

Veterans' Healthcare in the Freely Associated States (FAS)

Background:

The Consolidated Appropriations Act of 2024 (P.L. 118-42) approved amendments to the U.S. Compacts of Free Association (COFAs) with Palau, the Marshall Islands, and the Federated States of Micronesia that extended our existing agreements with these three nations for at least 20 years. The three Freely Associated States (FAS) are former parts of the Trust Territory of the Pacific Islands of the United Nations, an area administered by the U.S. after WWII. The U.S. has no closer relationship with any other nation.

The FAS let the U.S. exercise the right to deny other nations access to their land, water and airspace, which constitutes a strategic expanse of the Pacific larger than the 48 contiguous U.S. States. The region is located between Hawaii and the Philippines/Indonesia. The FAS also give the U.S. crucial base rights and have pledged to forgo foreign interactions if deemed by the U.S. as compromising national security. FAS are among the strongest supporters of the U.S. internationally.

The U.S. has put its westernmost early warning radar covering the People's Republic of China and North Korea in Palau and test fired missiles from Palau. The Air Force has also built a runway in Palau and Congress recently approved nearly \$1 billion for naval seaport improvements in Palau. The U.S., additionally, has what the Joint Chiefs of Staff have termed "the world's premiere range for testing ICBMs and military space operations support" in the Marshall Islands. Another runway will be constructed in Micronesia.

Issue:

The U.S. Department of Defense has recruited more FAS citizens per capita than from any U.S. State, but veterans' healthcare had been unavailable in the FAS under federal law, effectively forcing veterans to remain in U.S. areas such as Guam and Hawaii rather than return home after their service. Healthcare was a top priority in negotiating the Compact extension, and veterans' healthcare is now permitted in the FAS under law but has not yet been implemented. FAS citizens serve valiantly for the U.S. military despite not being U.S. citizens.

The new COFAs include provisions for care similar to that offered in Canada and the Philippines (or for travel if care cannot be provided in the FAS) developed with the VA and Congress' Veterans Affairs committees. The cost was offset by cuts to other direct spending in an agreement between Speaker Johnson and OMB. (See pp. 2 & 4 of the CBO estimate.)

The VA recently completed extensive planning for the care. Bilateral agreements for it will be negotiated if Secretary Collins agrees. He has said that he will decide this week.

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