

Agreement Concluded Pursuant to Section 234 of the Compact of Free Association

Section 234 of the Compact of Free Association (the Compact) provides that title to the property of the Government of the United States which is situated in the Trust Territory of the Pacific Islands, or which has been acquired by the Government of the United States for use by the Government of the Trust Territory of the Pacific Islands, on or before the day preceding the effective date of the Compact shall vest in the Governments of the Marshall Islands and the Federated States of Micronesia. This vesting of title shall be without reimbursement or transfer of funds by or from the Governments of the Marshall Islands and the Federated States of Micronesia. Title to property of the Government of the United States for which the Government of the United States determines a continuing requirement shall remain vested in the Government of the United States.

United States Public Law 96-597 (94 Stat. 3477) provides in Section 402 that all right, title and interest of the Government of the United States in personal property situated in the Trust Territory of the Pacific Islands shall be transferred to the Government of Palau, the Marshall Islands, the Federated States of Micronesia or the Northern Mariana islands, without reimbursement by any of them. The High Commissioner of the Trust Territory of the Pacific Islands is required to establish a list of distribution of the property among the recipient governments and in consultation with them. Only property which is surplus to the needs of the Government of the United States shall be included in this list for transfer.

In light of Section 234 of the Compact and of Section 402 of United States Public Law 96597, the Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia confirm their mutual understanding as follows:

1. Identity of Intent

Section 234 of the Compact and Section 402 of United States Public Law 96-597 both have the intention of transferring to the Governments of the Marshall Islands and the Federated States of Micronesia title to property owned but not further required by the Government of the United States, which is situated in the Trust Territory of the Pacific Islands.

2. Authority for Transfer of Title to Property

The Government of the United States confirms that the property which it contemplates will be transferred under Section 234 of the Compact of Free Association or under Section 402 of United States Public Law 96-597 is transferred pursuant to the legislative authority contained in those instruments. In accordance with its terms Section 234 of the Compact provides legislative authority for the transfer of title to property of the Government of the United States for the full period of its effectiveness.

3. Timing of Transfer of Title

United States Public Law 96-597 directs that title to the property in question shall vest in the recipient governments. Prior to the effective date of the Compact, transfer of title to the property in question shall be governed by United States Public Law 96-597. The Compact, as of its effective date, shall provide the legislative authority for the transfer of title to the property in question to the Governments of the Marshall Islands and the Federated States of Micronesia.

4. Future Transfers of Property

If, at any time after the effective date of the Compact of Free Association and during the period of effectiveness of Section 234 of the Compact, the Government of the United States determines that it no longer has a continuing requirement for any property which would otherwise have been transferred in accordance with paragraph 3 of this Agreement the Government of the United States may, at its discretion, transfer title to such property to the Government of the Marshall Islands or the Federated States of Micronesia. The identity of the recipient government shall be the same as the location of the property.

5. Ancillary Understandings

Any understandings or agreements entered into by the High commissioner of the Trust Territory of the Pacific Islands and the Governments of the Marshall Islands and the Federated States of Micronesia in the, implementation of Section 402 of United States Public Law 96-597 and with respect to property addressed in Section 234 of the Compact shall have full force and effect as though the transfer of title to

the property in question had taken place under the authority of Section 234 of the Compact

The Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia agree that the list of distribution established by the High commissioner of the Trust Territory of the Pacific Islands shall , at the time of its publication, be attached to this Agreement as Annex A.

The Government of the United States and the Governments of the Marshall Islands and the Federated States of Micronesia further agree that this Agreement constitutes the separate agreement referred to in Section 234 of the Compact.

This Agreement may be accepted, by signature or otherwise, by the Government of the United States, the Government of the Government of the Marshall Islands and the Government of the Federated States of Micronesia. Each Government accepting this Agreement shall possess an original English language version.

IN WITNESS WHEREOF, the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE AT Honolulu, Hawaii THIS 1st DAY OF October, ONE THOUSAND NINE HUNDRED EIGHTY-TWO FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA

DONE AT Honolulu, Hawaii THIS 1st DAY OF October, ONE THOUSAND NINE HUNDRED EIGHTY-TWO FOR THE GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA