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General
Services
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FEB 16 1984

Mr. James M. Frey
Assistant Director for
Legislative Reference
Office of Management and Budget
Washington, DC 20503

Dear Mr. Frey:

By Legislative Referral Memorandum your office requested the views of the General Services Administration (GSA) on the State Department's draft Joint Resolution "To approve the 'Compact of Free Association', and for other purposes."

The purpose of the Joint Resolution is to approve the "Compact of Free Association" (Compact) governing the relationship of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia (Governments) which are under the trusteeship of the United States.

GSA has no comment on the need for or the overall merit of the Compact. We would, however, like to comment on section 234 of the Compact since it would be inconsistent with the provisions of the Federal Property and Administrative Services Act of 1949, as amended (Property Act) and implementing regulations and provide for the disposition of federally owned real property on terms less favorable to the United States than would be applicable under present law.

Section 234 provides that title to federally owned real property situated in the Trust Territory of the Pacific Islands or acquired for use by the Government of the Trust Territory of the Pacific Islands shall, without reimbursement or transfer of funds, vest in the Governments of the Marshall Islands and the Federated States of Micronesia as set forth in a separate agreement which shall come into effect simultaneously with this Compact. The provisions of section 234 shall not apply to federally owned real property for which there is a continuing requirement.

As a matter of policy, GSA generally opposes the disposition of federally owned property pursuant to special legislation since the Property Act, a law of general application, usually best serves the interest of the Government and the public in this regard. Taking into account that by Public Law 93-594, dated January 2, 1975, Congress amended the Property Act to specifically make its provisions governing the disposition of excess Federal real property applicable to the Trust Territory of the Pacific Islands, as well as Guam and American Samoa, we see



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no justification for exempting the Governments subject to the Compact from the provisions of the Property Act.

As a technical comment, we also wish to point out that section 234 would result in an administrative burden on the United States. Such burden would result from the Federal Government being required to justify a "continuing requirement" for its property which would otherwise vest in the Governments pursuant to section 234.

For the above reasons, GSA opposes section 234 of the Compact.

Sincerely,

Patricia Q. Schaefer

PATRICIA Q. SCHAEFER
Associate Administrator
for Administration