



The Marshall Islands, above, Micronesia and Palau have free-association compacts with the U.S. HOLLIE ADAMS/REUTERS

Pacific Islands Reflect Potential U.S. Deal

Agreements with three tiny nations have benefited both sides, but hold risks

BY MIKE CHERNEY

Over the past 40 years, the U.S. has sent billions of dollars to three remote island nations in the Pacific. In return, the U.S. got access to important military sites in a region where Washington is now competing with Beijing for influence.

U.S. officials have floated the idea of exploring a similar arrangement, known as a compact of free association, for Greenland, the Danish-controlled island President Trump says he wants to acquire for national-security purposes.

The main obstacle isn't whether this model is feasible, some former U.S. officials and analysts said, but whether Greenlanders would want it. For now, Greenland's leaders say they want to stick with Denmark, and polling shows that most Greenlanders don't want to join with the U.S.

Greenland's size doesn't appear to be a problem. Its population of roughly 57,000 is smaller than the Federated States of Micronesia, one of the freely associated island nations in the Pacific, which a recent census showed had some 73,000 people, according to an Asian Development Bank report. Though made up of tiny islands, Micronesia's exclusive economic zone is larger than Greenland's because it stretches over a vast area of ocean.

Micronesia and the other two freely associated states, the Marshall Islands and Palau, are technically independent but have negotiated their own compacts with the U.S. They get economic assistance from the U.S. and access to certain

federal programs. Their citizens can live and work in the U.S. and join the U.S. military. In return, Washington is in charge of defense.

The agreements have helped lift the island nations' economies and preserved exclusive U.S. military access to the islands. According to one tally from the Congressional Research Service, the U.S. provided more than \$6 billion to the three nations through the 2023 fiscal year. An additional \$7.1 billion will be provided across the next 20-year term, under a renewal of the compacts' economic provisions Congress approved in 2024.

On the military front, the U.S. is building a radar system in Palau, operates a missile range in the Marshall Islands and is upgrading infrastructure in Micronesia.

"Overall, they deliver a lot of benefits for those Pacific signatories, as well as for the United States," Mihai Sora, director of the Pacific Islands program at the Lowy Institute think tank and a former Australian diplomat, said of the compacts. The recent renewal is "strong evidence that both sides of those agreements see a lot of enduring value."

But not everything has gone smoothly. During the latest round of negotiations to renew the agreements, tensions arose around costs for the U.S. Postal Service, which operates in the islands, and whether the Marshall Islands should get more aid for the lingering effects of Cold War-era nuclear tests.

Efforts to improve services to U.S. military veterans in the three nations have been choppy. A trust fund to help islanders displaced because of the U.S. nuclear tests was drained by local leaders, prompting questions from U.S. lawmakers. And the ability to move to the U.S. has fueled rapid rates of migration—some 94,000 citizens of the three states live in the U.S., including children born in the U.S.

Some experts point out that the political context for a compact with Greenland is different than it was in the Pacific. The international community, through the United Nations, placed the islands under U.S. administration after World War II. Decades later, the nations voted in referendums to enter into the compacts with the U.S. Today, Denmark, a U.S. ally and North Atlantic Treaty Organization founding member, oversees Greenland's defense and provides substantial funding to the island. The U.S. has military access to Greenland.

"In the abstract, could it work? Sure," Robert Riley, a former U.S. ambassador to Micronesia, said of a free association agreement with Greenland. "In the real world? No, I don't think it would work at all."

The compacts can be a double-edged sword. Having a close association with the U.S. makes the islands more of a target for Beijing's influence operations, which use so-called gray-zone tactics rather than overt military moves. That could be a downside for Greenland if it moves closer to Washington.

Free association "may serve to further escalate that strategic competition between the U.S. and China, or between the U.S. and Russia," said Sora of the Lowy Institute.

In Palau, local officials have warned about Chinese influence efforts and organized crime linked to Chinese nationals. They have said Chinese interests are leasing property near U.S. military sites. China has used trade as a coercion tool, sometimes stopping the flow of Chinese visitors to the island, to pressure the tourism-dependent country to end its recognition of Taiwan.

One hurdle to persuading Greenland to sign on to free association could be Trump's adversarial approach. Administration officials have suggested military force is an option to get Greenland, though this could be a negotiating tactic.

Alan Tidwell, director of the Center for Australian, New Zealand and Pacific Studies at Georgetown University, said talks should focus on independence. That would allow Greenland to decide if it wants to negotiate free association with the U.S. or another country.

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