



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

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February 13, 1986

JV

Honorable William F. Martin  
Executive Secretary  
National Security Council  
OEOB  
Washington, D.C. 20506

Dear Mr. Martin:

Enclosed is a proposed Executive order entitled "Management of the Compact of Free Association with the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau."

In accordance with the provisions of Executive Order No. 11030, as amended, it was submitted to this office, along with the enclosed transmittal memorandum, by the President's Personal Representative for Micronesian Status Negotiations.

On behalf of the Director of the Office of Management and Budget, I would appreciate receiving any comments you may have concerning this proposal. If you have any comments or objections they should be received no later than Wednesday, February 19, 1986.

Comments or inquiries may be submitted by telephone to Mrs. Diane G. Weinstein (395-6610).

5600

Sincerely,

John H. Carley  
General Counsel

Enclosure

NSC 8601211

EXPLANATION OF PROPOSED EXECUTIVE ORDER

The President's signature of the Compact of Free Association enacting legislation, P.L. 99-239, gives rise to the requirement that the executive branch organize itself for the management of the new free association relationship in a manner consistent with the provisions of that legislation, specifically Section 105(b). Other guidance controlling substantive determinations made with respect to executive branch organization are the President's directive on the subject (NSDD 10 of September 21, 1981) and the imperative to accomplish the organization through the most efficient use of existing personnel and fiscal resources.

In establishing an executive branch structure, the draft order is based upon the discrete authorities and responsibilities vested in the Secretaries of State and Interior in the legislation, and also establishes the interagency group authorized in the legislation.

The review and clearance process for this draft EO should proceed as expeditiously as possible in light of the Administration's desire to bring the compact into full force and effect at an early date.

EXECUTIVE ORDER NO. \_\_\_\_\_

MANAGEMENT OF THE  
COMPACT OF FREE ASSOCIATION  
WITH  
THE REPUBLIC OF THE MARSHALL ISLANDS,  
THE FEDERATED STATES OF MICRONESIA  
AND  
THE REPUBLIC OF PALAU

WHEREAS the Trusteeship Agreement under which the United States administered the former Trust Territory of the Pacific Islands, and the rights and obligations of the United States under that Agreement, have been duly terminated; and

WHEREAS the United States has fulfilled the requirements and obligations for the civil administration of the former Trust Territory set forth in the Act of June 30, 1954 (68 Stat. 330; 48 U.S.C. 1681) and given effect in Executive Orders Nos. 9875 of July 18, 1947, 10265 of June 29, 1951, 10408 of November 10, 1952, 10470 of July 17, 1953 and 11021 of May 7, 1962, as amended; and

WHEREAS a Compact of Free Association (hereinafter referred to as the Compact) has been freely negotiated by the United States with the duly elected representatives of the people and governments of the Republic of the Marshall Islands, the Federated States of Micronesia and the Republic of Palau and has been approved by those people and governments, respectively, in exercises of their rights to self-determination and according to their constitutional processes; and

✓ WHEREAS the Compact and its enacting legislation (P.L. 99-239, Stat. \_\_\_; 22 U.S.C. \_\_\_), together with its related agreements, sets forth the full nature of the relationship between the Government of the United States and the Governments of the freely associated states, including the rights and responsibilities of each; and

WHEREAS the purposes of the Compact, its implementing legislation and its related agreements, can be carried out most effectively through an interdepartmental organization in the executive branch:

NOW, THEREFORE, by virtue of the authority vested in me by the Compact and as President of the United States, it is ordered as follows:

Section 1. Responsibility of the Secretary of State. The official relations of the United States with the freely associated states, including any subdivisions, officials or persons thereof, shall be conducted by the Secretary of State, who may delegate such of his authority under this Order to such other United States officials as he may from time to time deem desirable. The Secretary shall supervise the conduct of the United States Representatives and the United States Representative Offices referred to in Article V of Title Two of the Compact and in Section 4 of this Order. Subject to such policies as the President may from time to time prescribe and in accordance with applicable law and the provisions of this Order, the Secretary shall take such actions as may be necessary and appropriate to carry out the authorities and obligations of the United States set forth in the Compact and its related agreements and, unless otherwise specified, in the laws of the United States as they relate to the freely associated states.

Section 2. Responsibility of the Secretary of the Interior. The United States economic and financial assistance specified in Article I of Title Two of the Compact, the United States service and program assistance specified in Article II of Title Two of the Compact, the grant, service and program assistance specified in the Compact enabling legislation (P.L. 99-239) and in other laws of the United States and all other United States assistance specified in the Compact and its related agreements shall be made available to or for the freely associated states by the Secretary of the Interior in accordance with the laws of the United States. The Secretary of the Interior shall coordinate the provision of United States services and programs to the freely associated states and shall provide, in accordance with the laws of the United States, to the executive departments and agencies of the United States the fiscal resources for such provision. The Secretary shall seek the appropriation of the funds necessary to carry out the provisions of this paragraph as they relate to the obligations of the United States under the Compact and its related agreements.

Section 3. Creation and Responsibility of the Interagency Group on Freely Associated State Affairs and the of the Office of Freely Associated State Affairs. There is established within the National Security Council system an interagency group on Freely Associated State Affairs for the purpose of determining and causing the implementation of the policies of the United States with respect to the Compact and United States relations with the freely associated states. The Interagency Group shall make recommendations to the President through the Special Assistant for National Security Affairs, shall be chaired by the Secretary of State or his designated principal officer of the Department of

State and shall include principal officers or their designees from the Departments of Interior, Defense, Commerce and Justice, the Organization of the Joint Chiefs of Staff, the Office of Management and Budget, the National Security Council and from such other departments and agencies as may from time to time be appropriate in the view of the Interagency Group. The Interagency Group shall be supported by an interagency Office of Freely Associated State Affairs headed by an appointee of the Secretary of State and staffed by personnel from the Departments of State, Interior, Defense and such other agencies as the Interagency Group may determine. The administrative and other expenses of the Office of Freely Associated State Affairs shall be borne one half by the Department of State and one half by the other participating agencies. Unless otherwise provided by the Secretary of State, the authority and responsibility set forth in Section 1 of this Order shall be carried out, as appropriate, by the head of the Office for Freely Associated State Affairs who shall also be a member of the Interagency Group on Freely Associated State Affairs.

Section 4. United States Representatives to the Freely Associated States. The Secretary of State shall nominate for appointment by the President and confirmation by the Senate United States Representatives for assignment to the freely associated states in accordance with Article V of Title Two of the Compact. Such representatives shall supervise the actions of any executive department or agency personnel assigned permanently or temporarily to the freely associated states and shall also represent the Government of the United States in an official capacity during the period of their incumbencies.

Section 5. Cooperation among executive Departments and Agencies. The executive departments and agencies of the Government shall cooperate among themselves in the effectuation of the provisions of this order and in accordance with the law. The Interagency Group and Office of Freely Associated State Affairs shall facilitate such cooperative measures. Nothing in this Order shall be construed to impede the authority and responsibility of the Secretary of Defense or of the Commanders of the Armed Forces with respect to military operations within the jurisdiction of the freely associated states.

Section 6. Supersession and saving provisions. (a) Prior Executive Orders concerning the former Trust Territory of the Pacific Islands, including Executive Order No. 11021 of May 7, 1962, as amended, are hereby superseded and rendered inapplicable.

(b) Nothing contained in this Order shall be construed as modifying the rights or obligations of the United States under the provisions of the Compact or as affecting or modifying the responsibility of the Secretary of State to interpret the international obligations of the United States arising out of the Compact.

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Section 7. Effective Date. The provisions of this order shall become effective simultaneously with the entry into force of the Compact.

Ronald Reagan

The White House  
Month Day, 1986

(F.R.Doc. \_\_\_-\_\_\_; Filed, Month Day, 1986; \_\_:\_\_ am/pm)

NSC/S PROFILE

UNCLASSIFIED

ID 8601211

RECEIVED 13 FEB 86 20

TO MARTIN

FROM CARLEY, JOHN

DOCDATE 13 FEB 86

KEYWORDS: MICRONESIA

PALAU

EO

SUBJECT: EO RE MANAGEMENT OF COMPACT OF FREE ASSOC W/ REPUBLIC OF MARSHALL ISLANDS / FEDERATED STATES OF MICRONESIA / REPUBLIC OF PALAU

ACTION: APPROPRIATE ACTION

DUE: 18 FEB 86 STATUS S FILES WII

FOR ACTION

FOR CONCURRENCE

FOR INFO

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COMMENTS

REF#

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ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

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