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THE PRESIDENT'S PERSONAL REPRESENTATIVE
FOR MICRONESIAN STATUS NEGOTIATIONS
WASHINGTON, D.C. 20240

January 3, 1978

Honorable Amata Kabua
Chairman, Marshall Islands Political
Status Commission

Honorable Bailey Olter
Chairman, Committee on Future Political Status
Commission on Future Political Status
and Transition

Honorable Roman Tmetuchl
Chairman, Palau Political Status
Commission

Dear Messrs. Chairman:

Attached please find a United States working paper on the free association relationship. You will note that the document differs in some significant respects from the 1976 draft Compact of Free Association. We believe that the changes are in accord with the Guam proposal and reflect the two-tiered free association relationship which we have all agreed is our goal.

The purpose of this working draft is to initiate the process of developing actual agreement language. It does not necessarily represent the final U.S. position as to any specific point or issue.

Most importantly, this working draft should not be interpreted as a statement of expected or preferred outcome of the referendum on the draft Federated States of Micronesia constitution scheduled for July 12, 1978. If that constitution is approved by all of the districts voting on it, the United States would propose immediately that necessary and appropriate changes be made in the compact. The present working draft is based on the contingency that neither the Marshall Islands District nor the Palau District will approve the draft constitution and the U.S. delegation desires that its language be considered solely within the context of such contingency.

You will also note that the United States has, in this working draft, provided for a range of activities for the All-Micronesia Entity which the three Trust Territory negotiating commissions agreed would come into existence after termination of the Trusteeship Agreement. We continue to hold the position that the level of internal authority of the All-Micronesia Entity is a question to be decided by the peoples of Micronesia. We continue to believe that an All-Micronesia Entity can serve several useful functions in the context of free association as regards the relationship with the United States and otherwise, even if the Federated States of Micronesia constitution is not universally adopted.

To conclude, it is our sincere hope that the enclosed working draft will provide all parties to the negotiations with a text from which actual agreement language for the free association compact can be expeditiously developed.

Sincerely yours,

Peter R. Rosenblatt
Ambassador

Enclosure

cc: Richard D. Copaken, Esq. w/encl.
James T. Stovall, Esq. w/encl.
Stuart J. Beck, Esq. w/encl.

UNITED STATES GOVERNMENT

WORKING PAPER ON

FREE ASSOCIATION

DRAFT: 1/5/77

PREAMBLE

THE UNITED STATES OF AMERICA AND THE PEOPLES OF MICRONESIA,

Recognizing that among the responsibilities of the United States as Administering Authority of the Trust Territory of the Pacific Islands is the obligation to promote the development of the peoples of Micronesia toward self-government or independence in accordance with their freely-expressed wishes and as appropriate to their particular circumstances, and

Recognizing their common interests in the development of a new political status for the peoples of Micronesia to replace the present Trusteeship,

NOW, THEREFORE, AGREE that the approval of this Compact of Free Association by the peoples of Micronesia, through an exercise of their sovereign right to self-determination, and by the Government of the United States, shall determine the respective rights and responsibilities of the United States of America and the peoples of Micronesia.

DEFINITION OF TERMS

1. MICRONESIA - The area within the Trust Territory of the Pacific Islands comprising the administrative districts of Palau, Yap, Truk, Ponape, Kosrae and the Marshall Islands, as described in Section 1, Chapter 1, Title 3 of the Trust Territory Code in force on Janaury 1, 1978.

2. GOVERNMENT OF THE CAROLINE ISLANDS* - Such government as shall be constituted by the people of the area now known as the Yap District, the Truk District, the Ponape District and the Kosrae District.

3. GOVERNMENT OF PALAU* - Such government as shall be constituted by the people of the area now known as the Palau District.

4. GOVERNMENT OF THE MARSHALL ISLANDS* - Such government as shall be constituted by the people of the area now known as the Marshall Islands District.

5. GOVERNMENTS OF MICRONESIA* - The collective reference to the Government of the Caroline Islands, the Government of Palau and the Government of the Marshall Islands as defined above.

6. ALL-MICRONESIA ENTITY* - Such organization as shall be created by the governments of Micronesia acting collectively.

7. The terms "governments of Micronesia", "government of the Caroline Islands", "government of Palau" and "government of the Marshall Islands" shall be construed to include political and governmental sub-divisions for the proposes of Sections 104, 202, 205 (b), 303, 402 (a) (second sentence), 402 (b), 502, 503, 504, 505, 606, 801, 802 of this Compact.

* Formal names to be decided.

TITLE I

Internal Affairs

Section 101

The peoples of Micronesia have the sovereign and inherent right to adopt their own constitutions and forms of government and, in accordance with their constitutional processes, to amend or change any such constitutions or forms of government. Such constitutions and forms of government shall be representative in character and shall uphold the fundamental principles embodied in the Bill of Rights of the United States Constitution. Such constitutions and any laws adopted thereunder shall not infringe upon the responsibilities and rights vested in the Government of the United States, the governments of Micronesia and the All-Micronesia Entity by this Compact which shall prevail in the case of any such infringement or conflict.

Section 102

(a) In accordance with Section 101, the duly constituted governments of Micronesia shall have full responsibility for and authority over their respective internal affairs.

(b) The All-Micronesia Entity shall have such responsibility for and authority over the internal affairs of Micronesia as shall be agreed upon by the governments of Micronesia.

Section 103

The peoples of Micronesia may, in the event of termination of this Compact in accordance with Title XI, freely choose their own future political status.

Section 104

The governments of Micronesia shall have the full authority and responsibility to carry out their obligations under this Compact.

TITLE II

Foreign Affairs

Section 201

The Government of the United States shall have full responsibility for and authority over the foreign affairs of Micronesia.

Section 202

The authority of the United States under Section 201 includes the right to apply to the governments of Micronesia treaties or other international agreements to which the United States is a party.

Section 203

In the exercise of its authority and responsibility under Section 201, the Government of the United States undertakes the following:

(a) The Government of the United States will extend consular assistance and diplomatic protection to bearers of passports issued by the All-Micronesia Entity for travel outside of Micronesia and of the United States, on the same basis as for citizens of the United States.

(b) The Government of the United States will give sympathetic consideration to applications by foreign countries for the establishment of consulates in Micronesia, subject in each case to assurance from the government of Micronesia concerned that it would welcome the establishment of such a consulate. The Government of the United States and the All-Micronesia Entity shall establish arrangements for the joint accreditation of foreign consular officers in Micronesia.

(TITLE II)

(c) The Government of the United States will represent the governments of Micronesia, individually or collectively through the All-Micronesia Entity, with foreign governments and at international conferences, and will negotiate and conclude treaties and other international agreements on their behalf.

(d) The Government of the United States will facilitate internationally the commercial activities of the governments of Micronesia, individually or collectively through the All-Micronesia Entity.

(e) The Government of the United States will, upon request, sponsor memberships as appropriate of the governments of Micronesia or the All-Micronesia Entity, in regional organizations and United Nations Specialized Agencies or their subsidiary bodies of which the U.S. is a member. The Government of the United States will give sypathetic consideration to requests from the governments of Micronesia or the All-Micronesia Entity for appropriate membership in other such organizations in which the U.S. is not a member.

Section 204

Without in any way derrogating from the authority and responsibility of the Government of the United States pursuant to this Title:

(a) The governments of Micronesia, individually or collectively through the All-Micronesia Entity, may establish temporary or permanent representation of trade or other commercial interests in

foreign countries, or accept foreign trade or commercial representation.

(b) The governments of Micronesia, individually or collectively through the All-Micronesia Entity, shall be consulted in the negotiation of the agreements specified in Section 203(c) and shall be afforded an opportunity to participate as members of U.S. delegations in the negotiation of such agreements.

Section 205

(a) The Government of the United States and the governments of Micronesia, individually or collectively through the All-Micronesia Entity, shall consult at the request of any of them on matters of mutual concern relating to foreign affairs.

(b) The governments of Micronesia and the All-Micronesia Entity shall refrain from any action which the Government of the United States deems to be incompatible with its international obligations, foreign policy or security interests.

TITLE III

Defense

Section 301

The Government of the United States shall have full responsibility for and authority over defense matters in or relating to Micronesia.

Section 302

(a) The defense responsibility and authority of the Government of the United States provided for in Section 301 include:

(1) The defense of Micronesia and its peoples from attack or threats thereof;

(2) The right to use the territory of Micronesia for military purposes and the right to foreclose access to or use of the territory of Micronesia by any other state for military purposes;

(3) The use of United States military bases established in Micronesia for the security of Micronesia and of the United States of America and for the support of the responsibilities of the United States to maintain international peace and security.

(b) The Government of the United States may conduct, within the lands, waters and airspace of Micronesia, the activities and operations necessary for the exercise of its responsibility and authority under Section 302 (a).

Section 303

(a) The Government of the United States shall have full, unencumbered and exclusive right, power and authority to establish, maintain, protect and use military areas and facilities in Micronesia

(TITLE III)

pursuant to Sections 303(b) and 303(c), and full freedom of ingress and egress to all facilities and areas used for the conduct of military activities.

(b) The governments of Micronesia individually assure the United States the rights and uses in their respective lands and waters specified in Annex A which is an integral part of this Compact.

(c) If, in the exercise of its authority and responsibility under this Title, the Government of the United States requires the use of areas within Micronesia in addition to those specified in Annex A, it may request the governments of Micronesia to satisfy those requirements. The governments of Micronesia concerned shall provide a prompt response to any such request by the Government of the United States, and shall negotiate in good faith to achieve on reasonable terms an agreement for the use of such areas.

(d) The agreements for the lands and waters provided for in Annex A shall conform with the provisions of this Compact and shall not contain any limitations on the use of those lands and waters which conflict with the basic authority and responsibility of the Government of the United States under Sections 301, 302 and 303.

(TITLE III)

(e) The rights and uses specified in this Compact and in other agreements, including those specifically enumerated in Annex A and which exist upon the entry into force of this Compact, shall at the option of the Government of the United States extend in full force and effect for the period of this Compact, unless a particular agreement provides for a shorter or longer term. Whenever agreements are extended, the terms of such agreements relating to payment shall continue until agreement on new terms is reached.

Section 304

(a) The United States Government may invite military units of other countries acting in conjunction with and under control of United States forces to utilize such military facilities and areas.

(b) The rights accorded the United States hereunder may not be assigned to any other country.

Section 305

The legal status of members of the Armed Forces of the Government of the United States, the civilian component of the Armed Forces of the Government of the United States, United States citizen civilian employees of the United States Government, the dependents of members of the Armed Forces, the civilian component and citizen civilian employees, and United States citizen civilian contractors of the Government of the United States and of the United States Armed Forces, and their dependents while present in Micronesia, is established by mutual agreement among the governments of Micronesia and the Government of the United States and set forth in separate agreements which shall come into force simultaneously with this Compact.

(TITLE III)

Section 306

Any person accorded the privileges of a national of the United States pursuant to Section 701 and who is otherwise qualified in accordance with United States law shall be eligible to volunteer for service in the Armed Forces of the United States, but shall not be subject to involuntary induction into military service unless that person becomes a permanent resident of the United States, as determined by United States law.

Section 307

The Government of the United States and the governments of Micronesia, individually or collectively through the All-Micronesia Entity shall consult upon request on matters relating to defense.

TITLE IV

Economic Assistance

Section 401

In order to advance the economic and social welfare of the peoples of Micronesia and in recognition of the special relationship that has existed and continues to exist between the United States and the peoples of Micronesia, the Government of the United States agrees to provide on a grant basis the following amounts:

(1) To the Government of the Caroline Islands, $___million annually for the first five years of this Compact, $____million annually for the next five years, and $_____million annually for the next five years;

(2) To the Government of the Marshall Islands, $____million annually for the first five years of this Compact, $___ million annually for the next five years and $____million annually for the next five years;

(3) To the Government of Palau, $____million annually for the first five years of this Compact, $____million annually for the next five years and $___million annually for the next five years.

Section 402

(a) The Government of the United States shall make available the governments of Micronesia the services of the U.S. Postal Service, the U.S. Weather Service and the U.S. Federal Aviation Administration. The level of such services shall be the level which was extended during United States fiscal year 1976. The

(TITLE IV)

governments of Micronesia shall make available to the Government of the United States at no cost such land as may be necessary for the operation of such programs and shall ensure compliance with all United States laws and regulations attendant to such programs.

(b) Neither the governments of Micronesia nor the All-Micronesia Entity may impose taxes or other levies upon United States property or personnel, or the personal property of such personnel, present in Micronesia in connection with a service or program furnished by the United States under this Compact.

Section 403

The Government of the United States and the governments of Micronesia shall negotiate in good faith as to the amounts of economic assistance which may be provided by the Government of the United States for periods subsequent to the first fifteen years of this Compact unless otherwise agreed to in accordance with Section 1103 (a). Pending agreement on new amounts of such assistance, the Government of the United States will continue its assistance as specified in Section 401 (a) and 402 (a) to those governments of Micronesia with which it is negotiating pursuant to this section at the level granted in the fifteenth year of the Compact for a period of not more than two years.

Section 404

(a) If in any year the funds to be provided for that year to any of the governments of Micronesia under Section 401 are not completely used, the unused balance shall remain available as granted in addition to the funds to be provided in subsequent years.

(TITLE IV)

(b) The United States General Accounting Office, in consultation with the governments of Micronesia, shall determine and implement procedures for the periodic audit of all grants and of all funds expended for the services and programs provided in this Title.

TITLE V

Applicable Laws

Section 501

(a) Except as specifically provided in this Compact, the treaties and international agreements applicable to the Trust Territory of the Pacific Islands on the day preceding the effective date of this Compact shall be applicable to Micronesia, as well as the treaties and international agreements made applicable to Micronesia pursuant to Section 202.

(b) The statutory law of the United States applicable to the Trust Territory of the Pacific Islands on the day preceding the effective date of this Compact shall not be applicable to Micronesia except as provided in this Compact or in other joint or several agreements between the governments of Micronesia or the All-Micronesia Entity and the Government of the United States.

Section 502

(a) Provisions of treaties and international agreements applicable to Micronesia shall have the force of internal law in Micronesia without the need of implementing legislation if they are self-executing, regardless of whether such provisions became or shall become applicable to Micronesia prior to or after the effective date of this Compact.

date of this Compact.

(TITLE V)

(b) If any provisions of a treaty or other international agreement applicable to Micronesia pursuant to Section 501(a) is not self-executing and the United States has enacted implementing legislation, the governments of Micronesia will enact similar laws as required to enforce or implement such provisions. Pending the enactment of such laws, the governments of Micronesia shall apply as internal law the principles of the implementing legislation enacted by the United States.

(c) The governments of Micronesia undertake to comply with and to enforce faithfully the treaties, international agreements and laws set forth in Sections 502(a) and 502(b).

Section 503

(a) The governments of Micronesia will adopt and enforce such measures as may be necessary to protect the personnel, property, installations, services, programs and official archives and documents maintained by the Government of the United States in Micronesia pursuant to this Compact, and to ensure the effective implementation of the services and programs provided by the Government of the United States in Micronesia pursuant to this Compact. Such measures shall include appropriate and adequate civil and criminal remedies against:

(1) Fraud against the Government of the United States;

(2) Theft, embezzlement, unauthorized use or destruction of property belonging to or in the custody of the

United States, or the theft or unauthorized use of official archives and documents of the Government of the United States; and

(3) Interference with the operation of installations, programs or services maintained by the Government of the United States in Micronesia pursuant to this Compact.

(b) In the event any of the governments of Micronesia do not adopt and enforce the measures required by Sections 402(a) and 503(a), the related programs or services extended by the United States to any such of the governments of Micronesia under this Compact may then be withheld to the extent that the implementation or operation of such program or services is seriously or unreasonably impeded.

Section 504

Except as otherwise provided in Title X:

(a) Nothing in this Compact shall be construed as constituting a submission of the governments of Micronesia or the Government of the United States to the jurisdiction of the courts of each other.

(b) Neither the United States Court of Claims, nor courts of similar jurisdiction which may be constituted by the governments of Micronesia, shall have jurisdiction over any claim growing out of or dependent upon this Compact and which is against any of the governments of Micronesia or the Government of the United States.

(TITLE V)

(c) The provisions of Section 1346(b) and of Chapter 171, Title 28, United States Code shall not be applicable to any claim arising in Micronesia.

Section 505

The governments of Micronesia, individually or collectively through the All-Micronesia Entity, and the Government of the United States will cooperate with one another in the pursuit, capture, imprisonment and delivery to appropriate authorities of fugitives from justice who have fled from the jurisdiction of one government to that of the other. The precise terms of this mutual obligation shall be the subject of a separate agreement between the governments of Micronesia and the Government of the United States, or between the Government of the United States and the All-Micronesia Entity acting under the authority of the governments of Micronesia.

Section 506

In the conduct of its activities in Micronesia, the Government of the United States will endeavor to protect the surrounding environment from permanent or irreparable damage by adherence to standards no less restrictive than those established by United States law, except as otherwise may be agreed.

TITLE VI

Trade and Commerce

Section 601

(a) The governments of Micronesia, acting on uniform guidelines provided by the All-Micronesia Entity, have the authority to establish, change or eliminate import and export duties and other regulations, including internal charges, laws and conditions governing the importation and exportation of and commerce in goods to and from Micronesia except as otherwise provided in this Compact.

(b) Any duties, regulations, charges, laws or conditions promulgated pursuant to Section 601(a) will be enforced by the All-Micronesia Entity provided that any revenues and proceeds shall accrue to such of the governments of Micronesia whose duties, regulations, charges, laws or conditions are being enforced, except as may otherwise be agreed by the governments of Micronesia.

Section 602

(a) In order to promote the development of the economy throughout Micronesia, the Government of the United States shall give sympathetic consideration to requests for preferential treatment and conditions for the importation of goods of Micronesian origin into the United States.

(b) The Government of the United States and the governments of Micronesia shall each accord the products of the others treatment no less favorable than that accorded like products of any foreign

(TITLE VI)

country with respect to customs duties and charges of a similar nature and with respect to laws and regulations relating to importation, exportation, taxation, sale, distribution, storage and use, except as otherwise provided.

Section 603

Annex B, which is an integral part of this Compact, specifies those actions which may be undertaken in the regulation of air and maritime commerce.

Section 604

The currency of the United States will continue to be official legal tender throughout Micronesia.

Section 605

(a). The governments of Micronesia, individually or collectively through the All-Micronesia Entity, shall have the authority to assert jurisdiction over the marine resources within their respective areas to the full extent recognized by international law.

(b) The governments of Micronesia may request technical or other assistance from the United States in order to develop these resources. The United States will give sympathetic consideration to such requests.

Section 606

As provided in Annex C, which is an integral part of this Compact, the Government of the United States shall accord to those persons described in Section 701 treatment which is fair, equitable and no less favorable than that accorded to its own citizens with respect to

(TITLE VI)

investment in the United States. The governments of Micronesia shall reciprocate this treatment to citizens of the United States.

TITLE VII

Citizenship and Nationality

Section 701

All persons who are citizens of the Trust Territory of the Pacific Islands as defined in Title 53 of the Trust Territory Code in force on Janaury 1, 1978, on the day preceding the effective date of this Compact and the lineal descendants of such persons, shall be accorded the following privileges of a national of the United States unless otherwise excludable from the United States under the immigration laws of the United States: entry into, exit from, engaging in occupations within, and (to the extent set forth in Section 801) establishment of residence in, the United States, provided that such treatment does not apply to persons who acquire United States citizenship or nationality under United States Public Law 94-241 (90 Stat. 265-266) and provided further that such treatment does not apply to persons who take an affirmative step to preserve or acquire citizenship or nationality of any country other than the United States.

Section 702

Any person described in Section 701 who is a citizen or national of a country other than the United States shall cease to have the privileges of a national of the United States as enumerated in Section 701 within one year after the effective date of this Compact, or within six months after becoming 18 years of age, whichever comes later unless that person renounces that citizenship or nationality.

TITLE VIII

Immigration and Travel

Section 801

Citizens and nationals of the United States shall be free to enter and exit Micronesia but not to establish residence in Micronesia except in accordance with the laws of the governments of Micronesia concerned. All persons having the privileges of a United States national in accordance with Section 701 shall be free to enter and exit the United States, its territories and possessions, but not to establish residence in the territories or possessions of the United States in violation of their applicable laws. The Government of the United States shall treat as aliens those residents of Micronesia who are not United States citizens or who do not have the privileges of a national of the United States in accordance with Section 701.

Section 802

No law or regulation of the governments of Micronesia or of the All-Micronesia Entity applicable to entry and exit to and from Micronesia by citizens and nationals of the United States and personnel sent to Micronesia pursuant to Section 402 shall be more restrictive than the comparable United States laws and regulations governing those persons described in Section 701.

TITLE IX

Representation and Consultation

Section 901

The Government of the United States and the governments of Micronesia, acting through the All-Micronesia Entity, agree to es ablish at _____ and in Washington, D. C., respectively, Resident Offices for the purposes of maintaining close and regular consultations on matters of mutual interest. The Resident Office in Washington, D. C., shall be the responsibility of the All-Micronesia Entity and shall hava representation from each of the governments of Micronesia. The terms and conditions under which such Resident Offices shall be established and maintained are set forth in Annex D which is an integral part of this Compact.

Section 902

The All-Micronesia Entity, acting on behalf of the governments of Micronesia, shall be the principal point of consultation between those governments and the Government of the United States.

TITLE X

Dispute Settlement

Section 1001

(a) In the event of a dispute which relates to interpretation or application of the provisions of this Compact, those governments of Micronesia which are parties to the dispute, or the All-Micronesia Entity to the extent so empowered, and the Government of the United States shall negotiate in good faith in an effort to settle the dispute.

(b) If the negotiations provided for in Section 1001(a) do not result in a settlement of a dispute in a manner satisfactory to the parties to the dispute within a reasonable period of time, then the parties may agree to refer the dispute to arbitration in accordance with Section 1001(c), or any party to the dispute may resort to litigation as provided in Section 1001(d).

(c) If the parties to a dispute agree to refer the dispute to arbitration and unless they otherwise agree, an Arbitration Board shall be formed, consisting of five persons, two members to be selected by the party or parties submitting the dispute to arbitration and two members to be selected by the other party or parties within 20 days after notification of the selection by the party or parties submitting the dispute. The fifth member, who shall act as chairman, shall be selected by a majority decision of the four members selected by the parties. If the members initially appointed are unable to agree on the fifth member within 60 days after the selection of the fourth member, the fifth member shall be selected by the Chief Judge of the United States

(TITLE X)

Court of Appeals for the Ninth Circuit. All members of the Arbitration Board shall be citizens of the parties to the dispute. The costs of the Arbitration Board shall be shared equally by the governments which are parties to the dispute. Those parties may decide to request either an advisory or a binding decision of the Arbitration Board.

(d) Any party to a dispute may submit the dispute to the United States District Court for the District of Columbia, to the United States District Court for the District of Hawaii, or to the United States Court of Claims if the subject matter of the dispute is within the general competence of that court. These courts shall have jurisdiction to hear such disputes and to issue the necessary processes, and the Government of the United States, the governments of Micronesia and the All-Micronesia Entity agree to submit themselves to such jurisdiction and processes for the purposes of this section. It is intended that any such disputes will constitute cases and controversies which are justiciable in those courts and that the undertakings of the governments of Micronesia, the All-Micronesia Entity and the Government of the United States provided for in this Compact will be enforceable in those courts and in the courts of the governments of Micronesia.

TITLE XI

Amendment and Change of Status

Section 1101

(a) This Compact may be amended at any time by the mutual consent of the governments of Micronesia and of the Government of the United States.

(b) This Compact may be amended at any time by the mutual consent of any one of the governments of Micronesia and the Government of the United States but only as to those provisions of this Compact which relate exclusively to that government of Micronesia.

Section 1102

(a) This Compact may be terminated at any time by the mutual consent of the governments of Micronesia and of the Government of the United States.

(b) This Compact may be terminated as to any one of the governments of Micronesia at any time by the mutual consent of that government and of the Government of the United States.

(c) After the expiration of the first fifteen years following its effective date, this Compact may be terminated unilaterally:

(1) By the President of the United States, such termination to be effective on a date not earlier than two years following receipt by any one of the governments of Micronesia of notice of the intention of the Government of the United States to terminate; or

(TITLE XI)

(2) By any one of the governments of Micronesia, by first referring the issue to its legislature which shall determine the manner in which a vote of the people represented by that government shall be taken. If at least 55% of the valid ballots as described in Section 1201(a) favor termination, that government shall, upon certification of the results of the vote on this issue, give notice thereof to the Government of the United States and the Compact shall terminate as to the people represented by that government effective on a date not earlier than two years following such notice, subject to the provisions of Section 1103.

Section 1103

(a) Upon receipt of notice of intention to terminate this Compact pursuant to Section 1102(c), the Government of the United States and any of the governments of Micronesia concerned shall negotiate in good faith for amounts of economic assistance to be provided subsequent to the effective date of termination. Until such agreement is reached, but not subsequent to the effective date of termination, the amounts of assistance provided under Section 401(a) and 402(a) shall continue in effect.

(b) In the event of the termination of this Compact pursuant to Section 1102(c), the rights and uses of the United States in the lands and waters of such government of Micronesia covered by all then-

(TITLE XI)

existing leases and use agreements shall continue for the terms thereof, and the rights of the United States set forth in Sections 302, 303 and 304 and the Status of Forces Agreement as described in Section 305 shall continue in force until changed or terminated by mutual consent of the Government of the United States and such government of Micronesia.

TITLE XII

Approval of the Compact and Effective Date

Section 1201

(a) There shall be a plebiscite called by the Administering Authority of the Trust Territory of the Pacific Islands in which there shall be three voting jurisdictions: Palau, the Caroline Islands and the Marshall Islands. The Compact shall be approved in any voting jurisdiction where at least 55% of those casting valid ballots in the plebiscite vote in favor of the Compact. All persons who would be eligible to vote in elections in accordance with Section 1 of Title 43 of the Trust Territory Code in force on January 1, 1978 shall be eligible to vote in the plebiscite. In determining whether the required majority has voted for or against the Compact, only the affirmative and the negative votes shall be counted as valid ballots. In the event this Compact is approved by fewer than all three voting jurisdictions in the plebiscite, those provisions of this Compact which apply only to a non-approving voting jurisdiction shall not become effective.

(b) This Compact will be approved by the United States in accordance with its constitutional processes.

Section 1202

After this Compact has been approved as provided for in Section 1201, it shall become effective on the date of termination of the Trusteeship Agreement for the Former Japanese Mandated Islands.