategic importance of these nations should go without saying. COFA citizens have also come to the United States and served at high rates in our military. Palau and the RMI are important diplomatic partners of Taiwan, and the United States has a strong interest in maintaining Taiwan's diplomatic recognition and expanding its international space. To this end, we should communicate with FSM about the various risks involved in depending on Beijing, and encourage it to join Palau and the RMI in supporting Taipei.

¹ https://www.whitehouse.gov/wp-content/uploads/2022/02/U.S.-Indo-Pacific-Strategy.pdf

The current agreements with RMI and FSM will expire in 2023 and the agreement with Palau will expire in 2024. Failing to finalize new compacts before these expire could have dire consequences. A recent Government Accountability Office Report found that U.S. assistance constitutes up to one third of these nations' annual budgets, making them heavily reliant on U.S. economic support promised to them through the current Compacts.² The FAS choose to continue to align with the United States despite Beijing actively courting them, but failing to renew economic assistance programs could lead the FAS to deepen their relationships with the PRC. As a report to the Secretary of Defense advised, a failure to provide sufficient support now "would be a self-inflicted wound that could come at the expense of the foreign policy and defense interests of the United States."³

The FAS are stable democracies that share basic values and a commitment to fundamental freedoms with the United States. We must stand beside them as they seek economic development opportunities and help them fend off the malign influence of the PRC, which seeks to spread authoritarianism, undermine democracy, and fuel corruption in the Pacific Islands, as it does elsewhere.

For all of these reasons articulated above, which are only a sample of the important stakes at play, we urge you to prioritize the renegotiation of COFA in a timely fashion.

Sincerely,

Marco Rubio

U.S. Senator

Bill Hagerty U.S. Senator

Brian Schatz

U.S. Senator

Christopher A. Coons

U.S. Senator

 $^{^2\} https://www.gao.gov/products/gao-22-104436$

³ https://www.rand.org/pubs/research_reports/RR2973.html, pg 18