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Saipan, Mariana Islands

August 15, 1974

Mr. James M. Wilson, Jr.  
Office for Micronesian Status Negotiations  
Room 3356  
Department of Interior  
Washington, D.C. 20240

Dear Jim:

Enclosed find Marianas Land Committee Position Paper  
on San Jose Harbor submitted for your evaluation and later  
telephone discussion with Emmett Rice.

Sincerely,

Alf E. Bergesen  
Liaison Officer for Micronesian  
Status Negotiations

Enclosure:  
As stated

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The Marianas Political Status Commission has often been in the position of needing additional funding in order to adequately handle the various needs of the Commission as they normally arise. As was stated verbally during the first days of our discussions here on Saipan, the Commission would have enjoyed having the capability at our last negotiating session of consulting expertise in relationship to harbors; however, that luxury had to be delayed until additional funding was made available. With the input of our consultant, Paul Amundsen, we have had an opportunity to review the harbor facilities on Tinian and Saipan. This review has established, in the committee's opinion, that the arrangements previously developed in reference to the Tanapag Harbor area, are sufficient except for the non return of the land between Beach Road and Wallace Highway from Abel Dock north. San Jose Harbor, however, where there has been a tentative agreement releasing the entire harbor area to the U. S. military, with land being made available under a land use arrangement back to the Government of the Marianas, requires revision.

The results established by this revision create a situation that is basically identical

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the one originally negotiated in that the U. S. military is assured of adequate harbor accessibility and use throughout the tenure of the lease arrangements.

As was discussed in the last few days the U. S. military would rather deal directly with an established authority and pay established wharfage and dockage charges, being assured of adequate management and operation of the harbor, transit storage of military cargo and adequate transportation capability to transport the military cargo to the base itself along with a trained labor force to ensure expeditious port operations. With the above thoughts in mind, we would like to establish a basic assumption and suggest some appropriate positions in reference to the San Jose Port area for adoption by this committee.

The committee makes a basic assumption that it is negotiating an arrangement that will come into being under new and different conditions rather than those presently applying. A new government will have been born in the Marianas. It will have needs and ambitions for its people. It will have agencies such as a Port Authority with a highly professional functioning capability. The committee therefore desires to move with extreme care, as regards the significant public assets of the district, and permanent commitments involving them. One such asset is San Jose Port, Tinian. The committee

feels that the substantial value of the port, together with its importance to the transportation network of the islands, merits special consideration entirely separate from those considerations applicable to the upland areas involving the military base proper. An approach to port area considerations more in keeping with established practice is therefore proposed.

The position of the committee is that the port should remain in the hands of the new Marianas Government under an appropriate Port Authority type agency to be established. Operations of the port should follow current U. S. practice as being under full civilian control as to berth assignments, stevedoring, cargo handling, loading of land carriers and the like. The operating agency for the port should be a "Marianas Port Authority" constituted by the government as an autonomous body for seaport and airport operation and development for the district together with the development of transportation modes as required. The Authority would be charged with assuring the presence of a professional management and operations team and a trained labor force. As operating agent, the Authority would reserve the right to subcontract stevedoring and/or cargo handling services in instances where acceptable private industry performance capability is present and available. Arrangements for military cargo operations supporting the base would proceed as follows:

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1. The Port Authority would offer occupancy of sufficient land area in the port for military cargo operations under a basic long term lease with the terms and conditions to be negotiated. The lessee would be empowered to make such improvements to the property as are necessary to his operations at his own expense.

2. The Authority would rehabilitate the dockside facilities and would make available preferential assignment to specific berth areas assuring the military first call on these berths (at tariff rates) or exclusive use agreements at negotiated rates; however, the committee recommends that one berth be preferentially assigned to commercial cargoes identified with subsistence of the civilian work force, and that it be located convenient to an upland site for distribution warehousing common to such operations.

3. In connection with the breakwater, main channel and turning basin, the committee recommends this area be established as a U. S. navigable waterway as a condition of Commonwealth status, to be Federally maintained. The newly created government, the increased use of the port for the military and for the larger civilian population seem to assure a favorable appropriations climate for a phased approach to the deferred maintenance backlog.

4. The Port Authority would operate the port under provisions of a public tariff that would establish rules, **023740**

regulations, rates, and charges. The committee recommends that regular tariff rates be established by the Port Authority and apply uniformly to all dockage, wharfage, stevedoring, cargo handling, and other charges.

5. The committee assumes that all cargo handling equipment required for the handling of military cargo would be owned and supplied by the military with operators provided by the Port Authority. Port Authority equipment would be employed in the handling of commercial cargo, with pooling of equipment applying during operational peaks. The committee further suggests a single maintenance shop staffed by Port Authority personnel.

6. Guaranteed annual maintenance of the port plant would be carried out by the Port Authority at a budgeted annual rate of two percent (2%) to five percent (5%) of the current dollar value of the facilities. Such maintenance would be performed on a reimbursable basis in leased areas.

7. Assuming that the military would initially maintain port security over military cargoes moving through the port area, the committee recommends that training be made available for an eventual civilian security force at the port. Initially the civilian guards would function on commercial cargoes. Charges for guards would be levied on the cargo as a tariff item.

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8. The committee recommends that the port's administration office be located in the area of the subsistence berth mentioned above, and that suitable facilities for both Federal and Commonwealth functioned services be included in the planning of the Administration Area.

9. The committee recommends that there be established a caretaker corporation for the purposes of detailed negotiation, planning, and necessary preliminary operation of the port area until a Port Authority can be established.

We recognize that certain aspects of this position paper, in order to be adopted as part of our joint committee's final report, may require review and consultation on the part of the United States at a higher level; however, we hope this consultation may be completed expeditiously so that final report drafting will not be unduly delayed.

DATED THIS 24th DAY OF August, 1974.

*Pedro A. Tenorio*  
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Chairman, Joint Land Committee  
MARIANAS POLITICAL STATUS COMMISSION

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