

**SCHANZER:** Welcome, and thank you for joining us for today's event here at Foundation for Defense of Democracies. I'm Jonathan Schanzer, the slightly-hobbled Senior Vice President for Research here at FDD. We're pleased to have you here in person and online for our conversation with President Surangel Whipps, Jr. of the Republic of Palau.

I recently had the pleasure of visiting Palau and meeting with President Whipps. My trip was an eye-opening experience where I learned a great deal about the U.S.-Palau relationship and Beijing's attempts to influence the population there. As it turns out, a few days after I left Palau, I broke my foot. That's a long story for another day. I've been mostly cooped up at home since then, but I had learned that President Whipps was going to be in town and I was keen to join him here for what promises to be a thought-provoking conversation.

So about President Whipps: He was born just a short drive away from here in Baltimore, Maryland. He's the 10th president of Palau, having previously served two terms as senator. For over 30 years, he's led one of the largest businesses in Palau. He's got a bachelors degree in business administration and economics from Andrews University in Michigan and an MBA from UCLA.

I'm also delighted today to welcome my colleague, Cleo Paskal, who is a Non-Resident Senior Fellow here at FDD. It is thanks to Cleo that I found myself in Palau just a few weeks ago, and she is currently conducting groundbreaking work on China's strategic plan to undermine America's alliances with island nations across the Pacific Ocean. Cleo's grasp of this region, as you will soon see, is beyond impressive.

Before we dive in, just a few words about FDD for the uninitiated. For more than 20 years, FDD has been operating as a fiercely-independent, nonpartisan research institution exclusively focused on national security and foreign policy. As a point of pride and principle, we do not accept funding nor direction from any foreign government. For more on our work, we invite you to visit our website, [FDD.org](http://FDD.org), or to follow us on Twitter @FDD.

So with that, we're going to jump right in. I'm going to ask the two of these folks a couple of pointed questions, and then after that, I think we'll have an opportunity to take questions from the audience as well, so if you've got ideas for questions, write them down and we'll make sure that we call on you and get a microphone in front of you, and we certainly encourage that participation.

So I'm going to start with Cleo today. I know you're the guest of honor, sir, so we're going to have you just relax for just a minute. I want to ask Cleo to just set the stage for us. Cleo has been studying this region for some time.

And I think just let's go broad for a second, Cleo, and just, what do folks need to know here about Palau? Why is this important?

**PASKAL:** Right, so first – first of all, thank you – all of you for being here, for watching online and Mr. President, for coming. This is an incredibly-exciting moment. There are heroes around the world who have been taking principled stands at great personal cost, and we – we have one of them here today. He is from a country that recognizes Taiwan, that has invited the U.S. military to do more in Palau. His understanding of geopolitics is very deep. I learn from him every time I – I get a chance to listen to him, and that's partially because I think in part, growing up in Palau, geopolitics is very close. You see the relics of it all over the country. It's scarred families. It's in families' last names.

So to spare him – the reason I'm going first is to – to spare him having to explain Palau for the hundred-millionth time. I have a very sort of five – five-minute quick overview of – of the country. The country has a very long history. I recommend you go. If you go, you'll see monoliths that are 2,000 years old?

**WHIPPS:** More..

**PASKAL:** Yeah, yeah. I mean, incredible archaeological sites.

**WHIPPS:** 1500 B.C., they say.

**PASKAL:** 1500 B.C. Oh, I –said... –they look good for...

(LAUGHTER)

**PASKAL:** They look younger than they are.

(LAUGHTER)

**PASKAL:** I meant – so – but from a geopolitical perspective, because we don't have time, and because we're so Euro-centric, from the European perspectives, first, you – you had Spanish, then you had the Germans, then the Germans lost them in World War I to the Japanese. The Japanese were there from effectively 1914 to 1944, 30 years, and that was eventually under the – the mandate, the South Seas Mandate, which covered the entire compact region. This is a region that's the size of the continental United States. It was headquartered out of Palau.

**WHIPPS:** Yeah.

**PASKAL:** So some of the old buildings, Japanese administrative buildings are still there. But 30 – what 30 years means is you have a lot of intermarriage. You have elder generation who speaks Japanese. You have Japanese surnames. You – Japan was very important.

And then – and then came 1944, Peleliu, Angaur – some of the battles that – that are seared in American history; incredible loss of life and the – well, the liberation of – of Palau. And then the trust territory period, then jump right ahead to kind of independence and the compacts. This compact relationship between the U.S. and Palau and two other countries. Federated States of Micronesia and Marshall Islands are the most unique strategic relationships the U.S. has on the planet. They tie the U.S. and these three countries closer than any other countries in the world.

The U.S. is responsible for the defense and security of – of Palau, including strategic denial. It can – it can base. It can run through the waters. It can say nobody else goes through the waters. It is effectively, as was said in the hearing last week, the U.S. has access that is second only to the U.S. homeland, and I would argue more than the U.S. homeland, in fact. Those compacts are renewed on a – on a regular basis. Palau obviously is an independent country, but they're up for renewal right now, which is why the president is in the country. He – he testified last week. He'll be testifying again tomorrow. The process is the three countries sign an MOU [Memorandum of Understanding], and then effectively, come and get it ratified by Congress. Congress needs to renew the financial component by September 30th, or it falls off a financial cliff. And what we know is China's waiting at the bottom of the cliff to carry – to pick up the ones that don't sign.

So I'd just like to, again, underline this principled stand that President Whipps has taken not only to be a very good friend to the United States, but also to defend Taiwan, to maintain that relationship at personal cost. You can imagine the Chinese political warfare on the ground trying to derail that relationship – and for – for being here, putting this as such a priority that he came in person to testify at both of those hearings.

With that, over to you. Thank you, sir.

**SCHANZER:** All right. Well, thanks, Cleo. OK, so Mr. President, you're in town right now, you're in the middle of these delicate, compact discussions with Congress, the administration. Tell us a little bit about what's going on and what does this mean when you come to town and you engage in these discussions and negotiations?

**WHIPPS:** Well, first of all, Jonathan, it's great to be here. It's always a great opportunity to come to Washington, meet with our friends on the Hill to help them understand a little bit better our relationship and how we need to be working together closely to preserve a free and open Indo-Pacific.

You know, I came in 2021 – in August of 2021, and really, the message that I had to our friends in Washington – that was Secretary Blinken, Secretary Haaland, and Secretary Austin – is that we have a compact agreement that's in front of us. Let's not make the agreement put Palau in a position where we're going backwards but really help us move forward. Let's build a solid foundation which we can all grow and build this relationship on that provides the economic resilience that we need.

And I think the good news is that after two years and really after Congress – working together with them, they were able to get a negotiator. The Biden administration appointed Ambassador Yun, who was a very tough negotiator, but I think where it was able to sit down, sift through the issues, and bring us to the agreement that we have today.

Of course, he cannot please everybody but I think what's most important is that it provides that foundation that we need to really move forward. And what we want to make sure during our visit here is Congress understands the importance of this agreement, the timeliness of it. If you have some familiarity in 2010, the agreement between Palau and the United States was signed but it wasn't implemented until 2018, and that was because of internal issues here in Washington.

It – financially, there was continuing resolutions going on, so there was some money coming in, but if – what – most important was – was the image that it presented. It kind of gave, I think, the Pacific and especially Palauans the impression that the U.S. – Palau was not – not important, right? And during that short amount of time, really from 2013 to 2016, is where we see the – saw the largest growth of Chinese tourists coming into Palau. I mean, it went from zero to, like, 70 percent of our market overnight. And – our GDP increased by 30 percent during that period.

So when I was running for office, the Chinese Ambassador called me up and he said "you're a businessman, you understand the opportunities with us, the sky is the limit. What you need to do is you need to stop that illegal activity." And I said "what illegal activity?" "Stop recognizing Taiwan because that's illegal. The world has said – and you need to join the United States, Australia, and the rest of the world recognizing China and denounce your relationship with Taiwan."

Anyway – soon after I got into office, of course, continued the calls but, you know, Palau has a very strong relationship with Taiwan, we have shared values, and we say we have no enemies and there's nothing stopping – I mean,

if we're all members of the UN, there's nothing stopping China with a – having diplomatic relations with Palau but you're not going to tell me who my friend is, and I recognize Taiwan as a sovereign nation and we – the Palauan people – recognize Taiwan as a sovereign nation, and that's what it is.

So if you want to be our partner, those are the rules that you have to play by, and of course they weren't happy about that but that's just the way it is.

But to give you some other background is, after 2016, there was a presidential election. I think they were hoping that maybe another candidate who was pro-China would have gotten in. They didn't get in. So the relationship didn't change, so China started cutting back on the number of visitors by basically banning any tours or anything being advertised in China. And if you go to China online, there's nothing – Palau doesn't exist. And then – so that started collapsing. Then, of course, we had COVID that hit us in 2020 and that's where we are today.

So this – this agreement – is so important because Palau has gone deep into debt just to keep things going and very vulnerable.

**SCHANZER:** When we were there in Palau just a few weeks ago, we were watching charter flights filled with Chinese nationals coming in. So what is the status right now of – I mean, are they – are they trying to get back into the picture here economically? What do you think the strategy is?

**WHIPPS:** Well, of course there's an election next year, right? It seems like they – they kind of follow that pattern – they want to remind us of how – how much they can be a partner and – but it's hard because the reality is we have empty hotels, we have boats parked, we have people that are unemployed. And so for me to say "sorry, I don't want your flights," it's – it's difficult.

We're – so – but we have rules and they have to come in and they have to abide by – one of the things that we're trying to do is, you know, beef up our security at the airports and make sure we know who's coming in and out, and it's very controlled.

But the other thing that we're working really hard and trying to do is diversifying our market. So Australian government now has sponsored a flight once a week from Brisbane that comes to Papua New Guinea, on to Palau. That's going to be continuing on through December, now and hopefully beyond, once that market gets established. We're trying to establish flights between Palau and Singapore. We're trying to re-establish flights with Japan and Korea.

But some of the things that we've learned is – one of our challenges is our runway is not quite long enough. So it's – because it's not long enough, even though we bring narrow bodies in, on the five hour flight, you get a 30 percent penalty under the amount of passengers you can carry. So then it raises the costs of the airfare.

And then I learned that, you know, ideally, the F-35s, when they come to Palau, would be better if the runway was a little longer, but one of the options was to put cables at the end of the runway to catch them. So I said "well, you know, this is an opportunity where the U.S. military and these economic partners maybe can join together and we can fix that problem and everybody can win," and I think that's what – really what partnership should be about – how can we win together? How can – what are – what are those opportunities we can see that we can all win together?

Well – and whether it's a commercial port, let's - expand it, but it can bring in maybe a destroyer on one side, but if it's big enough and we've dredged it and it's deep enough, oh, we can bring in a cruise ship on the other side.

I mean, these are – this is where I see you can win together. And, you know, presence is deterrence, so we get that opportunity for the military to be a – be more present, but at the same time, important for U.S. security, important for the economy in Palau, and ...

**SCHANZER:** OK, thank – thank you for that. It is fascinating to watch this dynamic. Cleo and I were marveling at some of what we saw.

Let me – let me just ask you, for – if I – for just another minute or two, if you could talk about the kinds of connections that you've established between your country and the United States.

I think Cleo is right that this is a truly unique relationship. There's two other countries like it. But you do get a sense that the shared history, shared culture, shared currency – I mean, you use the U.S. Postal Service. I mean, how do Palauans look at the United States?

How would you describe the relationship between the average Palauan and U.S.?

**WHIPPS:** So my father's generation was the generation that was born there in the Japanese times. And, you know, I was just in Japan, and I was sharing to the Japanese prime minister that 25 percent of our population has Japanese heritage. So Palau and Japan share a very close relationship for that 30 years. So you can see how much that impacted Palauan lives then.

But then you move to the United States and Palau's relationship, which is now going on 80 years. So you can just imagine how that influences everybody's lives, including me. You know, my mother is from Frederick, Maryland, but – so...

(LAUGHTER)

So that just gives you an example of how, you know, things are intertwined, how we build relationships. It's everything from the way we eat, the Postal Service...

**SCHANZER:** That may not be a good thing, by the way.

**WHIPPS:** Yes, that – that...

(LAUGHTER)

That would, maybe, contribute to the highest rates of NCDs [noncommunicable diseases] in the Pacific, but...

(LAUGHTER)

... something that we need to work on, because we – if we go back to eating taro and fish, I think we'd be healthier, but we're used to eating cereal and other – drinking a lot of sweet drinks and things that maybe are not the best, eating Doritos.

(LAUGHTER)

But those are some of the things that probably are not the best but, really, the education system, our healthcare system – you know, during COVID, it was because of our relationship with the United States, and a very unique relationship because we're part of the U.S. federal programs, so being – having access to that, we were able to get the vaccines that were so critical and really saved lives because we have some of the lowest death rates in – in the world because of that accessibility, but not only getting the vaccines but also the technical experts to help us and guide us in whether shutting down, how to open up, how to – how to manage, when we did get it, how to manage the – the pandemic.

So that – those were all critical; the same thing with education. Most of our people are educated in the United States because we have accessibility to the federal Pell Grants and those kinds of programs. So that allows students from Palau to come here and come to school.

And so one of the dangers that we see is that we have gotten so used to using the English language that maybe we're going to Palauan language. So that – that could be a casualty that we have to be worried about. But that unique relationship, Palau has the highest rate of people serving in the U.S. military, per capita, I think, of any county or state in the U.S. Because of our relationship under the compact, you know, we can serve in the U.S. military.

**PASKAL:** I think you were saying 5 percent of high school graduates were... is it around that?

**WHIPPS:** Yeah, at least 5 percent. It may be even higher than that. I mean, we -estimate probably Palauan veterans now, of the U.S. military, may be as high as 10 percent, you know, if you take the whole – of the whole population.

**SCHANZER:** So let me – let me...

**WHIPPS:** So it's...

**SCHANZER:** Let me jump on the military thing.

**WHIPPS:** Yeah.

**SCHANZER:** So you talked about the airport and extending, potentially, the runway, which of course would accommodate F-35's. It would probably accommodate C-17s or other aircraft.

**WHIPPS:** There's other things, yes.

**SCHANZER:** Right? And Palau's three and a half hours by way of commercial flight to Taipei. So I guess the closest – I mean, are we talking the closest Pacific island to Taiwan where America has a significant presence...

**WHIPPS:** Yes, we're 500 miles east of the Philippines. So we're – we're right there.

**SCHANZER:** Yeah.

**WHIPPS:** We're three and a half hours from Taipei but also about three and a half hours from Macao and Hong Kong.

**SCHANZER:** Right, right. Some strategic interests there for the U.S. military...

**WHIPPS:** Yeah, we like to say five hours within every major city in Asia. That's the...

**SCHANZER:** That's important.

So now let me ask you about – there's a radar installation. We briefly covered it. It is now being – or it's not yet in place; it's being installed now, or the work is being done for this. How's that coming along? And, maybe specifically, if you would, talk about what's going on, on the island of Angaur?

**WHIPPS:** OK, well, first of all, the radar installations is – it's just over the horizon radar that's being built in two locations, one on the northern island of Palau and one on one of the southern islands. And in particular, Angaur, the way it's being built there, Angaur is – was a place that they mined phosphate during the German times, and they had lots of – they brought monkeys in to use to check the mines. Unfortunately, when the Germans left, the monkeys stayed.

(LAUGHTER)

And they now populate the island, along with the local people from Angaur. But the challenge that you have with these monkeys is they also get into their agricultural products and they become, I guess you would say, pests, right, because they're – the challenge is, now that the U.S. military project for the radar has come in and cleared the area, we have displaced monkeys.

And I was there a few weeks ago...

(LAUGHTER)

**SCHANZER:** It happens to everybody.

**WHIPPS:** Yeah.

(LAUGHTER)

**WHIPPS:** And so they're roaming around, and you can just see them. They're just roaming around now, because they don't have a place to go. But what happens is they come into the community, right? So they cause a problem in where the people are – are living.

And, you know, this is just an example of, if the U.S. military is doing work, let's follow those standards; let's follow the environmental standards and make sure that we're taking care of the community when we do things. You know, I know it's important for the radar site, but also look at what's happening in the community. How are we making sure that those impacts are properly mitigated and taken care of?

You know, another thing that I was – I was in the hearing on Thursday and they had asked me the question, "How does the Chinese, when they come into your islands, how do they do projects?"

And I said, "Well, we don't have relations with China, so we don't have any of those projects." But there – what they were getting at is, when the Chinese government does projects, they bring in their own workers. They're cheap. They do shoddy work and – and really not – very little impact on the local economy.

And, you know, I was just thinking, after that hearing, I said, "Well, guess what's happening in Palau on the recent radar sites. It's great news, \$200 million in projects that they're going to do in Palau." But at the end, what - is the impact on the local economy?

We already know what the impact does in the environment, and no mitigation for that. But now let's look at the economic side. Well, on the economic side, they hire a company which hires a Saudi-Turkish company as a subcontractor, and then they come in, and they're going to do the work. But under what we call the Status of Forces Agreement, which is really an agreement for the U.S. Defense Department to be in Palau and conduct work, but be exempt from everything. And that includes taxes, that includes labor laws, that includes everything.

So, I was just sharing one of the things that they had advertised in the newspaper was an engineer to earn \$3.50 an hour. So, what's interesting is they have a clause that says if you hire a local contractor to do work, you have to pay taxes, they have to pay everything. But if you bring in a foreign contractor, like a Saudi and Turkish contractor to do work, they're exempt from all that, and they can pay cheap and they can do, so it's almost like the Chinese model. These are things that we need to continue to talk about, because it really kind of sends the wrong message.

So, we've been having discussions with the Defense Department. Maybe the approach needs to change a little bit. You need to look, yeah, I know it's about saving a buck, but it also is when you're doing that same work in Guam, is that the kind of standards you're applying? Why aren't you using the same standards in Guam and working the same kind of work in Palau? It's this double standard and going cheap that sometimes I think, at the end of the day, it's the reputation in the United States and it's the relationship that's at risk.

So, we always should be aware of that and try to find ways that we can work together that always presents the best image. And ultimately, if you're going to do something, make sure the impact on the community is properly handled and everybody's winning. That's the key.

**PASKAL:** Like the wells. You were talking about the wells.

**WHIPPS :** Yeah. So, like in Angar, there's a well that probably has better quality water than the community is using now. So, the contractor there is pumping out of that well and using that well, but it's not connected to the community. But a simple thing would be maybe connect that well to the community so the community can use it.

I mean, these are simple things that you can cooperate on, and on a \$200 million, \$200 million job compared to connecting that well to the community, which won't cost a million dollars, but it will make a big impact on the community. So, those are the types of things I think we always should be looking at on how do we mitigate how do we work together to make sure that we're true partners.

**SCHANZER:** Understood. Understood. Cleo, I want to ask you just maybe another scene setting question before we turn it back to President Whipps. We talked a little bit about how China has been trying to influence Palau. We haven't talked about everything. Maybe if you would just take a few minutes to explain some of the other things that you've seen

and heard during your travels to Palau, and perhaps even draw on some of the experiences that you've had in some of the other Pacific Island nations that you've recently visited.

**PASKAL:** So, because the three freely associated states, Palau, Micronesia, and the Marshall Islands are where they are, they were the only UN Strategic Trust Territory for this region. They are what's between Hawaii and Guam and Philippines, as mentioned. So, they provide this corridor of freedom of deployment for the U.S. that is unlike anything else. So, you can just go right across the region, have whatever supplies you want, do whatever you want, and they're actually what makes the first and second island chain construct possible.

So, we think we talk a lot about the first and the second island chain and how important they are, but if you can't resupply them, they're nothing if you can't get there. And what makes it possible to get there is the voluntary allowing of U.S. deployment in the compact states. Flip it on its head, what that means from the Chinese side is if you can break that corridor, if you can knock out any of the compact countries, it makes it a lot more difficult for the U.S. to get to the first island chain, the second island chain, the five treaty allies, Guam.

So, these three countries are incredibly strategically important to China to undermine and to flip, and two out of the three recognize Taiwan. In fact, we have Ambassador Zackios here from the Republic of the Marshall Islands, which is another country that recognizes Taiwan, again, under heavy, heavy Chinese political warfare attack. And I'd like to thank the ambassador and Marshalls also for standing strong on this. It is at personal risk. You don't make money by packing Taiwan. You do it at least personally. You do it on principle. And these are these heroes in the region.

So, what you see is, across the board, very heavy Chinese influence operations, deliberate destabilization of the economies, as mentioned, co-opting of individuals. In the case of the Marshalls, two Chinese tried to set up a country within a country with its own immigration, and essentially. And the Marshallese, who went to Hong Kong to discuss this, explicitly said the goal was to set up a two systems, one country model in the Marshall Islands. Those people were eventually arrested and indicted in New York.

And this comes to just what I'd like to bring up a little bit, which President Whipps implied, but I think I can be more liberal about this. They were found guilty, two people, of bribing so many people in the Marshall Islands that they almost brought down the government and managed to create this country within a country. And they did a plea bargain, got time served. One of them, after she finished her time served in April, was deported by the U.S. government back to the Marshall Islands, where she is now walking free.

And the FBI has not given the Attorney General of the Marshall Islands what he needs to prosecute her or any of the other people involved. So, there is this Chinese political warfare operation, which is obvious. You see it everywhere. You see it with the pulling of the tourists. But at the same time, on the U.S. side, the counter, on the political warfare front, it's great to build over the horizon radar stations. You need to build up that kinetic ability. But on the political warfare front, there seems to be a gap. And if you don't protect whatever you're trying to build economically or whatever from that Chinese influence, then you have this potential collapse.

**WHIPPS:** I can just share some of the things. So, one of the things we're trying to work on is reform of our Social Security system, reform our pension plan because they're both bankrupt in a dire situation. So, I was in Angaur, and some of the gentlemen said there said one of them is a real estate agent who brings a lot of Chinese in, said, there's no problem. Just agree to the casino that we want to put down here next to the radar site. Problem solved. Right?

In fact, when I was there looking at the displaced monkeys, the gentleman that were in charge of the construction were telling me, oh, yeah, just last week he was here with a bunch of Chinese because they have this whole plot of land on the eastern side of the runway. But there's a part that's carved out that they didn't lease. And he was proposing that that would be a hotel site for the Chinese in the middle of the radar site. I thought it was kind of funny, but, I mean, that's just what they're doing all the time. Or the radar site that's up north across on the other side, the U.S. ambassador asked me, we need to use eminent domain and – and retake that land, because it's owned by Chinese, not owned, but they leased it. And I said, well, we have rule of law here. We can't just go and kick people out, because now we don't like them. You know, they have a contract, we respect those.

So, what we need to be doing is, what – what are, let's encourage – U.S. investment that come in, they want to build the hotel, because we also see that maybe part of the plan is to get up all these, you know, these prime sites, but then do no development on them. And that also stifles our growth. I mean, there's seems like a lot of different strategies that could be going.

The other thing that I know, I have a senator and delegate with me here today. I know in the past Congress, there was a plan to bring in 10,000 Chinese to build a two kilometer basically city with 10,000 Chinese inside. And they said you wouldn't – you wouldn't even know they were here. Ten thousand people on island has 20,000 people, you wouldn't know that they were here? Yeah, we have a lot of land, but I think they still wouldn't make an impact. And, and it would provide a lot of money. Because just labor permits that we were going to calculate and all that, you know, it's easily \$20 million a year in revenue to the government. So, it was very attractive as a – as an idea of quick way to do it. And they're ready to go like that.

The other thing that they do is bring in all these online gamers. So right before the pandemic, a bunch of them showed up. We cracked down, there was some that were deported. And – but that's it – that is just it's ongoing.

**PASKAL:** They had Broken Tooth. I think also, right?

**WHIPPS:** We had Broken Tooth come into Palau.

**SCHANZER:** Explain who he is real quick.

**WHIPPS:** Well, Broken Tooth is head of organized crime group out of Macao.

**PASKAL:** Major triad leader.

**WHIPPS:** Yeah, major triad. And he came in, made friends with all the local leaders and even had police that were working for him as security. I mean, it was – it was well, well infiltrated into our economy. Before we got the intelligence that says he needs to be taken out.

**SCHANZER:** A guy by the name of Broken Tooth generally sounds like a good guy. I don't know what the concern was.

(LAUGHTER)

**PASKAL:** So, Jon, I just – I just like to point out that under the ...

**WHIPPS:** Well, that's not the name he came in by.

(LAUGHTER)

**PASKAL:** The – under the Compact, the U.S. has the responsibility to defend Palau from all threats and attacks. And one thing that would be very helpful we've spoken to the Attorney General, is to help prosecute these people to help bring them to justice that it would, you know, that there is a financial crisis and in Palau. First go visit Palau. It's incredibly beautiful. It's an amazing place to go. Right. Right Jon?. Yeah.

**SCHANZER:** Good snorkeling, you know, when I could.

(LAUGHTER)

**PASKAL:** Well, that wasn't in Palau.

**SCHANZER:** Right, right.

**PASKAL:** Yeah. But the other thing is, you need lawyers, you need prosecutors, you need a special prosecutor who has courage to go after all sorts, you know, that sighted on that warfare, right, (inaudible).

**WHIPPS:** Yes.

**SCHANZER:** Actually, on that, on that issue, I want to ask you, maybe it's a tough question, maybe it's not. Palau's telecommunications. I understand that you actually still have Huawei hardware. And that at one point, the U.S. was going to take it out. And then I guess the pandemic hit, and then they didn't take it out. And I just saw another statement coming from our U.S. Department of State just I think two weeks ago, saying that you're going back in there to maybe rebuild your 5G. Can you just give us a status update on this?

I'll tell you as someone who follows this, it's a little shocking to think that an American ally, a compact state has Chinese telecommunications hardware as its backbone. That does strike me as something that maybe we need to mitigate, maybe even ahead of some of the other issues.

**WHIPPS:** Yeah, so once again, you know, we want to provide the best service to our people, our national communications company at the time, I found that the Huawei system was the most reasonable, provided the best service. Of course, we brought it in agreement says they control the network from Beijing, which is in the contract. And U.S. ambassador was actually when he was there is he's retired, said we need to some – we need to do something about this. And I said, you know, the reality is PNCC [Palau National Communications Corporation], our local communication company already has lots of money, they can take out another loan, they're suffering because of COVID. You want to clean the network, there's no way we can do it on our own.

So, one of the things that happened, I think it was the G7 in Hiroshima recently, they announced the open RAN [Radio Access Network] project, and that's part of cleaning the core. So that project was just launched, and they're going to change that part of it. But the change all the radios, all the other Huawei stuff is going to take probably over \$20 million. So, there's another grant that we're hoping it was allocated during COVID that U.S. government didn't, we're hoping that part of that can take care of most of getting rid of those Huawei radios in the system.

So, the goal is to have a clean network. And I mean, without that support from U.S., we can't do it. So, I know, Minister of Finance with our chief negotiator staff is working with I think it's Treasury that's has – that has that resource available to finalize that grant. So hopefully, we can do that. Because it's critical. You there's no question.

**SCHANZER:** Hundred percent, 100 percent.

**WHIPPS:** Yeah.

**SCHANZER:** Yeah.

**WHIPPS:** I mean, we have military in Palau, right now, conducting exercises, and they tell them...

**SCHANZER:** Right, building radar.

**WHIPPS:** Yeah, building radar. Can't use those phones, because Chinese have control over them. I mean, that's, that's kind of odd to me.

**SCHANZER:** Yeah. Complicated to say the least.

**WHIPPS:** And there's 1,000 troops in Palau right now doing those exercises.

**SCHANZER:** Unbelievable.

**WHIPPS:** Which would be good for our communication company to be able to provide that service. Right?

**SCHANZER:** Yeah.

One more question for you. And perhaps in other direct one. We heard some things on the island. Curious if you can confirm, deny, but it – is China offered you anything directly to change your position on Taiwan or to pull you directly into their orbit? You talked a little bit about the sort of tourism and how they can sort of flood it, and then they can pull it back, and they can make you feel the pain economically. Have they offered anything directly to you, as an inducement for recognizing Taiwan, or not recognizing Taiwan?

**WHIPPS:** I mean, they just talked about economic opportunities. That's what they've talked to me about. But they're, you know, they're actively inviting local politicians, former leaders to China to visit radio, radio hosts. And you know, even my current cabinet, they've invited them to come and see, you know, come to hide and see what we can do and how we can help you. So, I mean, that's, that's constant.

You know, it's a well-known fact that our Speaker of the House and President of the Senate, very supportive of China. We're fortunate, you know, that they, I think, see the importance of the relationship with the U.S. So, the agreement that we have in front of us, was ratified unanimously, in both houses of Congress. And that's, I think important. And that's why it's so important that with these agreements are done timely that we continue the momentum that we've built.

I guess, you know, it's, it's when – I always use this example. I said, you can't expect if you're starving, not to go to look at other places for being taken care of if you're – if you need food. I mean, that's just the reality ...

So, duh, that's what I tell my U.S. counterparts, don't be surprised if there's – there's other people offering opportunities, right. So, what's important is that we have good, sound, economic plans that build resilience. And one of the things that we've been able to do with the U.S. is first reestablish what we call the annual consultations, that we have with the United States on economics, so we had the first one this year.

We also have the Economic Advisory Group, which is made up of eminent economists. One is we have James Kenneth Galbraith. His father, John Kenneth Galbraith, was an advisor to us when we declared independence, I mean – and worked on our constitution. So, it's those kinds of people giving us sound economic advice, hopefully to build a stable and resilient economy that really can continue to promote freedom and democracy. And – and that's what I think – that's what we need.

And I – you know, one of the things I told the Chamber of Commerce when I was here during the summit last year, I said, you know, what we see is all these U.S. investors flying right over the Pacific, landing in Singapore, Hong Kong and in whatever but forgetting about the whole Pacific. In the meantime, what is China doing, they're definitely flying into the Pacific and they're everywhere in the Pacific.

So, don't be surprised if they have a lot of influence, I mean that's – that's where they are, because they're down on the – down at the very level of where it's providing jobs, giving people economic opportunity, and that's that's really where China's strength is. So, I...

**SCHANZER:** OK...

**WHIPPS:** ... we also need U.S. investment, yes.

**SCHANZER:** OK, Cleo, I want to ask you one more question before we go to Q&A, so everyone get your questions ready. You've been working on a project through the Smith Richardson Foundation here at FDD, we've been thrilled to have you, it's what brought me to Palau, so it's already been fascinating.

You have a project that is specifically aimed at preventing Chinese meddling in the Pacific island states. Maybe if you could just, for two minutes, just give everybody a sense of what you're working on, because it – it's broad and it's I think, increasingly meaningful in the era of great power competition.

**PASKAL:** Sure, well the – the project was actually inspired by something President Whipps did, which is set up a National Security Coordinator position within Palau.

So, instead of just waiting for other – others to come and help security in Palau, they decided to take as much control as they could over it, and coordinate both domestically in case of HADR [Humanitarian Assistance and Disaster Relief] or search and rescue, things like that, but also to have a contact point because a lot of countries are coming into the Pacific now, and they all have their own agenda.

And even one country may not be coordinated, so U.S. may have State with one thing, Interior with another, Defense with another, and so, having one office that is a point of contact that can coordinate, make sure everybody's on the same page, maximize the benefit to Palau and to Palauan security and be a voice for Palau in these discussions seem to be very effective.

And – and your National Security Coordinator is excellent at her job, and works incredibly hard. And so, the question was whether it would be possible in the other freely associated states, to have a similar position. Because currently now if INDOPACOM [United States Indo-Pacific Command] comes to Marshalls I think they go to Ministry of Justice or something like – it's – it's very – it's not very – it's – it is – you would be surprised at what's not there in terms of receiving infrastructure for these – this major (inaudible).

State Department had its own – has its own plan to put in Americans as national security advisors in the other two freely associated states, which is – you – not particularly well received. You – you know, a President doesn't want to have an American sitting next to them telling them what to do, especially if – and if according to the ad for the job, they don't even have to know anything about the country, right.

So, the idea is to talk – you know, to create a – if they want it, if these – if countries come to Palau, like what they see and decide – the other two freely associated states, to set it up, if they can set up their own NSCs.

And I would just build onto that, which is that the same things that the President is talking about in Palau, you also see in the Commonwealth of Northern Marianas where they have put the casino and in Tinian, which is – which is where the Enola Gay took off from, and where the U.S. is re-developing military infrastructure – there is a casino now next to the port – a Chinese casino next to the port – hasn't opened yet, but it's in there.

So, the pattern is the same all over, and if the people on the ground, who know this topic like nobody else and who've lived through geopolitical shifts and are so invested, have the chance to tell people what's going on – I mean you just heard a much better briefing about geopolitics in the region than you could get from anybody in Washington – and talk to each other about the patterns that you're seeing across the region in order to be able to put together counters to it, that might potentially be very helpful for all concerned.

So, that's what we've been working on.

**SCHANZER:** Got it. Okay. You've heard a bit about the Chinese playbook, you've heard about the challenges that Palau faces, one thing we actually didn't touch on, which maybe we can get to in Q&A, is the Chinese research that has been taking place over your underwater cables out in the Pacific – that was obviously a direct threat. That's political warfare – gray zone warfare par excellence.

But let's open it up to – to you if you have any questions, just raise your hand, and we'll make sure that we get a microphone in front of you.

KINE : Hi.

**SCHANZER:** Please do identify yourself before you speak.

KINE : Hi, good morning, my name is Phelim Kine, I work for Politico. Thank you so much for this really informative event. Mr. President, welcome.

A quick question, so you – in May, Secretary of State Blinken signed the COFA [Compacts of Free Association] extension with Palau, you mentioned how the – in 2010, the first version, there were – there was a delay of years in terms

of actually enacting it. What exactly are the politics of getting wheels on this here in DC, so that Palau gets the benefits of the COFA extension? And who are you meeting in order to make that happen here in Washington DC? Thank you.

**WHIPPS:** So, I had the opportunity of being a Senator at the time, so in 2013 I came to Palau – I mean came to D.C. with the then President Remengesau, and from what I recall, it was all about offsets. So, it was the administration and Congress trying to decide where the offset is going to come from to find the funding to take care of this agreement.

As a young politician and a person from Palau, to be frank, I was like “Really”? This is where we are with Palau? It’s like well, we’re going to have an offset from helium, and at the time it was helium that they had found an offset from, but no, their – this district in Oregon needed something and that district over there needed something so, sorry – well, it’s not going to happen this time so we got to wait again for the next money we find from somewhere.

If the relationship is that important, you have to show it, and I think that’s really where we’re coming from this time around is make sure – let’s not get caught up with the internal politics in Washington, because I think that’s what our people at home kind of fear sometimes that it – you know, we see how divided the Hill is on issues, okay well let’s not let that get in the way of these agreements, because they’re important for establishing that strong partnership that we have or continue to build on that strong partnership that we have.

And we’re very fortunate to have meetings – of course we had a meeting with the Senate side, so that’s Chairman Manchin and – and Ranking Member Barrasso on his – their team, and now we’re going to be meeting on the House side. So we’re meeting with Chairman Westerman and their – their – the committee’s Ranking Member, Grijalva, and those members that are involved in Natural Resource Committee, the Armed Services Committee, in both houses. So they understand the importance of really moving this agreement forward.

And – and one – one thing that I – I have to say is that this – this time, Washington is very much more aware than when I visited in 2013. In fact, I’ll just use this example – in 2013, we went into a – Don – is it Don Young from Alaska’s office – and he put his legs up on the table like that [points at Jon Schanzer’s medical boot] and he told our – our President at the time – he said “what are you – why are you wasting your time in Washington? You should be in China.”

But he was trying to send a very important message in 2013. He said “they don’t understand the importance of this relationship, and so sometimes you just need to do something bold so that they can wake up in Washington.” I think that’s – that was the message.

And, you know, I – I – we miss him. He’s a – of course, he’s passed away. But, you know, that kind of straight talk sometimes is needed. And I think the difference this time that we see in Washington is both sides, Democrats and Republicans, understand the importance. And, you know, I think we’re very optimistic that we will get things done this time in a timely manner.

**SCHANZER:** Did you want to add something, Cleo?

**PASKAL:** Yeah, I just wanted to – if people are wondering why Natural Resources, right, this goes to how insane this relationship is with the compact states. So Natural Resources has a subcommittee on Indian and Insular Affairs, and the Insular of Indian Insular Affairs is what covers the compact states. So it’s not – it’s not even – and it’s in the Department of Interior. It’s not State, it’s not Defense, it’s, like, this subcommittee under – so that’s – mercifully, there are some very

good people on that subcommittee, like Congresswoman Radewagen from the American Samoa, people who understand – understand the region.

But that's how far behind American political bureaucracy is on the importance of the region.

**WHIPPS:** Well – and -let me add I think – but it's also important that it's in that committee because the relationship that the – the freely associated states and, you know, Palau has with the United States is it's as close that you get to a territory as can be, and I think that's where the problem sometimes arises, is that the State Department likes to think that, "oh, you're just like Tonga or you're just like Vanuatu," but we're not because the – the rights for defense in Palau are just like they are in Guam and Hawaii ...

**PASKAL:** ... Are you talking about federal programs?

**WHIPPS:** And federal programs. So – so this is where we kind of get sometimes caught in the middle. So you have State Department over here thinking that they should treat us just like any other area. However, it's important that we're part of the Post Office, we're part of educational programs and part of healthcare programs because those are all – importance for – for providing that stability, that development that we need.

The same thing applies to programs like FEMA – FEMA. That's one of the things that I've – I've been sharing with the committees when I – I was here because with the impacts of typhoons – we didn't have typhoons before, and – and one of the things that Palau used to have under the Trust Territory was FEMA, but our – our negotiator back in the time said "oh, we never get typhoons in Palau so we don't need FEMA." Well, fast forward in the last 10 years, we have three. And when are you most vulnerable? When you get hit with a disaster like that.

And, you know, you just see – see Guam. Without FEMA, how did you recover from that? Palau, fortunately, on the last two bigger typhoons, Taiwan is the one that came to Palauans and they sent actually a military vessel with supplies and housing onboard those vessels to Palau, but – and then the latest one, our friends from the FSM [Federated States of Micronesia] were our largest contributor.

So we're one step closer to being – the next time, a Chinese vessel's going to show up with supplies to help us. I mean, why don't we fix those simple things now? And so that's one of the things that we're – while we're in Washington, is ...

(CROSSTALK)

... helping – helping them understand.

**PASKAL:** Yeah, sorry. At the hearing, you – cause just to – it's important to this bureaucratic thing – you said – you made a suggestion about setting up a – an office, right?

**WHIPPS:** Yeah, an office in a – within the Department of State, which had existed before, and that was really an office for Freely Associated States, because what happens is we fall under Australia and New Zealand and the Pacific, and the relationship of those countries with the United States is very different from the Freely Associated States, and when you lump all those countries together – and there's, like, 16 of us – you kind of get lost in the mix.

And because of that special relationship, we – we're recommending that it should be codified and – and – so that you don't – it just doesn't disappear and we forget about it and then, oh, suddenly something – it's a disaster, now we got to go fix it.

And in – we need attention on both sides. I'm also trying to convince our Congress at home that we also need our own office that focuses on compact issues specifically because the relationship is important. And – and the National Security Office is – is part of that mix but, you know, when you have limited funding, it's hard to fund these offices.

So I've – you know, the NSC is one person right now, as you know, but that's one step. That's the – you know, we've got – we've – we've got to build up these offices, and that helps build that relationship that – that is so critical, because when there is – you know, just like in any relationship, it begins with good communication.

So sometimes, when that communication isn't there, things fall down, and that's – that's really the problem. Just an example we were sharing with Congressman Radewagen this morning is the desk officer for Palau and the State Department is located in Malaysia. I don't know why but that's just the way State Department looks at it.

So, you know, I'm not here to give the State Department a bad time but, you know, they have a lot of things – they have, you know, 200 countries to deal with. Palau just gets lumped in with that, and I think that's where they – they miss that opportunity and that's why it's important that we have this office within the State Department and really important that Interior's roles are supported in what they are doing with the – the FAS, so.

**SCHANZER:** OK, we've got a question on this side.

**CHING :** Thank you. Good afternoon. My name is Nike **Ching** for Voice of America.

Mr. President, under COFA, would the U.S. have full access to (Various bases in Palau in the event of a Chinese invasion in Taiwan?

And separately if I may, can you talk about the May 24th incursion of a Chinese vessel that entered Palau's EEZ [exclusive economic zone] allegedly without prior notification? How worried are you that such incursion is a pretext for something else? Thank you.

**WHIPPS:** Yes, so first of all, under the compact, the U.S. has the ability to come in and use our ports, airports, set up bases if they need to. That's – that's already in the compact. In fact, Palau has three runways. The U.S. is – is making sure that the one that needs to be extended that – we've talked about it – they want to extend it, but the other two, they've made them – well, one is already ready, that – C-130s and whatever it can land. I mean, this was a – these were all runways that the Japanese used. So they're just basically reactivating them. Another one right now, the Marines are right – they've been there for about a year clearing the area, working with the community ...

**PASKAL:** Is that Peleliu?

**WHIPPS:** That's in Peleliu. So those are already being – I think most important is the U.S. wants that capability if they need to. The other thing is they're trying to repair the existing port, minor repairs. Big ones maybe need to be on in the future.

So really, the U.S. ability – when they were in the – when they constructed the agreement, one of the things that they put in it was what they call the compact road. Compact road is a road that circles the entire big island of Babeldaob – and just to give you a perspective, Babeldaob is – is the second largest island in Micronesia after Guam, so a similar – it's not as big as Guam but similar in size – and – and that road would be considered like the interstate. One of the specifications we know – the – because the Army Corps designed it – should be able to accommodate M1 tanks. So that was – that was part of – the – the bridges had to be able to accommodate.

So, I mean, I think that's been the intent. And – and, you know, you can see from what the Japanese had back during World War II, how important Palau was strategically for these – this – this type of posturing and security.

So we understand our role and – and we welcome it. I mean, there – there's the exercises going on in Palau right now, there's a French aircraft and the U.S. aircraft participating in those exercise. They're – they're shooting Patriots at drones, just to demonstrate capability. And we believe that presence is deterrence, or as Reagan would say, you have to show – in order to have – it's peace through strength, right? That – that should be the goal.

So we value our relationship with Taiwan, we want to make sure that we promote peace and in the region, and – and Palau understands its role in – in promoting that security, which should promote peace.

**CHING:** Thank you.

**WHIPPS:** What was the second question? The incursion, the – so on – on the incursions, that would be the third vessel that we know of that has entered our waters and doing what they call "research." The – the first one was do – doing so-called research and then the second two – and so there was a – little bit of a confusion because the first one, there was a debate of if they had the proper licensing and whatever.

The next two, we – of course we didn't allow. They just came in. They come in when it's kind of stormy, claim that they're running away from the storm, but if you're running away with a – from a storm, you shouldn't be slowing down to speeds that you drop gear in the water and survey because the aerial photos we have shows that they drop gear in the water. So it sure looks like ...

**SCHANZER:** Right over your fiberoptic cables ...

(CROSSTALK)

**WHIPPS:** Yeah, and then they just happen to be over top of where the fiberoptic cable is, which is important for the radar sites and other things that we're doing in Palau. So the – you know, you begin to wonder what is the real intent. It just so happens that, this week, that cable is down for five days, so we don't have any Internet for – from tomorrow until Saturday.

But, you know, we always wonder about those types of activities, but not only that, they're challenging us on our claims for an extended continental shelf. They've actually come into our EEZ and – and named ridges Chinese names within – you know, these underwater sea ridges, and then they're naming – putting Chinese names on that extended continental shelf that is – you know, it's called the Japan – Palau-Kyushu Ridge because it's always been there and it connects Palau and Japan underwater.

So on the extended continental shelf claims, you know, it's supposed to be Palau and Japan joining each other, but of course they're trying to sever that so that can be international waters. And who can come into them? Chinese, because they control the – who gets those permits and who runs out there in the open seas.

So, you know, that's, I think, something that we all need to be aware of, and I've, you know, made the Defense Department very aware of them. And we have these joint committee meetings twice a year with the U.S. military and we bring up these issues that – challenges that we have because it doesn't – you can say they're friendly but I – we don't look at them as friendly. It looks like they have other intentions.

And I think it's time for some destroyers to show up and just say "what are you doing in our waters?" Because that's what – we have a – we have a patrol boat but it's only 30 – 40 meters long, so – I've been on it. It's – when that research vessel was there, it was 150 meters long. So, you know, a little bit of a difference in size.

And I was all gung ho. We were, like, "Send up (inaudible) let's go – let's go take that vessel," but reality – the U.S. said "No, you can't take the vessel."

(LAUGHTER)

But why not, you know? But, you know, it – it is – you know, when you have countries that don't respect the rules-based order, it is alarming, and – and we've seen what's – happens in – in the – Ukraine and we don't want to see that happening anywhere in the world. And that's why likeminded countries that want to preserve freedom and democracy need to be working together on every aspect, to make sure that we preserve that freedom that we all enjoy in the Asia Pacific and around the world, so.

**SCHANZER:** OK, I think we have time for maybe just a couple more questions. We'll take one on this side.

**DeLONG:** Thank you. Hi. Betsy DeLong with REDR Corporation. I wondered if you could talk a little bit about IUU [Illegal, Unreported, and Unregulated] fishing and the challenges you're facing there and if you're getting benefit from the coastal surveillance systems and how you think that's working out for Palau?

**WHIPPS:** Well, we have – when – we now have five coastal surveillance systems, and the newest ones have been installed furthest south. I don't think they're fully operational now, yet, but we're excited to have those operational because anything we can do to deter IUU, especially – the last Chinese vessel that we caught was fishing in that southernmost reef that's about 60 miles from an Indonesian island. So where – that's our – our very southernmost border – I was just there about a week ago visiting – and it's very remote. The radar site is up. We don't have it hooked into our station yet, I think that the – they're still working on that, but hopefully operational soon.

And very important because we know that – yeah, they fish, they may be interested in other activities – but – but, you know, the type of fishing they do is so destructive. They'll go after the giant clams which are beautiful and – and – or they'll – if they're coming for sea cucumbers, they just take all of them or – you know, those kinds of things that are – and they'll just destroy ecosystems.

So it's really important that we keep IUU out. And that coastal surveillance system, including the Sea Dragon program, which is the aerial surveillance, working with our patrol boats, is also critical.

So what I can say is I think they have helped because the number of IUUs have been reduced. We definitely don't see as many. And that's probably because 80 percent of our EEZ right now is the sanctuary. So YOU can't fish in it, anyway. So it's pretty easy for us to identify, that's...

(LAUGHTER)

... that's illegal fishing going on, because nobody's supposed to be fishing, anyway.

So we – we've got to continue to work on that. But all of that, working together, is important. And so thank you for the question.

**SCHANZER:** OK, I think we're going to start to wrap up here. So what I wanted to do is, Cleo, if you've got any parting thoughts for the...

(CROSSTALK)

**SCHANZER:** ... for the crowd, and then we'll ask the president to give his final thoughts, and we'll wrap up.

**PASKAL:** Yeah, I will – I will give my final thoughts time over to the president to – because there's one thing we didn't touch on, which was the veterans. And the treatment of veterans is incredibly important. And – and also, I would just take the last three seconds to say, anyone of the compact states can completely geopolitically change at the next election. They're all one election away from completely geopolitically changing.

So you've seen...

**SCHANZER:** And by that you mean flipping recognition of Taiwan, drifting into Chinese orbit...?

**PASKAL:** Yeah. You've seen – I mean, you've heard the president and the courage that he's displayed, "Let's go after the Chinese ship," and all that stuff. That may not be the next president of Palau, or any of the other countries. So this – these relationships cannot be taken for granted, and the people who are standing up need to be given the justification to show to their electorate why this position is the right one to take.

**WHIPPS:** Well, thank you, Cleo. Thank you, Jonathan, for really this opportunity to share about the challenges that we have. And you're absolutely correct. All the Chinese need to do is get a new president that favors what they want to do, and they can change it, because it's the president that ultimately decides diplomatic relations.

I know Panuelo stood up. Of course he hasn't been re-elected. But...

**SCHANZER:** Care to explain who he is?

**WHIPPS:** Panuelo is president of the...

**PASKAL:** FSM [Federated States of Micronesia].

**WHIPPS:** ... FSM. And, you know, you see the challenges that he has. I think that's – goes across the Pacific, because that's the way the Chinese operate.

We – we definitely need to have offices like the special prosecutor, strong ethics commissions, the NSC offices. All these things help in deterring and providing really clean and stable governments, which are, I think, critical. One of the things I wanted to share was that hopefully by the end of this year we'll be part of Interpol, and that will allow us to connect and have a system where we can identify bad actors coming into our country. Because we need – we need that every – every resource that's available to deter and find ways that, you know, we can build a strong and resilient economy that hopefully our citizens can come back.

So one of the things that I talked to Secretary Austin about is part of that is, with all these veterans that we have that joined the U.S. military, when they're done, ideally it would be good for them to come back to Palau. One of the challenges that they had is they don't get all the benefits that they would get if they lived in the United States, or if they lived in the Philippines, or if they lived in Canada. They get health benefits. But if they came to Palau, which is a freely associated state, they lose those benefits. And in fact, we've had veterans in Palau that have taken their lives because of lack of access. And that's – that's not good.

So this legislation has language in it to take care of that. And that's another critical thing. We have to take care of the veterans. You know, there's a veteran in Palau, and he's an American, but he's retired and living in Palau. And he says, "You shouldn't – you should stop the military from coming and recruiting in Palau and taking these young men and women and making them join the U.S. military, then just forgetting about them. There should be" – you know, that's a bit strong, but, you know, maybe that's what has to be. I mean, why do they just use them and then forget about them?

And, you know, these are – these are things that are serious and we need to deal with, and – and this legislation goes a long ways in – in trying to solve those issues, so – well, thank you.

**SCHANZER:** No end to the challenges, it seems. There's a lot, I think, that is yet to be done. I want to thank you, Mr. President, for stopping by today. We appreciate your time. We appreciate your willingness to sit with us.

Cleo, thank you.

I thank all of you for joining here in person and all of you watching online. Please do check back with us for future events. We hold them regularly here in this room and online. And have a great rest of your afternoon.

(APPLAUSE)

END