



Reproduced at the Ronald Reagan Library



THE PRESIDENT'S PERSONAL REPRESENTATIVE  
FOR MICRONESIAN STATUS NEGOTIATIONS  
WASHINGTON, D.C. 20240

JAN 16 1984

Mr. Ronald K. Peterson  
Legislative Reference  
Executive Office of the President  
Office of Management and Budget  
Washington, D.C. 20503

Dear Mr. Peterson:

In response to OMB's Legislative Referrral Memorandum of December 29, 1983, regarding the Compact of Free Association and related documents, this Office is providing the attached copy of the Compact legislative package containg our recommended revisions to the documents. These recommendations are based on our own final review of the documents as well as consultations during the last week with the other agencies and departments asked to comment on the package.

Because the Compact is a government-to-government agreement which was negotiated in accordance with Presidential instructions and policies established by the Interagency Group on Micronesia, and which has been approved in internationally-observed plebiscites, OMSN would oppose any revision to the text of the Compact itself. Our consultations with the other agencies and departments concerned indicated no desire or interest on anyone's part to alter the Compact. Should, however, any recommendations for changes to the Compact be forwarded to you in response to your December 29, 1983, memorandum, I would appreciate being informed of same in order to analyze and respond to any such recommendation.

To the extent deemed correct and proper by this Office, OMSN has incorporated into its suggested changes, the specific recommendations made to us by the other agencies and departments in the context of this OMB Circular A-19 review. Of course, those agencies will be forwarding their recommendations on to you as well. While we do not believe any substantive issues will arise from variances which may exist between our proposals and the recommendations of other offices, my staff and I would be pleased to discuss, at your earliest convenience, any problems which may arise so that transmittal of the Compact to Congress is not unnecessarily delayed.



-2-

One specific agency concern which I wish to address here is that expressed by EPA with respect to administration of certain unobligated grant funds under its cognizance during the period following the effective date of the Compact. While OMSN does not believe it is appropriate to address EPA's specific concerns in the Compact legislation or related documents, this Office intends to support EPA in its efforts to reach agreement with the State Department on a procedure for administration of the grants in question once the Compact is in effect. I believe these arrangements can be implemented in accordance Section 219 of the Compact, and I believe that the future interagency office managing Micronesian affairs will support EPA's preferred approach.

Finally, representatives of agencies which will provide services in the Freely Associated States under Section 221 (a) of the Compact have sought assurances that funds for reimbursement to them for the cost of such services will be included in the budget requests of the interagency office which will manage Micronesian affairs. This office has given such assurances in accordance with our understandings reached with OMB and the Department of State based on the President's instructions to us in this respect.

Sincerely,

Fred M. Zeder II  
Ambassador

Enclosures:

Compact Legislative Package.  
Separate Agreements.