

DOC HASTINGS, WA
CHAIRMAN
DON YOUNG, AK
JOHN J. DUNCAN, JR., TN
LOUIE GOHMERT, TX
ROB BISHOP, UT
DOUG LAMBORN, CO
ROBERT J. WITTMAN, VA
PAUL C. BROUN, GA
JOHN FLEMING, LA
MIKE COFFMAN, CO
TOM McCLINTOCK, CA
GLENN THOMPSON, PA
JEFF DENHAM, CA
DAN BENISHEK, MI
DAVID RIVERA, FL
JEFF DUNCAN, SC
SCOTT R. TIPTON, CO
PAUL A. GOSAR, AZ
RAÚL R. LABRADOR, ID
KRISTI L. NOEM, SD
STEVE SOUTHERLAND II, FL
BILL FLORES, TX
ANDY HARRIS, MD
JEFFREY M. LANDRY, LA
JON RUNYAN, NJ
BILL JOHNSON, OH
MARK AMODEI, NV

TODD YOUNG
CHIEF OF STAFF

U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

EDWARD J. MARKEY, MA
RANKING DEMOCRATIC MEMBER
DALE E. KILDEE, MI
PETER A. DeFAZIO, OR
ENI F.H. FALOMVAEGA, AS
FRANK PALLONE, JR., NJ
GRACE F. NAPOLITANO, CA
RUSH D. HOLT, NJ
RAÚL M. GRIJALVA, AZ
MADELEINE Z. BORDALLO, GU
JIM COSTA, CA
DAN BOREN, OK
GREGORIO KILIJI CAMACHO SABLÁN, CNMI
MARTIN HEINRICH, NM
BEN RAY LUJÁN, NM
JOHN P. SARBANES, MD
BETTY SUTTON, OH
NIKI TSONGAS, MA
PEDRO R. PIERLUISI, PR
JOHN GARAMENDI, CA
COLLEEN W. HANABUSA, HI
PAUL TONKO, NY

JEFFREY DUNCAN
DEMOCRATIC STAFF DIRECTOR

Opening Statement by
The Honorable John Fleming
Chairman, Subcommittee on Fisheries, Wildlife, Oceans and Insular Affairs
At the Legislative Hearing on H.R. 6040 and H.R. 6147
Monday, September 10, 2012

Good afternoon. Today we are holding a legislative hearing on H.R. 6040, the *Continued Free Association with Palau Act of 2012*, and H.R. 6147, the *Ronald Wilson Reagan Exclusive Economic Zone of the United States*.

H.R. 6040 was introduced by Congressman Donald Manzullo, Chairman of the House Foreign Affairs Subcommittee on Asia and the Pacific. His legislation would implement the 15-year review that was conducted pursuant to Section 432 of the Compact. The Foreign Affairs and Natural Resources Committee's share jurisdiction over this issue. This Committee's oversight responsibilities cover the Department of the Interior's role in implementing the Compact's funding provisions.

It's been a long road in getting to this point to have a hearing on this issue. The Administration forwarded a proposal to Congress in January of 2011. While the Administration's draft bill was not introduced in the House, the intent of it and H.R. 6040 are the same - implementation of the 15-year review agreement signed by the U.S. and Palau.

The Compact with Palau went into effect in 1994. The first 15-year review was scheduled for 2009, but was delayed due to the transition between the Bush and Obama Administrations. The renegotiated agreement was signed by both parties in September of 2010.

Under the Compact, Palau is self-governing, conducts its own foreign affairs and regulates its domestic and foreign communications. The Compact gives the U.S. full authority and responsibility for security and defense matters relating to Palau. As a member of the House Armed Services Committee, I am familiar with Administration's pivot to Asia, the current concerns within the region and how the Compact provides the U.S. with options for forward positioning of military assets in the region.

The Compact also provides financial assistance, direct economic assistance, and access to federal programs to Palau. While the proposed financial package of \$215 million is substantially less than the \$852 million provided to Palau in the first 15-year period of the Compact, it is funding that will need to be fully offset as required by the Rules of the House. H.R. 6040 as introduced

included some offsets for the mandatory funding. At the Asia and the Pacific Subcommittee markup, these offsets were replaced with an offset which would allow the Secretary of State to deny passports to individuals with tax debts over \$50,000. It is my understanding that this offset may not work as drafted and an alternative approach may be necessary.

I am interested to hear from the Administration witnesses to see if they can recommend any new offset proposals. The previously recommended offsets regarding “net receipts sharing” of energy and mineral receipts, coal mining reforms and fees on nonproducing oil and gas leases are not acceptable to either the House or Senate Committees.

Today’s hearing is an important opportunity to discuss the Palau Compact and provide Members with information on the benefits of the agreement to the United States and the Republic of Palau.

The second bill we will examine is H. R. 6147, introduced by the Chairman of the Committee on Oversight and Government Reform, Congressman Darrell Issa of California.

This proposal will designate our Exclusive Economic Zone as the Ronald Wilson Reagan Exclusive Economic Zone of the United States. This is a fitting tribute to our 40th President who established our 200-mile zone by signing a Presidential Proclamation on March 10, 1983.

Ronald Reagan was one of our nation’s greatest Presidents. As someone who grew up during the darkest days of the Cold War, I will always be grateful that because of his “Peace through Strength” Doctrine, the Cold War ended and the Soviet Union collapsed.

President Reagan was also responsible for proposing the largest tax cut in our nation’s history and when he left office in 1989, our national debt was \$2.6 trillion. Today, it is eight times higher and it has increased more than \$5 trillion during just the last four years.

While some may characterize this designation as trivial, I strongly disagree and I am pleased to support this effort. I compliment the gentleman from California for his leadership on behalf of a great American patriot who was fond of telling us that America was truly that “Shining City Upon a Hill.”