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**Opening Statement of**  
**Chairman John Fleming**  
**Subcommittee on Fisheries, Wildlife, Oceans and Insular Affairs**  
**On Tuesday, January 07, 2014**  
**1324 Longworth House Office Building**

**Oversight Hearing on "The United States Government Accountability Office September 2013 Report - Compact of Free Association Micronesia and the Marshall Islands Continue to Face Challenges Measuring Progress and Ensuring Accountability (GAO-13-675)"**

Good Afternoon. Today we will be discussing a report issued by the United States Government Accountability Office (GAO) released in September 2013, titled - COMPACT OF FREE ASSOCIATION MICRONESIA AND THE MARSHALL ISLANDS CONTINUE TO FACE CHALLENGES MEASURING PROGRESS AND ENSURING ACCOUNTABILITY.

The United States has a long history with both the Federated States of Micronesia and the Republic of the Marshall Islands going back to the 1940's and World War II. The relationships have evolved over time and in a similar fashion so have the Compacts of Free Association binding our countries together.

The Compact agreements outline the separate relationships between the United States and Micronesia and the United States and the Marshall Islands. The Compact agreements strive to support development in the two countries and allow the United States to have defense rights in the region.

The September 2013 GAO report reviews progress made to implement the 2003 Compact amendment provisions to ensure accountability in the use of compact funding. The report outlines challenges that have occurred over the years and how the three countries working through the economic committees have tried to address the challenges through the use of single audits, decrement planning documents and improving data collection.

The report shows that while improvements have occurred, there is room for additional improvements, specifically with data collection and budget planning efforts. The report also makes recommendations for each of the countries and there appears to be agreement to plan for the termination of grant funding in 2023, to improve data collection needed to assess progress in reaching the goals for education and health programs, and to implement

single audit findings in a timely manner as well as other actions to prevent and deter fraud, waste and abuse.

I look forward to hearing from our witnesses. I now will recognize our Ranking Member Mr. Sablan for his opening statement.