



HOUSE COMMITTEE ON  
**NATURAL RESOURCES**  
CHAIRMAN BRUCE WESTERMAN



**NATURAL RESOURCES COMMITTEE**  
D E M O C R A T S  
RANKING MEMBER RAÚL M. GRIJALVA

## **House Committee on Natural Resources** *Indo-Pacific Task Force Findings*

March 4, 2024

### **Summary**

*On June 13, 2023, the House Committee on Natural Resources established the bipartisan Indo-Pacific Task Force, which conducted hearings and investigations related to issues facing the U.S. territories and the Freely Associated States (FAS) in the Indo-Pacific region.*

*The Indo-Pacific Task Force, chaired by Congresswoman Aumua Amata Coleman Radewagen (R-American Samoa) and co-chaired by Congressman Gregorio Kilili Camacho Sablan (D-Northern Mariana Islands), conducted oversight on issues facing the U.S. territories and the FAS in the Indo-Pacific region, including renewal of the Compacts of Free Association (COFA) between the United States and the FAS, and examining measures to counter coercive actions and influence of the People's Republic of China (PRC) throughout the region.*

*This document summarizes the findings of the bipartisan Indo-Pacific Task Force.*

### **Background**

The United States has vital security and economic interests throughout the Indo-Pacific region, particularly amid rising competition with the PRC. There are three U.S. territories in the Pacific: American Samoa, Guam, and the Northern Mariana Islands. In addition, the U.S. has international agreements, or COFA, with three Pacific Island countries: the Republic of Palau (Palau), the Republic of the Marshall Islands (RMI), and the Federated States of Micronesia (FSM), collectively referred to as the FAS.

The U.S. has a rich history of partnership with our allies in the Indo-Pacific based on our shared values of freedom and democracy. However, the PRC has increasingly sought to reshape regional political, economic, and strategic alignments throughout the U.S. Pacific territories and the FAS. Through offerings of economic aid and infrastructure development, the PRC is attempting to leverage its resources to shape political outcomes and perceptions of the U.S. in the region while waging political warfare to gain undue influence and destabilize island nations.

### **Activities**

Throughout the 118<sup>th</sup> Congress, the House Committee on Natural Resources and the Indo-Pacific Task Force have conducted oversight hearings on the importance of the FAS and U.S. territories in the Pacific and on the threat posed by the PRC in the region.

On May 16, 2023, the Subcommittee on Indian and Insular Affairs held an [oversight hearing](#) titled “*Preserving U.S. Interests in the Indo-Pacific: Examining How U.S. Engagement Counters Chinese Influence in the Region.*” On June 13, 2023, the Committee on Natural Resources adopted a resolution, offered by House Committee on Natural Resources Chairman Bruce Westerman (R-Ark.) and Ranking Member Raúl Grijalva (D-Ariz.), to establish an Indo-Pacific Task Force. On June 14, 2023, the task force held an [oversight hearing](#) titled “*How the Compacts of Free Association Support U.S. Interests and Counter the PRC’s Influence.*” On July 18, 2023, the task force held an [oversight hearing](#) titled “*The Biden Administration’s Proposed Compact of Free Association Amendments Act of 2023.*” In addition, the task force hosted briefings on COFA renewal activities from key officials in the administration.

In August 2023, House Committee on Natural Resources Chairman Bruce Westerman (R-Ark.) [led](#) a historic bipartisan Congressional Delegation (CODEL) with members of the task force to Palau, the FSM, and the RMI. The CODEL met with key officials and stakeholders in the three FAS countries and discussed issues relating to U.S.-FAS relations, the COFA, and the PRC’s malign activity in the region. The CODEL witnessed firsthand the growing PRC presence on the islands and its effects on local communities.

On August 24, 2023, the Committee conducted a [field hearing](#) on the island of Guam titled “*Peace Through Strength: The Strategic Importance of the Pacific Islands to U.S.-led Global Security.*” The Committee heard from witnesses with direct connections to the growing threats from the PRC, including a World War II survivor from Guam whose testimony cemented the importance of preventing history from repeating itself in the region. In World War II, the Empire of Japan launched a campaign in the Pacific Islands to dominate the region and displace U.S. military presence.

On October 19, 2023, the Subcommittee on Indian and Insular Affairs conducted a [legislative hearing](#) examining [H.J.Res.96](#), the Compact of Free Association Amendments Act of 2023. The legislation was [marked up and favorably reported](#) by the Committee on Natural Resources on November 8, 2023, by unanimous consent.

Today, much like the Empire of Japan during World War II, the PRC has adopted a similar strategy of influence by launching economic and political warfare to dominate the Pacific region. The field and legislative hearings further underscored the support on the island for U.S. military presence, its strategic importance to the United States, and the need to deter the growing PRC threat in the FAS and the U.S. territories in the Pacific.

Upon returning to the United States, the task force remained engaged with the Biden administration and FAS governments on COFA renewal, including receiving briefings from relevant agencies at the staff and member levels.

### **Task Force Members**

House Committee on Natural Resources Chairman Bruce Westerman (R-Ark.), Ranking Member Raúl Grijalva (D-Ariz.), task force co-chairs, U.S. Reps. Aumua Amata Coleman Radewagen (R-American Samoa), and Gregorio Kilili Camacho Sablan (D-Northern Mariana Islands),

Ruben Gallego (D-Ariz.), Ed Case (D-Hawaii), Harriet Hageman (R-Wyo.), Teresa Leger Fernandez (D-N.M.), Doug Lamborn (R-Colo.), James Moylan (R-Guam), Melanie Stansbury (D-N.M.), Katie Porter (D-Calif.), Tom Tiffany (R-Wis.) and Rob Wittman (R-Va.).

Authorization for the task force expired on December 12, 2023.

## Findings

- 1. Renewal of the COFA demonstrate the U.S. commitment to the Indo-Pacific. It is in the best interest of the U.S. to renew the COFA and preserve the critical relationship with the FAS.**
  - The COFA are the foundation of a unique and vital relationship between the U.S. and our FAS allies. The COFA memorialize a mutually beneficial alliance between the United States and FAS nations that, in many ways, exceeds what the U.S. enjoys with other allies and partners. Under the COFA, the FAS grant the U.S. sole and unfettered military access to their lands, waters, and airspace in exchange for economic assistance, access to certain U.S. federal programs for COFA citizens, and the ability for COFA citizens to live and work in the U.S. The U.S. has the ability to establish military bases in the FAS and the right to strategically deny the military forces of any other nation from access and operations in the FAS.
  - The benefits of the COFA to the United States are increasingly important amid growing instability and tensions in the Indo-Pacific, given the strategically significant locations of the FAS nations. While the security provisions of the COFA do not expire, the economic provisions for the FSM and the RMI expired on September 30, 2023. Economic assistance to the FAS provides critical support to the economic and democratic resiliency of the FAS nations. Furthermore, U.S. economic assistance enables the FAS to counter the PRC's attempted coercion and reduces pressure on FAS governments to accept grants, loans, and investments from the PRC.
  
- 2. The People's Republic of China is a present and persistent threat to U.S. interests in the Indo-Pacific. The U.S. must stand strong with our FAS allies as they resist and counter PRC coercive activity.**
  - The PRC is actively waging political and economic warfare against the FAS and U.S. interests and has had a coercive effect on local governments and communities in the region. The PRC understands the strategic importance of the FAS to the U.S. and has attempted to place maximum pressure on the FAS governments to side with the PRC.
  - In the FSM, the PRC continues to undermine democratic institutions and processes by courting FSM's political leadership through offerings of gifts and infrastructure projects.<sup>1</sup> In the RMI, PRC-linked operatives have been charged with attempting to bribe members of the legislature to secure PRC business interests.<sup>2</sup> PRC influence has

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<sup>1</sup> Lawler, Dave. "China's Push for Influence in Micronesia Tests U.S. Power in the Pacific." Pulitzer Center, November 29, 2023. <https://pulitzercenter.org/stories/chinas-push-influence-micronesia-tests-us-power-pacific>.

<sup>2</sup> Cagurangan, Mar-Vic, and Helen Davidson. "Ex-President Demands Inquiry into Marshall Islands 'Mini-State Plot.'" The Guardian, September 8, 2022. <https://www.theguardian.com/world/2022/sep/08/call-investigation-marshall-islands-chinese-couple-alleged-plot-mini-state>.

- increased local corruption and hampered democratic reforms while attempting to reshape perceptions of U.S. credibility and presence.
- The PRC has also attempted to punish FAS governments for not aligning with their policy positions. In 2017, the PRC banned its state-run tourism operators from visiting Palau in response to the nation's refusal to switch its diplomatic recognition from Taiwan to the PRC.<sup>3</sup> As the PRC holds a dominant position in the travel industry, Palau suffered a heavy economic loss from the PRC's travel ban.<sup>4</sup>
  - The PRC's actions have had an increasingly corrosive effect on FAS communities and local businesses. The PRC's illegal, unreported, and unregulated (IUU) fishing has had destructive impacts on local ecosystems and fishing industries.

### **3. Congress should renew and remain engaged in the implementation of the Compacts of Free Association throughout their lifecycle.**

- When the U.S. and the FAS first entered into free association in the 1980s, the U.S. committed to aiding the FAS in their economic development and democratic transition. The U.S. must continue to fulfill its commitments by ensuring that the COFA achieve their intended purpose.
- Congress must carry out its oversight responsibilities throughout the lifespan of the COFA, working with the administration and FAS partners to ensure Congress receives the information it needs to assess the performance of the COFA and how they are supporting U.S. interests in the Indo-Pacific and inform future COFA negotiations and renewals. Continued oversight will ensure that U.S. economic assistance is properly managed and that the COFA are implemented in the manner Congress intended.
- H.J. Res 96 includes language to improve Congressional oversight, carries forward the authorities of the Comptroller General to carry out its oversight responsibilities under the COFA, and places reporting requirements on the Comptroller General to submit to Congress a report on the economic performance of the FAS, the impact of U.S. economic assistance to the FAS, and the effectiveness of U.S. administrative oversight over the COFA.

### **4. Improved coordination within the U.S. government is necessary for the effective implementation and management of the Compacts of Free Association.**

- Partners in the FAS have highlighted that coordination between relevant U.S. agencies implementing and managing the COFA can be strengthened.
- The U.S. government must improve interagency coordination, particularly between the U.S. Departments of the Interior, State, and Defense. While the Department of the Interior holds the responsibility to administer and manage the economic assistance provided through the COFA, the Department of State holds an important role as the lead in developing and implementing U.S. foreign policy. The Department of Defense is responsible for U.S. defense interests and the implementation of COFA security provisions.

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<sup>3</sup> Everington, Keoni. "China Bans Tour Groups to Vatican, Palau to Isolate Taiwan." Taiwan News, November 23, 2017. <https://www.taiwannews.com.tw/en/news/3304777>.

<sup>4</sup> "Palau Tourism Industry 'suffering Greatly' from China Ban." RNZ News, September 3, 2018. <https://www.rnz.co.nz/international/pacific-news/365556/palau-tourism-industry-suffering-greatly-from-china-ban>.

- Greater interagency coordination will improve COFA implementation and ensure the COFA continue to be a focus across the U.S. government. H.J. Res 96 aims to improve interagency coordination and interbranch communication by establishing an interagency working group comprised of the various agencies responsible for carrying out COFA provisions and adds reporting requirements for COFA implementation. The interagency working group, co-led by the Secretary of the Interior and the Secretary of State, would meet annually and provide policy guidance and recommendations on the implementation of the COFA and on relations with those countries.

**5. The United States should maintain strong and consistent engagement with the Freely Associated States and the territories in the Pacific region.**

- For Pacific Island communities, the U.S. is important for building and maintaining credibility and trust between our nations. Through the COFA, the U.S. maintains and bolsters its ties with the FAS. The COFA have created opportunities for security cooperation, economic and commercial partnerships, such as combatting IUU fishing, and cultural and educational exchanges.
- The administration and Congress should continue to maintain a high level of engagement with all respective parties. Consistent engagement will ensure the U.S.-FAS relationship continues to be elevated and improve mutual understanding between the U.S. and FAS governments.
- The PRC has exponentially increased its engagement with the FAS in recent years in an attempt to subvert U.S. interests. The U.S. must continue and enhance its engagement with the FAS partners to counter the PRC's efforts and preserve the unique U.S.-FAS relationship for generations to come.