

American Strategic Considerations Drive Compact Negotiations in Micronesia: Part 1

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In a flurry of activity over the last nine months, the United States has rediscovered the strategic value of the freely associated states in Micronesia. This In Brief is in two parts: in the first I examine the geopolitical context of the United States' relations with the freely associated states, including China's interest in the region; in the second I describe how the United States is updating its Pacific Islands policy, both in the freely associated states and in the region more generally.

The United States has recently opened negotiations on renewing key provisions of the Compacts of Free Association with the Republic of the Marshall Islands (RMI), the Federated States of Micronesia (FSM) and the Republic of Palau (Palau). Each compact is a deal under which the island state receives development assistance and visa-free access for its citizens to the United States for an agreed period. In return, the United States has a strategic monopoly on the Micronesian states in perpetuity. In addition, the RMI permits the United States to test missiles at Kwajalein atoll and Palau guarantees the United States the future use of certain defence sites (US GAO 2018, 2002).

These arrangements, which date from the 1980s, foreclose the region to the military forces of other nations and permit United States forces to range at will in its waters, lands and airspace. As the then commander of United States forces in the Pacific Admiral William J. Crowe pointed out in 1985, the:

delegation of defense responsibilities and authority to the USA, together with the provisions that the freely associated states will refrain from any action the USA determines to be inconsistent with defense and security requirements, provides the latitude needed to support our security interests (Crowe 1985).

Thirty-five years later, a report commissioned under the National Defense Authorization Act for Fiscal Year 2018 has come to a similar conclusion:

Taken together, the security and defense provisions of the Compacts form an essential foundation for US national security interests in the region. In particular, as a consequence of these security and defense provisions,

the Compacts deny an enormous and strategically important section of the Western Pacific to potential US adversaries, while enabling U.S. presence and power projection in the region (Grossman et al. 2019:xi).

The strategic interests of the United States have been central to its relationship with the Micronesian region since World War II, when American forces captured the islands from Japan and proceeded to use the area for a variety of military purposes, above all the testing of nuclear weapons at Bikini and Enewetak atolls from 1946 to 1958, leaving behind a legacy of radioactive contamination, but also the testing of missiles at the Ronald Reagan Ballistic Missile Defense Site at Kwajalein, the world's largest atoll. The defense site is increasingly being used for space operations and the protection of military space operations that support the United States Indo-Pacific Command, perpetuating a United States official tradition that tends to see the islands stretching from the Marshalls to Palau as little more than United States assets that happen to have local populations. As it should, the United States Department of the Interior continues to fund the Four Atoll Health Program, which supports health care clinics for about 20,000 people on the four 'radiation atolls' of Bikini, Enewetak, Rongelap and Utrok, as well as in Majuro (Pacific News Center 6 March 2020). Yet, the Nuclear Claims Tribunal established under the compact to compensate Marshallese victims of the nuclear tests closed in 2010, leaving some claims unpaid. Subsequent attempts to litigate further compensation at the International Court of Justice and the US Ninth Circuit Court of Appeals have failed.

The strategic interests of external powers have been the enduring context of international relations in the Pacific since the 19th century. At that time, the map of global influence—Britain dominant, France expansionist, Germany and the United States rising—was reproduced in the territorial partitions of the late colonial period. Since the 1960s, we have seen a weakened Britain leaving, a global middle power France retaining its small territories, a stronger Australia becoming the major aid partner and the hegemon the United States preserving its strategic

position north of the equator, where its control and preponderant influence stretches from the state of Hawai'i west through the freely associated states to Guam and the Northern Marianas.

It is hardly surprising that the phenomenon of our own age—the rise of China—should have re-alerted external states to their strategic positions in the region, especially given that Pacific Island states are claiming a new independence in foreign policy and diplomatic alignment (Fry 2019:276–303). Such a reassessment is particularly true of the United States in evaluating its strategic position in Micronesia.

Among the freely associated states, the FSM is where China matters most. China was one of the first countries to recognise the FSM after it gained independence and, in 1989, the FSM was among the first Pacific Island countries to recognise China. Since then, and increasingly in recent years, Chinese development assistance to the country has resembled that in other parts of the Pacific Islands, including an agricultural pilot farm in Pohnpei, bridges in Pohnpei and Kosrae, a high school in Kosrae, the new state office buildings complex and road upgrades in Chuuk, a gymnasium, a cargo vessel, an aircraft and a stream of scholarships for young Micronesians to study in China (Ministry of Foreign Affairs of the People's Republic of China 28 May 2019). Projects of this kind offer work to Chinese companies such as the Sichuan Road and Bridge Group Corporation, which built the Okat Bridge in Kosrae. China has also contributed to the FSM Trust Fund, which is supposed to give it financial independence by 2023. At the same time, Chinese companies are major players in the vast fisheries of the FSM, and have attempted—though so far with little success—to develop a major tourist industry in Yap. In return, the FSM is committed to the One China policy, signed up to the Belt and Road Initiative and sends representatives to the annual Belt and Road Forums.

From the official American point of view, the steady expansion of China's commercial and aid presence in the Micronesian region is a strategic threat demanding to be countered in the United States' national interest.

Author notes

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