

RELEASE IN PART
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From: Jeffrey L Farrow [redacted]
Sent: Tuesday, July 21, 2009 3:25 PM
To: Jacob J Sullivan
Cc: H
Subject: Palau release on free association meeting

Below is Palau's statement on the recent meeting in the required free association review. The fourth is the key paragraph. Jake, I'll call. Jeff 202-343-2905 o, [redacted]

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A Compact of Free Association replaced the United States administration of Palau, islands which the U.S. took in war and subsequently administered for the United Nations. The Compact, which was signed in 1986 and took effect October 1, 1994, includes provisions of various duration. Some are to last at least 50 years, including full U.S. military authority -- although the power of the U.S. to deny access to Palau and its extensive waters by the military of any other nation is to continue in perpetuity.

The amounts and types of U.S. budgetary and programmatic assistance to Palau under the Compact are specified for 15 years, but the Compact requires reviews of its terms and the entire relationship on its 15th, 30th, and 40th anniversaries. The reviews are to consider the operating requirements of the Government of Palau and the islands' development. The Compact also commits the U.S. to acting on the findings and to promoting Palau's long-term economic development.

A Palauan delegation that included Vice President Kerai Mariur, Chief Representative for Compact Review Joshua Koshiba, Minister of Health Dr. Stevenson J. Kuardei, Palau Community College President Dr. Patrick Tellei, Ambassador to the U.S. Hersey Kyota, Representative to the United Nations Stuart Beck, and their consultants met in Honolulu on July 8-9 in connection with the 15th Anniversary Review with an American delegation that included Department of State Office of Australia, New Zealand, and Pacific Islands Affairs Alcy Frelick, the head of the US Delegation, and representatives of the Departments of the Interior and Defense and the Weather and Postal Services.

The U.S. delegation made positive statements on a few matters and agreed to discuss some others further. A number of the U.S. delegation's statements, however, evidenced a need for greater study by some U.S. officials of the intent as well as the letter of the Compact, the relationship as a whole, Palau's economic situation and fiscal responsibility commitments, and Palau's contributions to the U.S. and to international harmony -- including sacrifice by Palauans in the U.S. military, the UN international peacekeeping force and Palau's strategic location and posture, and Palau's positions in the U.N.

Palau is grateful for its partnership with the U.S. and wants to continue in the association as called for by the Compact, deepen the relationship, and develop its capacities as a freely associated state. It appreciates the more positive expressions of U.S. Secretaries of State Clinton and of the Interior Salazar and congressional leaders of both political parties. Palau fully trusts that reflection will result in an approach to the relationship consistent with the Compact and to positions befitting the great nation that is the United States.

Recognizing that the questions of the association are relatively small and unique for the Government of the U.S. and that the U.S. faces many and extraordinary challenges at this time, Palau understands why more deliberation by U.S. officials can be needed.

Because of this, because of the confidence that it has in the United States, and because it would not be productive to elaborate with others on the conversations at this stage, Palau's representatives are confining additional comment to official communications.