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TRUST TERRITORY OF THE PACIFIC ISLANDS  
PALAU DISTRICT

Five Year Plan - Fiscal Years 1976 - 1980

And

Ten Year Financial Requirements - Fiscal  
Years 1976 - 1985

As Presented by the

Palau District Administration

February 21, 1974

021598

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## HIGHLIGHTS STATEMENT

### Capital Improvement Program - No budget restrictions.

This plan was developed without regard to budgetary constraints. Instead, it was designed to construct and make operational those improvements which are considered of higher priority. It provides the necessary physical infrastructure to commence the development of the economic well-being of our citizens and the basis whereby the District can move forward toward self-sufficiency and economic independence. To do this, of course, we require a sufficient road system for access and transport to markets, ample utilities to provide power and water and telephones for communication. These are basic needs which we must have in order to attract investment capital, whether foreign or local, to develop the private sector of our economy. It is only through the expansion of the private economy that we can increase the bases from which our tax revenues are generated thereby generating sufficient revenues to run the cost of government.

Our number one asset and resource to be developed is that of an offshore tuna fishing industry. This industry could provide over half of our revenue sources. It is estimated that, at present, the Palau District could generate some three million dollars in tax revenues from the catches of the Japanese, Korean, and Taiwanese fleets now fishing our waters. If this figure is at all reasonable, and we believe it is, it certainly behooves us to develop our own

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fishing fleet with Micronesian owned and manned fishing boats. Then, we would not only have tax revenues but employment, payrolls, profits from sales and capital investment all circulating and expanding our gross national product. Obviously this fact that our one major exploitable resource is in the sea only underscores the position of the Committee on the Law of the Sea as to the extent of our boundaries for fishing rights.

Other areas which we consider will be of significant but only contributing factors to our economy are in the areas of tourism, agriculture and mariculture. Tourism may develop to the size of what Saipan is experiencing now but much beyond that would require considerable amounts of foreign capital and importation of alien workers to supplement our labor force. These factors are undesirable. There are three areas on Babelthaup which could be farmed on a commercial basis but anticipated production will be consumed by local demand. Some ten acres of fish farms are planned for Babelthaup including the harvesting and marketing of rabbit and milk fish and shrimp in additions to oyster farming. Sufficient quantities of fish products will be produced in this area to warrant exporting besides meeting local demand.

Finally, for some period of time there will be a construction boom for our local companies in the building of houses, stores and service facilities as the Island of Babelthaup is opened up.

To provide the basis for these accomplishments during this six year time frame we have alloted funds for our various programs areas as follows:

<u>Activity</u>	<u>Amount</u>	<u>Per Centage</u>
Education	\$ 5,310	17.4%
Public Health	400	1.3
Transportation	18,835	61.6
Resources & Development	650	2.1
Community Development	290	.9
Utilities	2,525	8.3
Heavy Equipment Purchases	1,000	3.3
Relocation of Public Works	550	1.8
Civic Center/Admin. Bldng.	<u>1,000</u>	<u>3.3</u>
	\$30,560	100.0

The reason it appears that an inordinate amount of capital is being invested in transportation is that 15.6 million of this amount is earmarked for an eighty mile road system to provide access to all the population centers of Babelthaup and construct a lagoon causeway on the northern side of Koror to relieve the crowded and dangerous congestion in the district center. These funds would more properly be labeled economic development as this project is the key to our progress in establishing a viable economy. The building of a road system on Babelthaup will make accessable 155 square miles of Island which give us the ability to attain two major goals:

1. Access, by road, will be available to construct residential areas, commercial enterprises, mariculture projects, a new high school and utilities. Without roads, other projects can only be built in a very time consuming and costly manner as we have experienced in the past.
2. Once constructed, the agriculture and mariculture products will have farm to market access throughout the villages on Babelthaup and Koror. Expensive dormitories will not have to be constructed for the high school as students will be able to commute. And tourism will prosper by the accessibility of the many white sand beaches and scenic vistas of rolling hills and water falls.

Airport development will be completed with the anticipated participation by the FAA giving the District an all weather strip of 9,000 feet with lights and navigational aids.

The new high school is required to accommodate the burgeoning number of elementary graduates coupled with the increasing desire of students to continue their education beyond the elementary level. This school will, for the first time, enable Palau to accept 100% of her graduating elementary students. In addition, it will relieve the influx of students into the district center where the children are a burden on relatives and are sometime cause for a growing juvenile delinquency problem.

In Public Health Services we have programmed funds for the continuation of our dispensary program but this construction may not be necessary if we have access from village to village and a more regional concept can be instituted to provide the necessary health care.

Resources and Development programmed funds are two fold: (1) to provide for engineering studies for the overall development of Babelthaup and (2) the relocation of our agricultural station which is now located in the residential designated area on Koror. The new site will be located on Babelthaup, preferably adjacent to those areas of commercial farming and possibly close to the new high school whereby we could promote a joint effort with Education in the teaching of agricultural trades and skills. Studies should also be conducted as to the feasibility of dredging channels and providing dock facilities on the three inhabited islands in the Southwest Islands.

The Civic Action Teams will be funded for the first two years of this plan which should provide sufficient time for them to accomplish their primary task of supervising the construction of water systems in the villages of Babelthaup. Subsequently, their value will diminish as Babelthaup develops and our emphasis shifts to major construction projects such as power distribution, primary road and airport construction which are not as suited to Civic Action Teams.

Power distribution will be of major importance second only to the road program which will follow as construction projects and subsequent operations will require electricity and power will be provided for the five thousand residents of Babelthaup plus commercial consumers. Additional funds will be required beyond 1981 to provide this vital service and allow for increased demand and anticipated population increase.

Funds are provided for the replacement of some of our ancient pieces of heavy equipment in Public Works but also additional school buses which will be needed for the new school and our fire fighting equipment which will soon have to be replaced. Public Works facilities will be moved to Malakal Island, the industrial center, as the present area is best suited to resort and recreational purposes.

Finally, we have included a new government offices building which will be located in the Civic Center complex in downtown Koror adjacent to the Legislature Building and more accessible to the general public. The present facilities are located some two miles from central Koror and are not easily accessible for many residents. The present facilities are an old Page Communication site and are really not conducive physically to house the executive branch of the District Government. Once vacated it is anticipated the Page facilities will be utilized as a youth recreation center.

#### Five Year Plan at Current Funding Levels.

The basis for this plan is based on the no restriction program but subject to funding as allotted. The annual amounts allotted also restrict our timing and alter somewhat our priorities due to financial considerations. Operations levels remain approximately the same at the present level of operations but increases in personnel and support items will be necessary in health services, education and utilities as the physical plant of these activities increase.



An analysis of the changes caused by the more limited funding are as follows:

1. The Babelthaup high school construction will be deferred by one year to 1981, adding one half million dollars to this project.
2. Health dispensaries funding has been suspended pending a further analysis of the need for these medical facilities because of the new transportation system.
3. Funding for the road program will be cut in half and defers the completion of this system until 1983 with a resultant increase in costs. A slower rate of road construction will also delay any economic development projects, the development of which is dependent on road access.
4. Relocation of the agriculture station from Koror to Babelthaup will be deferred by one year to 1982.
5. The water lines and pumping stations to the village of Airai will be delayed one year to 1977 but sand filtration systems with chlorinators will be installed in 1976 for the Islands of Peleliu and Angaur.
6. Sewerage hookups for Koror will all be funded in 1976 rather than spread over a two year period.
7. Installation of the distribution system for Babelthaup will be slowed necessarily because of the slower rate of road construction.

Funding previously phased over the 1978-1981 time period will be

instead, split into two segments, in 1977 for additional generating capacity and in 1979 for continuation of power distribution toward northern Babelthaup.

8. Funding for heavy equipment purchases is considerably reduced and the remaining amount is slated for the purchase of fire fighting equipment and school buses.
9. A & E will have to be completed earlier for the design of the new civic center building and the relocation of the Public Works office and garage facility to Malakal Island. Construction will be moved up one year to 1980.

The overall result of this more restricted approach is to defer some projects into the second five year time frame which can greatly increase the cost of a given project due to rising costs of materials and labor and increasing funding required for additional subsidies.

Operation and Capital Improvement Summary - 1981 - 1985

Funding for the cost of government operation will continue to increase during this five year period especially with larger education facilities to meet the needs of a growing student population, expanded health services, increased buildings maintenance and much more extensive utility systems. To help offset this somewhat, though, it is anticipated the government work force would be all Micronesian eliminating the more expensive expatriate positions.

Capital improvement program requirements will continue with a need for completion of Babelthaup road system, a new court house to be located in the Civic Center, a new hospital, dock facilities for Peleliu and Angaur, renovation of the Peleliu airstrip, telephones, and additional power requirements.

Conclusion.

The development of our Islands closely follow the goals and objectives of our master plans for Babelthaup and Koror with primary emphasis on Babelthaup which can, eventually, significantly contribute to our developing economy in the areas of agriculture, mariculture, tourism and recreation. Malakal will contribute to industrial development geared toward the commercial port, warehousing and fisheries development.

Considerable sums have been spent in planning and defining our needs and more is required but we believe it is time that we commence in the actual accomplishment of these long desired goals of the Palau District.

TRUST TERRITORY OF THE PACIFIC ISLANDS

DISTRICT

Palau

OPERATIONS SUMMARY

1973 - 1980

DATE December 16, 1973

(Dollars in Thousands)

Not official for government use only

Program Activity	F I S C A L Y E A R S							
	1973	1974	1975	1976	1977	1978	1979	1980
DIRECT APPROPRIATION								
PUBLIC AFFAIRS	120	122	131	143	149	163	176	190
RESOURCES & DEVELOPMENT	576	453	1,80	515	554	589	636	683
HEALTH SERVICES	678	723	783	864	928	987	1,065	1,144
EDUCATION	1,108	1,359	1,253	1,480	1,585	1,685	1,821	1,955
PROTECTION TO PERSONS AND PROPERTY	214	247	281	299	319	334	362	388
TRANSPORTATION & COMMUNICATIONS	86	86	92	105	110	118	128	137
PUBLIC WORKS	1,077	1,085	1,256	1,729	1,957	2,167	2,341	2,514
ADMINISTRATION	260	257	298	337	343	368	398	428
GRAND TOTAL	4,119	4,332	4,574	5,472	5,945	6,411	6,927	7,439

TRUST TERRITORY OF THE PACIFIC ISLANDS

OPERATIONS SUMMARY

1973 - 1980

(Dollars in Thousands)

DISTRICT Palau

DATE December 16, 1973

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Program Activity	FISCAL YEARS								
	1973	1974	1975	1976	1977	1978	1979	1980	
<u>PUBLIC AFFAIRS</u>									
Office of the Director	10	21	21	22	24	25	27	30	
Legislative Liaison	23	15	17	18	19	21	23	24	
Civic Affairs	9	6	7	8	8	9	9	10	
Public Information	5	4	5	6	6	6	7	7	
Broadcasting	35	38	39	42	45	48	52	56	
Community Development	27	26	29	32	31	54	58	63	
Grant-in-Aid	11	12	13	15	16	-	-	-	
Housing Loan Fund									
Congress of Micronesia-Election									
Congress of Micronesia-Operations									
Total - Public Affairs	120	122	131	143	149	163	176	190	
<u>RESOURCES &amp; DEVELOPMENT</u>									
Office of the Director	168	171	178	192	206	219	236	254	
Agriculture	39	32	42	43	46	52	57	61	
Economic Development	139	123	125	127	135	143	155	166	
Marine Resources	116	119	126	143	153	163	176	189	
Lands and Surveys	108	-	9	10	14	12	12	13	
Land Commission	8	8							
Labor Division									
Total - Resources & Dev.	578	453	480	515	554	589	636	683	

TRUST TERRITORY OF THE PACIFIC ISLANDS

OPERATIONS SUMMARY  
1973 - 1980

(Dollars in Thousands)

DISTRICT Palau

DATE December 16, 1973

Not official for government use only

Program Activity	FISCAL YEARS									
	1973	1974	1975	1976	1977	1978	1979	1980		
<b>HEALTH SERVICES</b>										
Medical Administration	574	627	672	748	801	855	923	991		
Hospital and Out-Island Services										
Environmental Health and Sanitation	39	33	40	40	45	45	48	52		
Dental Services	65	63	71	76	82	87	94	101		
Trust Territory School of Nursing										
Total - Health Services	678	723	783	864	928	987	1,065	1,144		
<b>EDUCATION</b>										
Administration	91	117	117	99	108	112	121	130		
Elementary	614	742	743	858	919	981	1,060	1,138		
Secondary	403	500	393	523	558	592	640	687		
Inservice Teacher Training										
Scholarship and Medical Education										
Micronesian Occupational Center										
Community College of Micronesia										
Micronesian Maritime Center										
Aid to Non-Public Schools										
Total - Education	1,108	1,359	1,253	1,480	1,585	1,685	1,821	1,955		

TRUST TERRITORY OF THE PACIFIC ISLANDS

OPERATIONS SUMMARY

1973 - 1980

(Dollars in Thousands)

DISTRICT Palau

DATE December 16, 1973

Not official for government use only

Program Activity	FISCAL YEARS									
	1973	1974	1975	1976	1977	1978	1979	1980		
<u>PROTECTION TO PERSONS &amp; PROPERTY</u>										
Office of the Attorney General	36	38	40	47	50	53	58	62		
Immigration	11	14	16	18	19	20	22	23		
Public Safety	167	195	225	234	250	261	282	303		
Public Defender										
Local Judiciary										
Total - Protection to Persons & Property	214	247	281	299	319	334	362	388		
<u>TRANSPORTATION &amp; COMMUNICATIONS</u>										
Office of the Director Transportation Office	86	86	92	105	110	118	128	137		
Sea Transportation Communications	-0-	-0-	-0-							
Airport Operations & Maintenance										
Total - Transportation & Communications	86	86	92	105	110	118	128	137		
<u>PUBLIC WORKS</u>										
Engineering and Administration Operations and Maintenance Utilities	522 555	514 571	563 693	662 1,067	713 1,244	756 1,411	817 1,524	877 1,537		
Total - Public Works	1,077	1,085	1,256	1,729	1,957	2,167	2,341	2,514		

TRUST TERRITORY OF THE PACIFIC ISLANDS  
 OPERATIONS SUMMARY  
 1973 - 1980

DISTRICT Palau  
 DATE December 16, 1973

(Dollars in Thousands)

Not official - for government use only

Program Activity	F I S C A L Y E A R S							
	1973	1974	1975	1976	1977	1978	1979	1980
<u>ADMINISTRATION</u>								
<u>Administrator</u>	135	128	155	179	179	199	205	221
<u>Administrative Services (Hq)</u>								
Management Services								
LMO - Guam								
LMO - Okinawa								
LMO - Honolulu								
Executive Operations								
<u>Finance</u>								
Office of the Director								
Finance and Accounting	42	43	45	51	53	57	62	65
Procurement and Supply	63	65	68	76	79	87	94	101
Automatic Data Processing								
Financial Management System								
Implementation								
<u>Personnel</u>								
Personnel Office								
Personnel Training	20	21	28	31	32	34	37	40
Leased Housing Fund								
<u>Other (Hq)</u>								
Internal Audit								
Program & Budget								
Personnel Benefits								
Disaster Control Office								
<u>Total - Administration</u>	260	257	297	337	343	368	398	428



PLAN C

TRUST TERRITORY OF THE PACIFIC ISLANDS

Capital Improvement Program 1976 - 1980  
(Unit: 1,000 Dollars)

Not official - for government use only

No Budgetary Restrictions

F I S C A L Y E A R S

Program Activity	F I S C A L Y E A R S					
	1976	1977	1978	1979	1980	1981
Public Affairs						
Judiciary						
Legal Affairs						
School Construction						
Elementary		310	500		4,500	
Secondary						
Public Health		400				
Transportation & Communications						
Roads	3,600*	3,000	3,000	3,000	3,000	
Docks		100		1,000		
Airports	135		2,000			
Telephones						
Resource Development	100			50		50
Commerce & Industry						
Community Development	140	150				
Water, Sewerage & Power						
Water	300					
Sewerage	150	150	725	350	300	300
Power	250		200	250	200	50
Maintenance & Rehabilitation	200	200		100		90
General Support						
TOTAL, CAPITAL IMPROVEMENTS	4,875	4,310	6,425	4,750	8,000	2,200

\* Includes Malakal Bridge.

LIST OF UNMET NEEDS

1. Judiciary - courthouse building
2. Construction of an all new 150 bed hospital.
3. Breakwater and port facilities (boat basin) for Angaur.
4. Dredging the channel and improving the village dock in Peleliu.
5. Renovation of the Peleliu airstrip for air taxi service and emergency landings.
6. Telephone system to services the Island of Babelthaup.
7. Expansion of power system to service Babelthaup from Airai to the northern end.

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TRUST TERRITORY OF THE PACIFIC ISLANDS

Capital Improvement Program 1976 - 1980

(Unit: 1,000 Dollars)

Not official - for government use only

Program Activity	FISCAL YEARS			
	1976	1977	1978	1979
Public Affairs				
Judiciary				
Legal Affairs				
School Construction				
Elementary		310		500
Secondary				
Public Health				
Transportation & Communications				
Roads	2,500	1,800	1,479	1,791
Docks		100		1,000
Airports	135		2,000	
Telephones				
Resource Development	100			42
Commerce & Industry				
Community Development	140	150		
Water, Sewerage & Power				
Water	50	300		
Sewerage	300			
Power	250	295		1,380
Maintenance & Rehabilitation	133			182
General Support		200		
<b>TOTAL, CAPITAL IMPROVEMENTS</b>	<b>3,608</b>	<b>3,155</b>	<b>3,479</b>	<b>4,853</b>
				<b>2,000</b>

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Operation & Capital Improvement Summary  
Fiscal Year 1981 - 1985

	1981	1982	1983	1984	1985	TOTALS
(1) Operations	\$8,555	9,670	10,787	11,902	13,018	53,932
Capital Improvement Program:						
School Construction						
Secondary	5,000					
Judiciary	2,000					
Public Health			11,000			
Transportation & Comm.						
Roads	2,000	6,000				
Docks		500				
airports				4,000		
telephones	500					
Resource & Dev.		500				
Water, Sewer & Power	1,000					
GIP TOTALS	8,500	9,000	11,000	4,000	-0-	32,500
TOTAL PROGRAMS	17,055	18,670	21,787	15,902	13,018	86,432

(1) Operations estimates for this period utilize Fiscal Year 1980 as a base year (\$7,439) and projects a 15% per year increase for each year to accommodate increased size of government due to completion of CIP projects, with-in grade increases, personnel costs, promotions & inflationary trends.

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## Project Description

PROJECT TITLE - ALBANY DISTRICT HOSPITAL

LOCATION - To Be Decided

### DESCRIPTION

REPLACEMENT OF PRESENT HOSPITAL FACILITIES WHICH BY 1985 WILL NO LONGER BE CONSIDERED ADEQUATE WITH PROJECTED POPULATION INCREASES. ALSO, THE HILL STRUCTURE WILL THEN BE TWENTY FIVE YEARS OLD.

FUNDING - FY 1983 - \$ 11,000

Project Description

Project Title - Pelican / Biquin Port Facilities  
Location - Pelican / Anson

Description

Rebuilding of the Pelican shore & repair  
of the Millage dock and construction of a  
breakwater & dock repair for the Biquin  
dock basin. The breakwater is necessary  
to protect the seawall & dock & provide  
a safe harbor.

FUNDING FY 1982 \$ 500

Project Description

PROJECT TITLE - COURTHOUSE CONSTRUCTION  
LOCATED - CIVIC CENTER, KOROR

DESCRIPTION

CONSTRUCTION AT THE CIVIC CENTER AREA OF A NEW COURTHOUSE HOUSING THE HIGH COURT & DISTRICT COURT INCLUDING JUDICIAL OFFICES, DISTRICT ATTORNEY & PUBLIC DEFENDERS OFFICES. PRESENT FACILITIES ARE OVER THIRTY YEARS OLD DATING BACK TO JAPANESE TIMES AND INADEQUATE FOR MODERN GOVERNMENT.

FUNDING: FY 1987 - \$ 2,000.

Project Description

PROJECT TITLE - PELELI AIRFIELD RESTORATION

Location: Peleli

Description

Restoration of an existing coral surfaced runway approximately 300' wide by 6000' long. Work would require clearing, grading and repair of surface disturbed during grading. Proposed runway would require only 2" asphaltic emulsion. Lights & navigation aids would be provided and a small terminal. This airport would be utilized primarily for taxi service for tourists as Peleli is an historic W.W. II site. In addition, it would be used as an emergency strip.

Funding FY 1954 \$4,000