

RONGELAP RESETTLEMENT ACT OF 1999

OCTOBER 20, 1999.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Resources,
submitted the following

REPORT

[To accompany H.R. 2970]

[Including cost estimate of the Congressional Budget Office]

The Committee on Resources, to whom was referred the bill (H.R. 2970) to prescribe certain terms for the resettlement of the people of Rongelap Atoll due to conditions created at Tongelap during United States administration of the Trust Territory of the Pacific Islands, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of H.R. 2970, the Rongelap Resettlement Act of 1999, is to prescribe certain terms for the resettlement of the people of Rongelap Atoll due to conditions created at Rongelap during United States administration of the Trust Territory of the Pacific Islands, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

Rongelap Atoll is one of four atolls in the Marshall Islands which were contaminated by high level radiation due to nuclear testing during the time the islands were administered as a trust territory by the United States. The total estimated cost for radiological rehabilitation of Rongelap Island and resettlement of the Rongelap community at Rongelap was estimated in 1995 at approximately \$90 million. This estimate was presented to the Committee on Resources by qualified engineers who developed the resettlement plan for Rongelap under a contract supervised by the Department of the Interior, and on the basis of independent scientific recommenda-

tions for remediation of radiological conditions at Rongelap confirmed by the Department of Energy and the National Academy of Science.

The process through which the Rongelap Resettlement Program has been developed, approved and implemented under the oversight of the Committee on Resources was first authorized in 1986 under Section 103(i) of Public Law 99-239, implementing the Compact of Free Association with the Marshall Islands. Congress expressed its clear intent in that provision that additional actions might be necessary to insure that the atoll was suitable for habitation:

It is the intent of Congress that such steps (if any) as are necessary to restore the habitability of Rongelap Island and return the Rongelap people to their homeland will be taken by the United States in consultation with the Government of the Marshall Islands and . . . the Rongelap local government council.

Rongelap's resettlement and radiological rehabilitation has been funded through a trust fund mechanism established by Congress in 1991 under Public Law 102-154 (105 Stat. 1009). However, in 1996, in lieu of appropriation of the full amount of \$90 million, under section 118(d) of Public Law 104-134, Congress adopted a policy of funding Rongelap resettlement at a lower cost to taxpayers by contributing to the trust fund lesser amounts and encouraging methodical and cost-effective resettlement. A total of approximately \$40 million has been appropriated to date, with the understanding that the Rongelap Atoll local government would be responsible for prudential management of the assets of the trust fund to implement the resettlement plan.

The lower trust fund level requires that the pace of the resettlement program must be controlled and that the local government must establish priorities for each element of a phased program of resettlement projects, so that the depletion of the trust fund assets will be at least partially offset by income from investment of the trust fund. The objective is to enable the people of Rongelap, acting through their local constitutional process, to manage their own affairs and the resettlement process itself to the greatest extent possible. For this to occur, it is necessary to ensure that the local government has the institutional capabilities and the resources to administer and manage the resettlement program.

Consistent with this policy, under Section 118(d) of Public Law 104-134, Congress accepted the resettlement plan developed by the Rongelap Atoll local government and provided for contributions to the trust fund by federal agencies, including the Department of Defense and the Department of the Interior, which brought the U.S. contribution up the \$40 million level. In both Public Law 102-154 and Public Law 104-134 Congress required that the use of trust fund assets be in accordance with agreements between the Rongelap Atoll Local Government Council (RALGOV), the Republic of the Marshall Islands (RMI) and the Department of the Interior, and that all distributions and use of such funds be subject to disapproval of the Secretary of the Interior.

Congress expressly required the President to establish an agreement to govern the resettlement process as intended by Public Law

104–134. In fulfillment of that requirement, on September 19, 1996, the Secretary of the Department of the Interior acting on behalf of the President, entered into an “Agreement Regarding United States Assistance in the Resettlement of Rongelap Concluded Between the United States Department of the Interior and Rongelap Atoll Local Government” (see Appendix A). The agreement, as amended, is comprehensive, including provisions for resettlement, radiological rehabilitation of the islands, reconstruction, as well as community recovery and reunification programs.

The entire principle of the trust fund and at least 50 percent of the annual income (interest and earnings) are dedicated to the island rehabilitation, reconstruction and resettlement support programs at Rongelap Island. An amount not to exceed 50 percent of the annual income is made available to the Rongelap Atoll local government to manage and administer the resettlement program through the local government structure. This enables the local government to carry out community recovery programs and address the needs of the Rongelap people through local government services, and support efforts which are currently dispersed over an oceanic area almost as large as the state of Arizona, including at Majuro, Ebeye and the desolate island of Mejjatto in Kwajalein Atoll.

While the entire agreement has no expiration date, the provision for the annual budget process with the local government terminates at the end of five years unless otherwise provided by Congress. Aware of the potential disruption that would occur if the agreement was changed or the budget provision was allowed to lapse, the Rongelap Atoll Local Government Council approved Resolution Number 99–10 on July 9, 1999, expressing support for continuation of the 1996 Rongelap Resettlement Agreement in federal law. This resolution was transmitted to the Committee on Resources by the RMI national government on July 12, 1999 (see Appendix B).

It is the expiring provisions of the 1996 agreement which have enabled the Rongelap Atoll local government to manage the resettlement program successfully. Congressional policy for the resettlement, as prescribed in Public Law 104–134 and involving the Atoll’s local government, has proven very successful. Community recovery as well as island rehabilitation and reconstruction projects have exceeded all expectations and predictions for success since Congress initiated the Rongelap recovery project under the trust fund agreement dated May 13, 1992, as amended, concluded pursuant to Public Law 102–154 (see Appendix C).

If the current arrangement was permitted to terminate next year, a resettlement administering authority that would essentially duplicate the local government would have to be established and funded to organize and mobilize the community for resettlement, a process that will take at least ten years to complete. Thus, in addition to ratifying the approach taken by the Interior Department in implementing the 1996 resettlement agreement to date, this legislation ensures Rongelap local government funding provisions are extended for the next ten years.

The Committee has received information regarding the implementation of the resettlement program from the Department of the

Interior, the RMI national government, and the Rongelap Atoll local government, both through the process of routine oversight and during the Committee's oversight visit to the Marshall Islands on February 20 and 21, 1999, as well as the briefing and hearing on the effects of the nuclear testing which the Committee conducted on May 10 and 11, 1999. As a result, the Committee concludes that the Rongelap resettlement process to be proceeding in a satisfactory and successful manner.

The Department of the Interior has been charged to carry out the policy of Congress embodied in Public Laws 99-239, 102-154 and 104-134, to provide for resettlement and radiological rehabilitation of Rongelap, including specific resettlement construction projects. Congress also intended to promote the development at the local government level of the institutional capacity to manage the resettlement program under the local constitution and laws. The devolution of authority from the Office of Insular Affairs, Department of the Interior in Washington, D.C., to the Rongelap Atoll local government and the RMI national government, represents an historic model for success in promoting recovery from the nuclear testing program for an island community in the RMI.

In addition to the infrastructure construction projects at Rongelap itself which are making radiological remediation possible, the political and cultural infrastructure of the Rongelap people also is being rebuilt through this process. This has required that the Department of the Interior, the RMI and the local government agree on terms for administration of the trust fund under Public Law 102-154 and implementation of the resettlement program agreement under Public Law 104-134 that are consistent with but not expressly set forth in those public laws.

This includes the previously referenced agreements under which up to 50 percent of the income from the trust fund has been distributed to the Rongelap Atoll local government so that it has the resources and the administrative capability to operate out of the City Hall and Resettlement Program Headquarters in Majuro to provide local government services and support resettlement in an effective manner. Originally there was a \$500,000 annual cap on the amount available to the local government, but this was when the trust fund assets were less than \$7 million. In more recent years as the corpus has grown, the Department of the Interior has agreed to increased allocations for local government administration of the program within the overall 50 percent cap.

Without this arrangement, including the ability to meet administrative costs of local government operations necessary to support resettlement, the Rongelap community could never have taken responsibility for the resettlement program and made it their own. It would have been something done by the United States for them, and there would have been frustration and mistrust in all probability. Instead, the allocation of resources to operate the resettlement program through the local government made the difference between the present successful program and what might well have been another less than satisfactory result. It is significant that the organic instruments authorizing the entire resettlement program now taking place include RALGOV Resolution 95-20, approving the overall resettlement plan (Appendix D).

In addition, the policy of implementing resettlement through the local government has promoted economy and efficiency by eliminating the need to establish a separate agency or authority to manage resettlement. In addition, the Department of the Interior has been able to work closely with the local government to improve bookkeeping, financial management controls and open transparent budget processes that have strengthened local self-government and will continue to do so in the future. This is an important goal behind Public Law 102-154 and Public Law 104-134.

The lesson of the Rongelap resettlement program is that enabling the local community to take responsibility and manage its own affairs within the framework of policy defined by Congress can be the best way to accomplish U.S. policy goals. Similarly, the history of U.S. programs in the islands of the former trust territory is that micro-management by federal officials entangles the U.S. in internal matters and prevents the island peoples from being enabled to manage their own affairs. This too often has led to disavowal of the results by both the U.S. and the islanders when there are problems, as well as liability for the U.S. in some cases.

Thus, the most important U.S. role is to ensure federal funds are subject to adequate internal controls and sound financial management, which the Department of the Interior has done by helping the Rongelap local government transform a dysfunctional internal budget process into a fiscal operation which meets government accounting standards. In addition, the Secretary of the Interior has final authority to disapprove the use of trust fund assets, but experience shows that power should only be used to ensure funds are spent responsibly and for purposes that advance resettlement.

In the case of Rongelap, giving the local government some authority and discretion has resulted in a more aggressive resettlement schedule than the United States could have anticipated, and the actual construction projects are ahead of schedule. In addition, the local government is using trust fund assets for matching fund projects with the Department of Energy and the RMI government to accelerate resettlement.

Through enactment of H.R. 2970, the Committee supports long-term continuity of the current policy and practice for carrying out the resettlement program through the local government. The Secretary is specifically charged with the responsibility to disapprove expenditures that are formally determined not to effectively advance resettlement. However, the local government's management and annual planning for the resettlement process is not subject to disapproval that is merely subjective, as that would cause the disruption of a successful program.

COMMITTEE ACTION

H.R. 2970 was introduced on September 29, 1999, by Congressman Don Young (R-AK) and cosponsored by Congressman George Miller (D-CA). The bill was referred to the Committee on Resources. The Committee previously conducted an oversight visit to the Marshall Islands on February 20 and 21, 1999, and met leaders and members of the Rongelap Community in Majuro and Kwajalein concerning the resettlement and radiological rehabilitation process. The Committee also held a hearing in Washington, D.C., on May

11, 1999, and considered the report by the representatives of the Rongelap Atoll local government regarding the progress and success of the Rongelap Resettlement program. The Administration testified as to the success of Rongelap's resettlement based on the September 16, 1996, Rongelap Resettlement Agreement between the Secretary of the Interior and the Marshall Islands and the Rongelap Atoll local government.

On October 6, 1999, the Full Resources Committee met to consider the bill. No amendments were offered and the bill was then ordered favorably reported to the House of Representatives by voice vote.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Resources' oversight findings and recommendations are reflected in the body of this report.

CONSTITUTIONAL AUTHORITY STATEMENT

Article IV, section 3 of the Constitution of the United States grants Congress the authority to enact this bill.

COMPLIANCE WITH HOUSE RULE XIII

1. *Cost of Legislation.*—Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs which would be incurred in carrying out this bill. However, clause 3(d)(3)(B) of that Rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974.

2. *Congressional Budget Act.*—As required by clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974, this bill does not contain any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

3. *Government Reform Oversight Findings.*—Under clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee has received no report of oversight findings and recommendations from the Committee on Government Reform on this bill.

4. *Congressional Budget Office Cost Estimate.*—Under clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for this bill from the Director of the Congressional Budget Office:

U.S. CONGRESS,
 CONGRESSIONAL BUDGET OFFICE,
 Washington, DC, October 15, 1999.

Hon. DON YOUNG,
 Chairman, Committee on Resources,
 House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 2970, the Rongelap Resettlement Act of 1999.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is John R. Righter.

Sincerely,

BARRY B. ANDERSON
 (For Dan L. Crippen, Director).

Enclosure.

H.R. 2970—Rongelap Resettlement Act of 1999

H.R. 2970 would extend by 10 years certain provisions of a 1996 agreement between the Department of the Interior and the local government of the Rongelap Atoll. The agreement provides and oversees the use of federal assistance in resettling the people of Rongelap, who were displaced from their island as a result of the U.S. government's testing of nuclear weapons in the Marshall Islands during the 1950s. (The Rongelap Atoll is part of the Marshall Islands, a country that entered into a compact of free association with the United States in 1986.)

The bill would allow the local government to continue using a portion of the earnings from the Rongelap Resettlement Trust Fund to provide food and shelter to the Rongelap people during their period of dislocation and to cover certain administration expenses. Although the federal government has imposed restrictions on how the monies appropriated into the trust fund (which has already been counted as outlays) can be used, the funds belong to the people of Rongelap and thus are nonfederal. Consequently, enacting the bill would have no impact on the federal budget. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

H.R. 2970 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments. Enactment of this legislation would benefit the local government of the Rongelap Atoll.

The CBO staff contact is John R. Righter. This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

COMPLIANCE WITH PUBLIC LAW 104-4

This bill contains no unfunded mandates.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

This bill is not intended to preempt any State, local or tribal law.

CHANGES IN EXISTING LAW

If enacted, this bill would make no changes in existing law.

APPENDICES

- A. Rongelap Resettlement Agreement, as amended.
- B. RMI transmittal of RALGOV Resolution 99-10.
- C. 1992 Resettlement Trust Fund Agreement, as amended.
- D. RALGOV Resolution 95-20, Approving the Resettlement Plan.

APPENDIX A

AGREEMENT REGARDING UNITED STATES ASSISTANCE
IN THE RESETTLEMENT OF RONGELAP
CONCLUDED BETWEEN
THE UNITED STATES DEPARTMENT OF THE INTERIOR
AND
RONGELAP ATOLL LOCAL GOVERNMENT

Section 1. The United States agrees to provide forty-five million dollars (\$45,000,000) to assist the people of Rongelap in the resettlement of Rongelap, subject to the terms of this agreement and appropriation by the United States Congress of any portion of such amount not already appropriated and currently available as of the date this agreement is executed, and to include earnings generated from investment of the Rongelap Resettlement Trust Fund to the extent such additional funds are not otherwise provided. Such assistance shall be allocated in support of two phases of resettlement activities as follows:

Phase I. Initial measures to implement recommendations in the final report of Rongelap Resettlement Project Scientific Management Team with respect to radiological rehabilitation of Rongelap, risk mitigation, and commencement of resettlement, including but not limited to contracting for engineering and construction services required to establish physical infrastructure, scientific program and monitoring, facilities and services to support resettlement project teams, visitation and initial residency by returnees. The specific activities and objectives of the Phase I program shall be as set forth in Appendix A and detailed in a project management plan and budget.

Phase II. Long-term resettlement program for the people of Rongelap including additional: importation of food, construction of housing, communications, transportation and community facilities, scientific monitoring and radiological rehabilitation and other resettlement activities consistent with the official resettlement plan approved by the Rongelap Atoll Local Government Council on March 9, 1995 (RALGOV Res. 95-20). Phase II costs will be financed from the Rongelap Resettlement Trust Fund including earnings described in section 2(c).

Section 2. Funding shall be provided to assist in the resettlement of Rongelap as follows:

(a) The amount of eight million dollars (\$8,000,000) shall be allocated for Phase I projects and activities and administered as a grant by the Department of the Interior, to be matched with twenty million, one hundred fifty-three thousand, five hundred dollars (\$20,153,500) from the Rongelap Resettlement Trust Fund and expended in accordance with a budget and project management plan prepared by the Rongelap Atoll Local Government and the Department of the Interior's Office of Insular Affairs. All such grant assistance shall be subject to the provisions of Chapter 43, Code of Federal Regulations, Section 12.

(b) Based upon current United States statutory and budget authority, the Department of the Interior shall deposit twenty million, four hundred forty thousand dollars (\$20,440,000) in the Rongelap Resettlement Trust Fund and combined with the current balance of approximately eleven million, three hundred thousand dollars (\$11,300,000) dollars for use in accordance with the terms and purposes of the trust and sections 2(a) and 2(c) of this agreement.

(c) The additional amount of five million, three hundred thousand (5,300,000) dollars required to provide the full amount referred to in Section 1 will be obtained through prudential management of the Rongelap Resettlement Trust Fund or appropriation of such additional funds by the United States Congress. The Department of the Interior is not obligated to request additional appropriations. The additional five million, three hundred thousand dollars (\$5,300,000) or other amounts as determined by the Congress shall be administered through the Rongelap Resettlement Trust Fund for use in support of Phase II activities.

(d) All unobligated funds of the former Rongelap Resettlement Project, provided by appropriations in Public Laws 102-154 and 103-332, shall remain available in accordance with the purposes for which such funds were appropriated, including completion of the scientific studies and related work required to determine the feasibility and methodology for radiological rehabilitation of Rongelap, or otherwise to assist in the resettlement of Rongelap in a manner agreed by RALGOV and the Department of the Interior.

Section 3. In accordance with Amendment No. 3 to the Rongelap Resettlement Trust Fund Agreement approved by RALGOV Council pursuant to Resolution 95-36 on June 6, 1995, the trustee shall make annual distributions of income (interest and earnings) not to exceed fifty per centum (50%) of such income, or five hundred thousand dollars (\$500,000), whichever is less, for the purpose of meeting the requirements of the people of Rongelap for food, shelter and other community development needs arising during the period of their dislocation and in furtherance of the resettlement process, and to meet administrative expenses associated with resettlement to the extent such assistance is not prohibited by applicable agreements or United States law. Unless extended by agreement of the Secretary of the Interior or applicable law, the authority to make disbursements pursuant to this section shall terminate at the end of fiscal year 2000.

Section 4. The parties to this agreement confirm their intention that funds provided under this agreement or the Rongelap Resettlement Trust Fund will be subject to the provisions of Article V of the Compact of Free Association Section 177 Agreement. The terms of this agreement are in fulfillment of, and shall be implemented in accordance with, Section 103(i) of United States Public Law 99-239, United States Public Law 102-154, and the 1992 memorandum of understanding establishing the Rongelap Resettlement Project. This agreement shall not be construed to extinguish or determine any rights or claims which Rongelap or persons who are Rongelapese may otherwise have under the Section 177

Agreement, including Article IV thereof. Nothing in this agreement shall be construed to preclude Rongelap from receiving additional payments from the United States in the future pursuant to Article IX of the Nuclear Claims Agreement concluded pursuant to Section 177 of the Compact of Free Association.

Section 5. Nothing in this agreement shall be construed to bar future additional assistance which the United States may in its discretion determine to provide to the people of Rongelap for resettlement or any other purpose. In the event that the United States provides funds for resettlement assistance to Rongelap in amounts which exceed the amounts specified in Sections 1 and 2, such additional funds shall be deposited in the Rongelap Resettlement Trust Fund for use in accordance with the terms and purposes thereof, unless otherwise provided by the Congress, and all funds provided for resettlement shall be administered in accordance with this agreement to the extent applicable, subject to the terms and conditions, if any, prescribed by the United States under applicable law.

Section 6. In accordance with Section 118(d) of Public Law 104-134 (April 26, 1996):

(a) All contributions to Rongelap resettlement pursuant to this agreement from any Federal source are a full and final settlement of all obligations of the United States to assist in the resettlement of Rongelap Atoll pursuant to Section 103(i) of United States Public Law 99-239, and such funds will be expended solely on resettlement activities and will be properly accounted for and audited.

(b) In order to provide such contributions in a timely manner, each Federal agency providing assistance or services, or conducting activities, in the Marshall Islands, is authorized to make funds available through the Secretary of the Interior to assist in the resettlement of Rongelap.

(c) Nothing in this agreement shall be construed to limit the provision of ex gratia assistance pursuant to Section 105(c)(2) of the Compact of Free Association Act of 1985 (Public Law 99-239, 99 Stat. 1770, 1792), including for individuals choosing not to reside at Rongelap, except that no such assistance for such individuals may be provided until the Secretary of the Interior notifies the Congress that the full amount of all funds necessary for resettlement at Rongelap has been provided.


Section 7. This agreement shall be executed and implemented in accordance with the following provisions:

(a) The Department of the Interior and the United States shall incur no obligation and shall not become responsible to make any payments under this agreement until such payments have been fully and finally authorized as required by applicable United States law and are currently available.

(b) Rongelap's agreements, undertakings, obligations and commitments under this agreement, including Section 6, shall become fully effective upon deposit in the Rongelap Resettlement Trust Fund of the amounts allocated for that purpose as set forth in Section 2(b) of this agreement, and thereupon both the United States and Rongelap shall be bound by the terms of this agreement.

(c) This agreement may be amended or terminated at any time by mutual agreement of the parties.

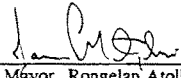
(d) This agreement governs the assistance program and activities of the United States with respect to the resettlement of Rongelap. The document entitled "Agreement between the Government of the United States, the Government of the Republic of the Marshall Islands and the Rongelap Atoll Local Government Regarding Resettlement of the Rongelap People" dated October 13, 1995, is replaced and deemed to be implemented by this agreement, which shall become effective upon signature by the Director of Insular Affairs, United States Department of the Interior, and the Mayor of Rongelap.


United States Secretary of the Interior

Date: September 19, 1996


Marshall Islands Ambassador to the United States

Date: September 19, 1996


Mayor, Rongelap Atoll Local Government

Date: September 19, 1996

Appendix A
Rongelap Resettlement Plan
Phase I: \$28,153,500

1. Wato survey of Rongelap, Jabwaan and Eneatok Islands
2. Temporary living facility
3. Inventory and review existing island structures, including temporary island shelters
4. Construction of staging area and clearing and grading roads
5. Providing island-to-island transportation (small boats)
6. Locating island cemeteries
7. Medium draft dock (concrete ramp, small boat area)
8. Water tanks
9. Central power plant and desalination facility at Rongelap
10. Central power plant and desalination facility at Eneatok
11. Fuel storage
12. Medical facility and dispensary
13. Schoolhouse¹ and council hall
14. Maintenance facilities
15. Public safety building
16. Warehouse
17. Marine-type communications system
18. Permanent field station
19. Mobilization and support transportation
20. Shipping and port handling
21. Rehabilitation clearing and fertilizing
22. Rehabilitation excavation
23. Rehabilitation coral² fill
24. Technical services program management
25. Fifty (50) residences (including cisterns)

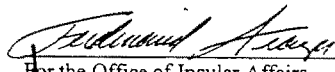
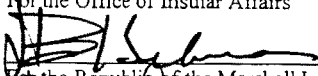
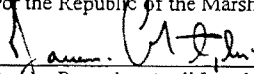
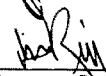
¹ Four (4) classrooms, offices, storage and indoor restrooms.

² The Office of Insular Affairs insists that, consistent with overall Federal policy, this coral be already non-living before its acquisition for this purpose.

Agreement on implementation of Section 2(a) of the "AGREEMENT REGARDING UNITED STATES ASSISTANCE IN THE RESETTLEMENT OF RONGELAP CONCLUDED BETWEEN THE UNITED STATES DEPARTMENT OF THE INTERIOR AND THE RONGELAP ATOLL LOCAL GOVERNMENT", dated September 19, 1996:

1. The Office of Insular Affairs and the Rongelap Atoll Local Government hereby agree that in accordance with Section 7(c) of the above-referenced agreement, Section 2(a) thereof is amended so that it can be implemented as follows:

(a) No later than October 1, 1997, RALGOV shall submit a plan and budget for the implementation and completion of the following Phase I projects to the Office of Insular Affairs for approval: Appendix A items 1-8, 21, 22, 23, as well as items 19 and 20 to the extent required to complete these specified items. In addition, the plan and budget shall provide for an up-grade of the existing airfield and installation of generators with desalination equipment. The plan will be based on an implementation schedule beginning by January 31, 1998 and completion of the specified activities by January 31, 2000. Upon award of the contract the amount of eight million, three hundred eighty-six thousand dollars (\$8,386,000) shall be deposited in the Rongelap Resettlement Trust Fund, such amount of the trust fund assets to be managed and accounted for separately by the trustee so that this amount and all interest and earnings attributable thereto shall be allocated for the Phase I projects and activities specified above. Costs associated with completion of these projects and activities in excess of \$8,386,000. shall be paid from the Rongelap Resettlement Trust Fund. All other Phase I and Phase II activities will be carried out in accordance with the terms and purposes of the Rongelap Resettlement Trust Fund.

 _____ For the Office of Insular Affairs	Date: <u>9/15/97</u>
 _____ For the Republic of the Marshall Islands	Date: <u>19 Sept. 1997</u>
 _____ For the Rongelap Atoll Local Government	Date: <u>15 Sept. 1997</u>
 _____ Senator Representing Rongelap Marshall Islands Nitijela	Date: <u>15 Sept 1997</u>

APPENDIX B



EMBASSY OF THE REPUBLIC OF THE MARSHALL ISLANDS

2433 Massachusetts Avenue, N.W.,
Washington, D.C. 20008
Tel. # (202) 234-5414
Fax # (202) 232-3236

July 12, 1999

The Honorable Don Young
Chairman
Committee on Resources
United States House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Enclosed is a copy of Resolution 99-10, adopted by the Rongelap Atoll Local Government on July 9, 1999. The Government of the Republic of the Marshall Islands supports the request of the Rongelap Atoll Local Government for approval by Congress of certain of the terms under which the resettlement process for Rongelap is being managed. Cooperation between the Department of the Interior, the RMI national government, and the Rongelap local government on resettlement has been exceptionally good. Statutory authorization for continuation of policies which are essential to the continued success of the resettlement program for Rongelap would serve the best interests of all parties.

Sincerely,

A handwritten signature in black ink, appearing to read "Banny deBrum".

for Banny deBrum
Ambassador

Attachment

CC: The Honorable George Miller, Ranking Member

RESOLUTION NO. 99-10
July 9, 1999

A
RESOLUTION
OF THE
RONGELAP ATOLL LOCAL GOVERNMENT COUNCIL

*"to express its support encouraging
the Congress of the United States to approve a statutory law
to sustain and ensure the continued success of the Rongelap Resettlement Program which has been
implemented by DOI, RMI, and RALGOV working cooperatively within enabling laws previously
promulgated by Congress and cited below"*

WHEREAS, on November 13, 1991, the United States Congress approved Public Law 102-154, providing for the establishment and funding of the Rongelap Resettlement Trust Fund, and expressly stating that the trust fund was "... to be used by the people of Rongelap under the terms and conditions as set forth in a trust agreement or amendment thereto approved by the Rongelap Atoll Local Government Council subject only to the disapproval of the Secretary of the Interior" (105 Stat. 1009); and

WHEREAS, pursuant to P.L. 102-154 the Republic of the Marshall Islands (RMI), the Rongelap Atoll Local Government (RALGOV) and the United States Department of the Interior (DOI) entered into a trust fund agreement and used assets of the trust fund to carry out a successful program of independent scientific research on radiological rehabilitation of Rongelap Island, as well as other islands in and near Rongelap Atoll which historically were part of the natural resources that sustained the Rongelapese way of life; and

WHEREAS, based on the findings and recommendations of the independent scientific team, which were confirmed by the U.S. Department of Energy and the U.S. National Academy of Science, provided the basis for development of a comprehensive plan for the radiological rehabilitation of Rongelap and resettlement of the Rongelap people in the RMI; and

WHEREAS, in 1995 the RMI, RALGOV and DOI approved the plan for the Rongelap resettlement program, and on April 25, 1996, Congress provided funding for implementation of that program pursuant to United States Public Law 104-134, which expressly states that the use of appropriated funds for the benefit of the people of Rongelap "... shall be contingent upon an agreement, satisfactory to the President ..." (Section 118(d)); and

WHEREAS, on September 19, 1996, the RMI, RALGOV and DOI entered into an agreement for implementation of the Rongelap resettlement program as authorized by Congress, pursuant to which a Phase I Project is now underway for restoration of civil government at Rongelap and implementation of the radiological rehabilitation program recommended by the independent scientific team so that resettlement can commence; and

WHEREAS, the Rongelap Resettlement Program is being accomplished ahead of schedule and at a rate of progress exceeding the most optimistic projections and represents a successful joint undertaking by the U.S. Congress, DOI, RMI and RALGOV to address the legacy of the nuclear testing program in the RMI; and

WHEREAS, on May 11, 1999, Rongelap Mayor James Matayoshi provided information and reports to the U.S. Senate Committee on Energy and Natural Resources and the U.S. House of Representatives Committee on Resources regarding the progress and success of the Rongelap Resettlement Program being carried out in accordance with the policy of Congress embodied in P.L. 102-154 and P.L. 105-134; and

WHEREAS, the trust fund agreement established pursuant to P.L. 102-154, as amended, and the resettlement implementation agreement concluded pursuant to Section 188(d) of P.L. 104-134, as amended, have proven to provide an effective legal framework and successful model for carrying out the policy of Congress to fund and manage resettlement of the People of Rongelap through the trust fund mechanism and resettlement program through the arrangements agreed upon by DOI, RMI and RALGOV as required by Congress,

NOW, THEREFORE BE IT RESOLVED BY THE RONGELAP ATOLL LOCAL GOVERNMENT COUNCIL that the Congress of the United States is requested to approve as statutory law such of the provisions of the Rongelap Resettlement Trust Fund Agreement established pursuant to P.L. 102-154, as amended, as well as provisions of the agreement concluded pursuant to Section 188(d) of P.L. 104-134, as amended, as Congress deems appropriate and necessary to sustain and ensure the continued success of the Rongelap Resettlement Program which has been implemented by DOI, RMI and RALGOV working cooperatively within the enabling laws previously promulgated by Congress and cited above.

BE IT FURTHER RESOLVED that the Mayor of Rongelap or his designee shall seek to consult with the Senate Committee on Energy and Natural Resources and House of Representatives Committee on Resources regarding which provisions of the resettlement trust fund agreement and resettlement implementing agreement should be considered for enactment as statutory law."

I certify that the Resolution No. 99- 10 was duly passed and adopted by the Rongelap Atoll Local Government (RALGOV) Council on the 9th day of July, 1999, in accordance with the Rongelap Atoll Local Government Constitution.

James Matayoshi
Mayor
M. K. Kahali
Clerk/Secretary

Date: 7-9-99

APPENDIX C

RESETTLEMENT TRUST FUND
FOR THE PEOPLE OF RONGELAP

This Trust Agreement is made this 13 day of May, 1992, by and between the Rongelap Atoll Local Government Council (the "Rongelap Council") for the benefit of the people of Rongelap, the Government of the Republic of the Marshall Islands ("RMI"), and the United States by and through the Secretary of the Department of the Interior (the "Secretary"), pursuant to the provisions of U.S. Public Laws Nos. 99-239 and 102-154;

WITNESSETH:

PREAMBLE

WHEREAS, the purpose of this Agreement is to implement the purposes of the United States Congress, as set forth in Public Laws Nos. 99-239 and 102-154, to the effect that a Resettlement Trust Fund for the People of Rongelap is to be created for receipt of funds which are to be used to assist in the resettlement of Rongelap Atoll by the people of Rongelap;

NOW THEREFORE, there shall be created this Resettlement Trust Fund Agreement:

I.

PARTIES

1.1 The Rongelap Atoll Local Government Council or its successor (hereinafter the "Rongelap Council") is a party to this Agreement.

1.2 The United States Government, acting by and through the Secretary or his designee, is a party to this Agreement.

1.3 The Republic of the Marshall Islands, by and through the Ministry of Foreign Affairs or its successor (hereinafter "RMI"), is a party to this Agreement.

II.

FUNDING

2.1 The Trust created hereunder shall consist initially of the sum of \$1,975,000.00, pursuant to the provisions of Public Law No. 102-154.

2.2 Additional sums may be added to the corpus of this Trust for the use and benefit of the people of Rongelap pursuant to future U.S. Congressional enactment and appropriation.

III.

SITUS OF TRUST, CHOICE OF LAW

3.1 The situs of this Trust shall be the jurisdiction of the principal office of the Trustee. The governing law of the Trust shall be the jurisdiction of the principal office of the Trustee.

IV.

DURATION AND TERMINATION OF THE TRUST

4.1 The Rongelap Council intends that this Trust be established solely to provide funds to assist in the resettlement of Rongelap Atoll by the people of Rongelap and for the benefit of those people of Rongelap residing on the island of Mejatto, in accordance with the provisions of this Agreement.

4.2 The Trust shall terminate when its purpose is fulfilled or as otherwise directed by the U.S. Congress.

V.

TRUSTEE AND INVESTMENT FUND MANAGER, FINANCIAL ADVISER

5.1 Subject only to the disapproval of the Secretary or his designee, the Rongelap Council shall appoint and employ pursuant to the terms of this Trust Agreement a Trustee. Subject to the disapproval of the Secretary or his designee, the Rongelap Council shall be empowered to remove any Trustee acting hereunder or to appoint or select a successor Trustee. Any Trustee hereunder may, for good cause, be removed by the Secretary or his designee by giving sixty (60) days written notice to the Trustee, the Rongelap Council, and RMI.

5.2 FLEET BANK of Maine, P.O. Box 923, Bangor,
Maine 04401, is hereby appointed as the initial Trustee and investment fund manager, to serve until such time as a successor Trustee may be appointed pursuant to the terms of this

Article or until termination of this Trust pursuant to Article IV, whichever shall first occur.

5.3 Upon the appointment of a successor Trustee, the resigning or removed Trustee shall transfer and deliver the Trust Fund and any such records pertaining thereto to the successor Trustee after reserving, as Trustee, such reasonable amount from the income of the Trust as he shall deem necessary to provide for his expenses in the settlement of the Trust account and the amount of any compensation due to him. Any such amounts so reserved by and eventually paid to the resigning or removed Trustee shall be subject to the approval of the Rongelap Council, the successor Trustee, and the Secretary or his designee.

5.4 The Trustee may resign his duties hereunder by filing with the Rongelap Council and the Secretary or his designee his written resignation. No such resignation shall take effect until sixty (60) days from the date said resignation is filed with the Rongelap Council unless prior thereto a successor Trustee shall have been appointed by the Rongelap Council and approved by the Secretary or his designee.

5.5 Subject to the disapproval of the Secretary or his designee, the Rongelap Council may select a financial adviser, who shall be duly registered under the Investment Advisers Act of 1940, 15 U.S.C. Sec. 80b-1 et seq., and who shall advise the Rongelap Council with respect to asset investment and allocation, ongoing performance of the Trust, and other matters

pertaining to the Trust. The financial adviser shall provide advisory services only to the Rongelap Council and shall not invest any assets of the Trust. The compensation of the financial adviser shall be paid as a charge against Trust corpus. The Rongelap Council shall be empowered to remove any financial adviser acting hereunder and, pursuant to this section, appoint a new financial adviser.

5.6 The Rongelap Council may, at some future date, elect to appoint one or more investment fund managers in addition to or in substitution of the Trustee for the investment of all or specific portions of the assets of the Trust, provided that no such election may be made during the first twelve (12) months of this Trust Agreement. Any such election shall be subject to the disapproval of the Secretary or his designee.

5.7 Pursuant to the provisions of Articles VII and VIII of this Trust Agreement, the Trustee shall maintain sole decision making authority and responsibility for all investment decisions with respect to Trust Fund assets under its management.

VI.

TRUST LIAISON AGENT

6.1 The Rongelap Council shall appoint a Trust Liaison Agent, who shall be the Mayor or a member of the Rongelap Council fluent in both Marshallese and English. The Rongelap Council shall be empowered to remove any Trust Liaison Agent

acting hereunder or to reappoint or select a successor Trust Liaison Agent.

6.2 The general duties of the Trust Liaison Agent shall be to review and to keep the Rongelap Council, RMI, and the Secretary or his designee informed about the investment and management of the Trust Fund and expenditures made therefrom.

6.3 The Trust Liaison Agent may resign by filing with the Trustee or the Rongelap Council his written resignation. No such resignation shall take effect until thirty (30) days from the date thereof unless prior thereto a successor Trust Liaison Agent shall have been appointed by the Rongelap Council.

6.4 The Trust Liaison Agent shall not be entitled to compensation for his services hereunder. The Trust Liaison Agent may, if provided by Rongelap Council Resolution, be entitled to reimbursement for reasonably incurred expenses related to his appointment. The Rongelap Council shall be responsible for the payment of such expenses.

6.5 No Trust Liaison Agent shall represent the Rongelap Council or the Rongelap people in any actual or threatened legal action, claim, suit or proceeding, before any court or before any legislative body, that is related in any way to the investment, management, administration, operation, or distribution of the Trust Fund created by this Agreement.

VII.

POWERS OF THE TRUSTEE IN THE INVESTMENT,
ADMINISTRATION, AND DISBURSEMENT OF THE TRUST FUND

7.1 With respect to the Trust, the Trustee shall have the following powers, in addition to and not in limitation of the powers granted or conferred by law, all of which shall be exercised in a fiduciary capacity:

(A) To make reasonable and prudent investments and reinvestments in such bonds, common or preferred stocks, money market funds, certificates of indebtedness, or other securities or property, real or personal, as he deems advisable, and including without limitation of the generality of the foregoing, in any common trust fund or funds, in the shares of any mutual investment fund or funds.

(B) To sell any property, at any time, held by the Trustee at either public or private sale for cash or on credit, to exchange such property, and grant options for the purchase or exchange thereof.

(C) To consent to and participate in any plan of reorganization, consolidation, merger, combination or other similar plan; to consent to any contract, lease, mortgage, purchase, sale or other action by any corporation pursuant to such plan and to accept and retain any property issued under any plan or reorganization even though it would not

be eligible as a new investment under the provisions of subdivision (A) of this section.

(D) To collect and receive any and all money and other property of whatever kind or nature due or owing or belonging to the Trust Fund and to give full discharge and acquittance therefor, and to extend for a reasonable period of time, the time of payment of any obligation at any time owing to the Trust Fund.

(E) To exercise all voting rights with respect to any investment held for the Trust and in connection therewith to grant proxies, discretionary or otherwise.

(F) To cause any security or other property to be registered or held in the name of one or more of its nominees or nominees of its securities depositories, or in the name of the Trustee, without disclosing any fiduciary capacity, and without increase or decrease of liability with respect to such security or other property so registered or held.

(G) To make distributions of Trust income, as set forth under Article IX, below.

(H) To retain one or more custodians for the purpose of holding funds, securities or any other Trust property.

(I) To employ, in connection with the fulfillment of the Trustee's powers as enumerated in this Article and subject to the approval of the Rongelap Council, agents, attorneys, accountants, brokers, investment counsel or

investment consultants, whether individuals or corporations, and to pay their reasonable compensation and expenses pursuant to the conditions set forth in Article IX, below.

(J) To allocate any receipts as between income and principal for the purpose of determining the amount of Trust income available for distribution. Trust income is defined as income earned on Trust assets plus net realized gains from the sale of assets. Net realized gain is the net value of realized gains less any realized losses from the sale or disposition of assets. For purposes of this clause, gain shall be defined as the amount realized on such a sale or other disposition less the basis of the asset for fiduciary accounting purposes.

(K) Generally, and without limitation by any specific enumeration herein, to manage, develop, control, operate, convert, reconvert, invest, sell, exchange, lease, mortgage, create a security interest in, pledge, pool, unitize, or otherwise encumber and deal with the property of this Trust, as any individual would have in respect of his own property and funds.

7.2 If the Trustee is acting as a successor Trustee with respect to the Trust, the Rongelap Council hereby agrees to hold the Trustee harmless from and against all claims, damages, actions, suits or other charges incurred by or assessed against it as successor Trustee as a result of any act or omission of a

predecessor Trustee or any investment adviser charged under any agreement affecting Trust assets or investment responsibility with respect to such assets.

VIII.

DUTIES OF THE TRUSTEE

8.1 The Trustee shall hold the corpus of the Trust, IN TRUST, for the use and benefit of the people of Rongelap pursuant to the provisions of Public Law No. 102-154. The Trustee shall, with respect to any and all monies and property at any time held by him and constituting a part of the Trust Fund, invest and reinvest in such investments as he shall deem appropriate, reasonable and prudent to carry out the purposes of the Trust as set forth under this Agreement.

8.2 The Trustee shall disburse Trust income or corpus only pursuant to the conditions set forth in Article IX, below.

8.3 Subject to the approval of the Rongelap Council, the Trustee shall annually purchase a security bond payable to the Trust in an amount sufficient to cover the income of the Trust. The cost of such security bond shall be paid from the Trust corpus.

8.4 The Trustee shall use reasonable and prudent care and reasonable and prudent diligence in the exercise of his powers and the performance of his duties as Trustee, including his investment powers and duties. The Trustee shall not be liable for any mistake of judgement or other action taken in good

faith, or for any loss, unless resulting from his own default or negligence; nor shall the Trustee be liable for any act or omission mandated by the process or final order of any court of appropriate jurisdiction.

8.5 The Trustee shall provide an annual report and account to the Rongelap Council and to the Secretary or his designee, within 120 days after the close of the Trust's fiscal year, on the investments and expenditures of the Trust Fund, reporting on the management of the Trust from year to year.

8.6 The Trustee shall permit the inspection and review of his/its books and records by the Rongelap Council, the RMI Auditor-General, or the Secretary or his designee.

8.7 The Trustee shall meet with the Rongelap Council at least once a year to report on the management of the Trust from year to year.

8.8 The Trustee shall be entitled to reasonable fees and expenses as compensation for his services as Trustee hereunder. Such fees shall be subject to the prior written approval of the Rongelap Council and the Secretary or his designee. Such fees and expenses shall be paid from Trust corpus pursuant to the terms of Article IX, below.

IX.

DISTRIBUTION OF TRUST INCOME AND CORPUS BY THE TRUSTEE

9.1 All proposed distributions of Trust income or corpus shall be for the use and benefit of the people of Rongelap

pursuant to the provisions of Public Law No. 102-154. Corpus and income may be expended for resettlement of Rongelap Atoll. Distribution in any amount to individuals for payments other than those delineated in this Agreement or P.L. 102-154 are not authorized. Additionally, during the first twelve months of this Trust the Secretary or his designee may approve expenditures from Trust corpus for the benefit of people of Rongelap residing on Mejjatto Island, Kwajalein Atoll, not to exceed \$493,700.00. Thereafter, projects benefitting the people of Rongelap residing on Mejjatto Island shall be funded from the income generated by the Trust corpus.

9.2 Upon the approval and at the request or instructions of the Rongelap Council, the Trustee shall in any fiscal year make distributions of income (interest and earnings) not to exceed \$100,000.00 per fiscal year as the Rongelap Council shall authorize for purposes within the statutory scope of the Trust. Annual distributions of income in excess of \$100,000.00 shall be governed by the provisions of Section 9.3 of this Article.

9.3 Upon the approval and at the request or instructions of the Rongelap Council, the Trustee shall in any fiscal year make distributions of income (interest and earnings) for the year in excess of \$100,000.00 or of corpus of any amount to such payee or payees as the Rongelap Council shall authorize with the written approval of the Secretary or his designee, save and to the extent as herein authorized pursuant to Article VIII, Sections 8.3 and 8.8.

9.4 Where the approval of the Secretary or his designee is by the terms of Article IX required with respect to expenditure and/or disbursement of Trust corpus or income, such approval shall not be unreasonably withheld.

X.

AMENDMENT

10.1 The Rongelap Council may amend this Agreement in writing at any time, subject only to the disapproval of RMI and the Secretary or his designee.

XI.

EFFECTIVE DATE

11.1 This Agreement shall take effect as of the date the Secretary or his designee has indicated his written approval, after having first been duly approved by the Rongelap Council and RMI.

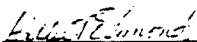
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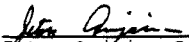
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12.1 In the event the Trustee is a party, or is threatened to be made a party, to any action, claim, suit or proceeding by reason of the fact that he is or was Trustee hereunder, the Trust shall indemnify and hold harmless the Trustee from any and all costs, expenses and attorneys' fees incurred by the Trustee with respect to such action, claim, suit or proceeding, except that no such indemnification shall be made where, in such

action, claim, suit or proceeding, it is determined by a court of competent jurisdiction (or it is admitted in settlement or compromise of the same) that he was in default of, or was negligent in, the performance of his duties, responsibilities or obligations hereunder. Except in the case of such default or negligence of the Trustee, such costs, expenses and attorneys' fees shall be paid pursuant to the provisions of Article IX, above.

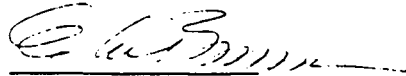
APPROVED BY THE RONGELAP ATOLL LOCAL GOVERNMENT
COUNCIL THIS 25th DAY OF FEBRUARY, 1992, BY:


Billiet Edmond, Mayor


Jeton Anyain, Senator

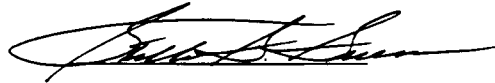
Resettlement Trust Fund
for the People of Rongelap

APPROVED BY THE REPUBLIC OF THE MARSHALL ISLANDS
(MARCH
THIS 6TH DAY OF ~~EBRUARY~~, 1992, BY:



Ministry of Foreign Affairs

APPROVED BY THE SECRETARY OF THE DEPARTMENT OF
THE INTERIOR, pursuant to the authority vested in me
by Public Law No. 102-154, THIS 13TH DAY OF May,
1992, BY:



Secretary of the Interior

RONGELAP ATOLL LOCAL GOVERNMENT

RESOLUTION NO. 95-36

WHEREAS, on March 8, 1995, the Rongelap Atoll Local Government Council adopted Resolution No. 95-16, making changes to the agreement establishing the Resettlement Trust Fund for the People of Rongelap; and

WHEREAS, the purpose of these amendments to the agreement was to remove restrictions placed on the use of trust fund assets so that the basic human needs of the people, both as individuals as well as the community as a whole, can be met during the period resettlement is taking place; and

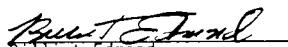
WHEREAS, the Council also made amendments to ensure that the trust fund agreement itself would not restrict the use of trust fund assets for resettlement assistance for those who choose not to go back to Rongelap resettle elsewhere in the RMI if the U.S. Congress authorizes; and


WHEREAS, on May 11, 1995 the U.S. Department of the Interior formally accepted amendments to the trust fund agreement to remove restrictions which had been placed on the resettlement fund in 1992; NOW THEREFORE

BE IT RESOLVED that in accordance with the Rongelap Atoll Local Government Constitution and U.S. Public Law 102-154 the amendments to the agreement establishing the Resettlement Trust Fund for the People of Rongelap as accepted by the Department of Interior on May 11 are hereby approved by the Rongelap Atoll Local Government Council; and

BE IT FURTHER RESOLVED that since the technical changes proposed by the Department of Interior are consistent with the purpose and effect of the amendments approved by the Council on March 8, 1995, said amendments are effective immediately and no further action by the Mayor is required to bring the amendments into effect. A copy of this resolution shall be transmitted to the Foreign Minister of the Republic of Marshall Islands so that all parties to the trust fund agreement are fully informed that the amendment process is complete.

Approved by the Council on June 6, 1995 in
Washington D.C. by the full Council


Billiet Edmond
Mayor of Rongelap


Norio Kebehli
Clerk of the Council

RONGELAP RESETTLEMENT TRUST FUND AGREEMENT AMENDMENTS ADOPTED BY
RESOLUTION OF THE RONGELAP ATOLL LOCAL GOVERNMENT:

AMENDMENT NO. 1:

Paragraph 1.1 is amended to read as follows:

1.1 The Rongelap Atoll Local Government or its successor is a party to this Agreement, and this term shall be substituted for the term "Rongelap Council" appearing in the original text of this Agreement.

AMENDMENT NO. 2:

4.1 is amended to read as follows:

4.1 The Rongelap Atoll Local Government intends that this Trust be established solely to provide funds to assist in the resettlement of the people of Rongelap at Rongelap Atoll, as well as for the benefit of the people of Rongelap who choose to settle elsewhere to the extent such assistance is authorized by Congress to be within the statutory scope of this Trust.

AMENDMENT NO. 3:

Article IX is deleted and a new Article IX is inserted in lieu thereof to read as follows:

9.1 All proposed distributions of Trust income or corpus shall be for the use and benefit of the people of Rongelap pursuant to the provisions of Public Law No. 102-154 and other applicable laws of the United States. Corpus and income may be expended for resettlement of Rongelap Atoll. Distributions in any amount to individuals for payments other than those delineated in this Agreement, authorized under applicable United States law, or specifically approved by the Secretary, are not authorized. Payments for the benefit of Rongelapese at Mejjatto authorized in the original version of this Agreement shall be made in accordance to the provisions thereof.

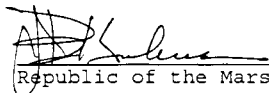
9.2 Upon approval and at the request or instructions of the Rongelap Atoll Local Government, the Trustee shall make annual distributions of income (interest and earnings) not to exceed 50% of such income, or \$500,000.00, whichever is less, for the purpose of meeting the requirements of the people of Rongelap for food, shelter and other community development needs arising during the period of their dislocation and in furtherance of the resettlement process, and to meet administrative expenses associated with resettlement, to the extent such assistance is not prohibited by applicable agreements or U.S. law. Unless extended by agreement of

Secretary of Interior or applicable law, the authority to make disbursements pursuant to this section shall terminate at the end of fiscal year 2000.

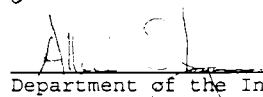
9.3 Upon submission to and the approval by the Secretary of Interior of an annual budget and at the request or instructions of the Rongelap Atoll Local Government, the Trustee shall in any fiscal year make distributions of income (interest and earnings) or of corpus of any amount to such payee or payees as the Rongelap Atoll Local Government shall authorize for activities within the statutory scope of this Trust and in accord with Section 9.2. Expenditures in any fiscal year in excess of the amount distributed pursuant to paragraph 9.2 shall require the written approval of the Secretary, save and to the extent as herein authorized pursuant to Article VIII, paragraphs 8.2 and 8.8.

9.4 The Secretary shall be notified and provided with an account annually of all distributions pursuant to this Article as part of the report required under Article VIII, paragraph 8.5.

On behalf of the Republic of the Marshall Islands and the Department of Interior, respectively, the undersigned accept the amendments the Rongelap Resettlement Trust Fund agreement approved by Rongelap Atoll Local Council Resolution No. 95-16, and confirm that the authority to disapprove such amendments shall not be exercised with respect thereto.



Republic of the Marshall Islands



Department of the Interior



President
REPUBLIC OF THE MARSHALL ISLANDS


AUTHORIZATION TO SIGN

I, AMATA KABUA, President of the Republic of the Marshall Islands,
hereby authorize

Mr. Jiba B. Kabua
Secretary of Foreign Affairs

to sign, on behalf of the government of the Republic of the Marshall Islands,
the Amendments to the Memorandum of Understanding, the Memorandum of
Agreement, and the Trust Fund Agreement between the government of the
Republic of the Marshall Islands, the Rongelap Atoll Local Government
Council, the United States Department of Energy, and the United States
Department of the Interior for the Rongelap Resettlement Project .

GIVEN under my hand this 13th day of March 1995.


Amata Kabua
President

RONGELAP ATOLL LOCAL GOVERNMENT

RESOLUTION NO. 95-16

WHEREAS, on May 13, 1992, the Rongelap Atoll Local Government, the Republic of the Marshall Islands and the United States Secretary of the Interior entered into an agreement to establish the Rongelap Resettlement Trust Fund; and

WHEREAS, at the time the trust fund was established the Rongelap Atoll Local Government did not have in place the budget execution procedures and internal controls necessary to manage the resettlement process and trust fund assets in accordance with a resettlement program and the democratically expressed wishes of the people of Rongelap; and

WHEREAS, a democratic institution building program which the Department of the Interior supervised in 1995 has resulted in creation of a comprehensive resettlement program, including a physical resettlement plan for Rongelap, as well as administrative capabilities at the local level which ensure accountability to the RMI government and the U.S. government under applicable laws and regulations, and which promote fiscal integrity in local government operations including the resettlement program; and

WHEREAS, under Article X of the trust fund agreement its terms may be amended by the Rongelap Atoll Local Government acting pursuant to its lawful process, subject only to disapproval of the RMI or the U.S.; NOW THEREFORE

BE IT RESOLVED by the Rongelap Atoll Local Government acting through its Council that the attached amendments to the resettlement trust fund agreement referred to above are approved and shall take effect upon a date certified by the Mayor after appropriate consultations with the RMI and the USA.

Approved on March 8, 1995 in Majuro, Marshall Islands

Billet Edmond
Billet Edmond
Mayor of Rongelap

Norio Kebenli
Norio Kebenli
Clerk of The Council

RONGELAP RESETTLEMENT TRUST FUND AGREEMENT AMENDMENTS ADOPTED BY
RESOLUTION OF THE RONGELAP ATOLL LOCAL GOVERNMENT:

AMENDMENT NO. 1:

Paragraph 1.1 is amended to read as follows:

1.1 The Rongelap Atoll Local Government or its successor is a party to this Agreement, and this term shall be substituted for the term "Rongelap Council" appearing in the original text of this Agreement.

AMENDMENT NO 2:

4.1 is amended to read as follows:

4.1 The Rongelap Atoll Local Government intends that this Trust be established solely to provide funds to assist in the resettlement of the people of Rongelap at Rongelap Atoll, as well as for the benefit of the people of Rongelap who choose to settle elsewhere to the extent such assistance is determined to be within the statutory scope of this Trust.

AMENDMENT NO. 3:

Paragraphs 5.5, 5.6 and 5.7 are deleted, and a new paragraphs with the same numbering are inserted in lieu thereof as follows:

5.5 Pursuant to the provisions of Articles VII and VIII of this Trust Agreement, the Trustee shall maintain sole decision making authority and responsibility for all investment decisions with respect to Trust Fund assets under its management, if so directed by the Rongelap Atoll Local Government. The Rongelap Atoll Local Government may elect to appoint one or more investment fund managers in addition to or in substitution for the Trustee, such fund managers to be responsible for decision making with respect to investment of all or specific portions of the Trust Fund assets as directed by the Rongelap Atoll Local Government. In the event such an election is made, the Trustee shall act as custodian and administer accounts for Trust Fund assets subject thereto as directed by the fund manager(s) designated by the Rongelap Atoll Local Government pursuant to this Agreement. Any fund manager designated under this Agreement must currently manage at least \$100 million in assets, and be registered as an investment adviser with the U.S. Securities and Exchange Commission. The Secretary shall be notified whenever a fund manager is designated pursuant to an election made under this provision.

5.6 The Rongelap Atoll Local Government may appoint an investment consultant to advise on Trust Fund Asset management and performance. Any such consultant shall be duly registered under the Investment Advisers Act of 1940, Sec 80b-1.

5.7 The compensation of any fund manager or consultant appointed by the Rongelap Atoll Local Government shall be paid in the same manner as compensation of the trustee under the terms of this Agreement.

AMENDMENT NO. 4:

Article IX is deleted and a new Article IX is inserted in lieu thereof to read as follows:

9.1 All proposed distributions of Trust income or corpus shall be for the use and benefit of the people of Rongelap pursuant to the provisions of Public Law No. 102-154 and other applicable laws of the United States. Corpus and income may be expended for resettlement of Rongelap Atoll. Distributions in any amount to individuals for payments other than those delineated in this Agreement, authorized under applicable United States law, or specifically approved by the Secretary, are not authorized. Payments for the benefit of Rongelapese at Mejatto authorized in the original version of this Agreement shall be made in accordance to the provisions thereof.

9.2 Upon approval and at the request or instructions of the Rongelap Atoll Local Government, the Trustee shall in any fiscal year make distributions of income (interest and earnings) not to exceed 5%, or \$500,000., indexed annually to the U.S. Consumer Price Index, of such income annually for the purpose of meeting the requirements of the people of Rongelap for food, shelter and other community development needs arising during the period of their dislocation and in furtherance of the resettlement process, and to meet administrative expenses associated with resettlement, to the extent such assistance is not prohibited by applicable U.S. law.

9.3 Upon the approval and at the request or instructions of the Rongelap Atoll Local Government, the Trustee shall in any fiscal year make distributions of income (interest and earnings) or of corpus of any amount to such payee or payees as the Rongelap Atoll Local Government shall authorize for activities within the statutory scope of this Trust. Expenditures in any fiscal year in excess of the amount distributed pursuant to paragraph 9.2 shall require the written approval of the Secretary, save and to the extent as herein authorized pursuant to Article VIII, paragraphs 8.2 and 8.6.

9.4 The Secretary shall be notified and provided with an account annually of all distributions pursuant to the Article as part of the report required under Article VIII, paragraph 8.5.


APPENDIX D

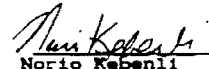
RONGELAP ATOLL LOCAL GOVERNMENT

RESOLUTION NO. 95-20

BE IT RESOLVED, that the Preliminary Resettlement Plan for Rongelap prepared by Holmes and Narver and revised by the E.P.G. Corporation is hereby adopted as the official planning document for resettlement of Rongelap. Early resettlement and restoration of the Rongelap community to more stable local self-government within the Republic of the Marshall Islands, and to greater social and economic well-being, is a goal to which the Rongelap Atoll Local Government is committed. However, the Council notes that attainment of that goal will require a substantial contribution of funds by the United States in fulfillment of the purpose of Section 163 (1) of P.L. 99-239.

ADOPTED UNANIMOUSLY ON MARCH 9, 1995 IN MAJURO, MARSHALL ISLANDS


Billiet Edmond
Mayor of Rongelap


Norio Kehenli
Clerk of the Council

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