

# PEACE CORPS

APR 4 1986



April 3, 1986

John H. Carley, Esquire  
General Counsel  
Office of Management and Budget  
Washington, D.C. 20503

Attention: Mrs. Diane S. Weinstein

Subject: Executive Order entitled  
"Management of the Compact of  
Free Association, etc."

Dear Mr. Carley:

This will respond to your request for comments on the above entitled Executive Order, which vests in the Secretary of State responsibility for official relations with the Republic of the Marshall Islands, the Federated States of Micronesia and the Republic of Palau (the Freely Associated States), and vests in the Secretary of the Interior responsibility for coordinating the provision of United States services and programs to the Freely Associated States (FAS). The Secretary of the Interior also is charged with seeking appropriations for the provision of such services to the States. The United States Representatives to the Freely Associated States, who report to the Secretary of State, are delegated responsibility for supervising the actions of executive department or agency personnel assigned to the Freely Associated States.

Peace Corps Volunteers have been serving in Micronesia since 1966. At present there are 52 Volunteers serving in the territory which will become the three Freely Associated States. These Volunteers serve under an agreement with the High Commissioner for the Trust Territories of the Pacific.

The Peace Corps plays a unique role in foreign affairs. It is a people-to-people program rather than a government-to-government program. This status has been recognized by every Secretary of State since the passage of the Peace Corps Act in 1961. While the Secretary of State exercises general supervisory oversight of the Peace Corps, and Peace Corps activities are coordinated in each country with other U.S. governmental activities by the Ambassador, it has been the longstanding policy of the United States, reflected in a series of agreements between Peace Corps Directors and Secretaries of State dating back to the Kennedy Administration, that, insofar as possible, the Peace Corps should operate autonomously. A similar approach has been taken by the Department of the Interior and the High Commissioner in their relations with the Peace Corps in Micronesia.

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Any Executive Order spelling out the responsibilities for management of United States relations with the FAS under the Compact of Free Association should specifically deal with the status of the Peace Corps as an autonomous activity, and specify the procedures for coordinating its programs with the Department of State and the Department of the Interior.

Section 105(b) of P.L. 99-239 (99 Stat. 1791) describes the means by which relations with the FAS shall be conducted. Authority for government-to-government relations is vested in the Secretary of State, and, through the Secretary, in the United States Representatives in the FAS. All U.S. government personnel assigned to the FAS are subject to the supervision of the U.S. Representatives.

Authority to seek appropriations "made pursuant to the Compact or any other provision of this joint resolution" is vested in the Secretary of the Interior. (Section 105(b)(2) of P.L. 99-239). The Secretary of the Interior is also authorized to coordinate and monitor programs or activities provided to the FAS by other agencies. Since the authority to seek appropriations for Peace Corps programs in the FAS is contained in the Peace Corps Act, and not in the Compact, or P.L. 99-239, we believe that the Secretary of Interior's appropriations authority does not apply to the Peace Corps and that specific provisions of the Executive Order should reconfirm the authority of the Peace Corps to seek funds for its programs in the FAS in its own appropriation, as it has in the past.

Section 105(b)(3) of P.L. 99-239 requires that all programs and services provided to the FAS by federal agencies be provided only after consultation with and under the supervision of the Secretary of the Interior. Heads of Federal agencies are required to cooperate with the Secretary and to make available such personnel and services as the Secretary may request. If, as we believe, the Peace Corps' authority to seek an appropriation for programs in the FAS is unaffected by P.L. 99-239, we believe that such consultation should take the form of review by Interior of proposed agreements between the Peace Corps and the FAS for Volunteers' service in the FAS, but that actual negotiation of the agreements should be carried out, as it is in other countries, under established State Department and Peace Corps procedures. Details of programs should be left to the discretion of the Peace Corps Country Director, as it is in other countries.

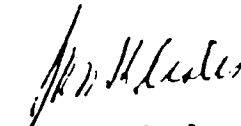
Summarizing, I believe that the unique status of the Peace Corps as an autonomous foreign affairs agency under the general coordinative supervision of the Secretary of State strongly suggests that a specific provision of the Executive Order establishing the procedural relationship which should exist between the Department of State, the Department of the Interior and the Peace Corps should be included in the Executive Order. We believe it should follow, as nearly as may be possible, the pattern for agreements which has been established with respect to other countries in which Peace Corps Volunteers serve. The autonomous operations of the Peace Corps in Micronesia up to now appear to have been quite satisfactory, and we know of no reason to change the general administrative structure under which we operate.



The Peace Corps has submitted to Interior for concurrence proposed agreements with the Marshall Islands and the Federated States of Micronesia. We have been informed that action on concurrence is being deferred until issuance of the Executive Order. Inclusion of specific acknowledgement of the role of the Peace Corps in the Executive Order, and particularly the issue of authority to seek appropriations, appears to be necessary to resolve the issues described above. Since Volunteers are now serving in the FAS, it is essential that continuing authority for their support be provided expeditiously.

Attached is a draft paragraph proposed for inclusion in the Executive Order describing the Peace Corps' role. We will be glad to discuss it, or provide further information.

Sincerely,



John K. Scales  
General Counsel

Attachment

cc: Ambassador Fred Zeder  
Assistant Secretary Richard Montoya



### Attachment

Section \_\_\_\_\_, Role of the Peace Corps. (a) The Peace Corps, pursuant to the authority contained in the Peace Corps Act (22 U.S.C. §2501 et seq.), and Executive Order 12137, may make available to the Freely Associated States the services of Peace Corps Volunteers, and support them with funds appropriated for programs authorized by the Peace Corps Act. Pursuant to Section 4(c) of the Peace Corps Act, (22 U.S.C. §2503(c)), and Section 5(b) of P.L. 99-239, such programs shall be under the continuous supervision and general direction of the Secretary of State, and shall be coordinated under the leadership of the United States Representative in the area in which the Volunteers serve.

(b) The Peace Corps is authorized to enter into agreements with the governments of the Freely Associated States with respect to the terms and conditions governing the service of Peace Corps Volunteers, and necessary support, including staff support for such Volunteers. Such agreements shall be made only after prior consultation with, and with the approval of, the Secretary of State and the Secretary of the Interior.