

Aug. 18, 1974

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INTERIM REPORT
OF THE
JOINT LAND COMMITTEE

The initial session of the Joint Land Committee was held July 15 through July 17, 1974. As a result of these meetings, Terms of Reference (Attachment A) and a Tentative Agenda (Attachment B) were generally agreed upon.

By mutual consent, a break was taken to afford both delegations an opportunity to do initial research on various items contained in the Terms of Reference and Tentative Agenda.

Those present at the initial session were:

FOR THE UNITED STATES

James Wilson
Emmett Rice
Walter Appelle
Joseph Samaritano

FOR THE MARIANAS

Pedro A. Tenorio
José P. Cruz
Benjamin T. Manglona
Edward D.L.G. Pangelinan
Daniel Yusa
James E. White

In addition to the Terms of Reference and the Tentative Agenda, it was also agreed that:

1. The United States was to fund and undertake the necessary surveys to adequately describe: a) The proposed Tinian Base boundary; b) Farallón de Medinilla; c) The area of U. S. acquisition in Tanapag Harbor; and d) The area of U. S. acquisition south of Isley Field.

2. The Marianas Delegation was to be responsible for obtaining all necessary entry permits on Tinian from individual private landowners.

3. The U. S. was to be responsible for obtaining entry permits where needed on Saipan and from the Micronesian Development Corporation on Tinian.

4. The two delegations would meet again on or about July 31, 1974.

5. No news releases were to occur without the joint approval of Senator Edward DLG. Pangelinan and Ambassador Franklin Haydn Williams.

Discussions were resumed on August 5, 1974, and went through August 19, 1974, on Saipan, Mariana Islands.

Initially present were:

FOR THE UNITED STATES.

Emmett M. Rice, Deputy
U. S. Chairman
Joseph Samaritano
for Roy Markon
Walter Appelle, Lt. Col.
USAF, for Bernard Dove
Dale Strait, Lt. Col. USAF,
Advisor/Deputy to
Walter Appelle

FOR THE MARIANAS

Pedro A. Tenorio, Chairman
Marianas Delegation
Benjamin T. Manglona, Member
Jose R. Cruz, Member
James E. White, Legal Consultant

Others appearing for the respective delegations

at later dates were:

FOR THE UNITED STATES

Roy Markon, Member
Arthur Youngren, Col. U. S.
Army, Ports and Harbors
Advisor

FOR THE MARIANAS

Paul Amundsen, Ports and Harbors
Consultant
Robert Greigg, Airport Consultant
Howard Willens, Legal Consultant

The following position papers were submitted by the Marianas Delegation to the Joint Land Committee during the second session which started on August 5, 1974:

1. General Joint Uses for the Island of Tinian (Attachment C);
2. Commercial Airport on Tinian (Attachment D);
3. San Jose Harbor, Tinian, including a Memorandum of Harbor Area Evaluation and a map of the harbor area (Attachment E).

Additional position papers to be submitted by the Marianas Political Status Commission members to the Joint Land Committee prior to the start of the next series of discussions of this land committee are:

1. Joint Use of Social Structure on the Military Complex on Tinian;
2. Leaseback of Land under Military Control for Agriculture and Other Appropriate Uses;
3. Method of Acquisition of land by the United States.

Position papers submitted by the U. S. Delegation to the Joint Land Committee are:

1. U. S. response to the Marianas' position paper on general joint uses for the island of Tinian (Attachment F);
2. U. S. response to the Marianas' position paper in reference to the commercial airport on Tinian (Attachment G);
3. Position paper on leaseback (Attachment H);
4. DOD position on leaseback arrangements for Isley Field and Tanapag Harbor (Attachment I); and

5. Summary of land acquisition presentation
(Attachment J).

As a result of the presentation of these various position papers, and the in depth discussions resulting therefrom, we were able to ascertain many of the primary issues which still remain for this committee to resolve. It is determined that this committee tentatively reconvene in Washington, D. C. on September 16, 1974. This break will assist the United States Delegation to allow sufficient time to adequately review the proposal of the Marianas Political Status Commission members on San Jose Harbor, Tinian; and it will allow the Marianas Political Status Commission members and consultants in the area of land evaluation to complete their studies before reconvening with this committee. It has been determined by the Marianas Political Status Commission members of the Joint Land Committee that the following items should be on the agenda when the committee reconvenes:

1. A review of the survey work, if available, on Tinian and Saipan presently being conducted by the United States.
2. Isley Field
 - a. Development of appropriate language to assure the future Government of the Northern Marianas the right to develop water shed and water well activities within the 482 acres of land to be acquired by the United States for contingent military purposes just south of Isley Field;
 - b. Review and possible renegotiation of the joint use agreement for Isley

Field between the United States Government and the Government of the Trust Territory of the Pacific Islands;

c. Development of general principles applicable to the immediate leaseback of the 482 acres of land just south of Isley Field to the Government of the Northern Marianas.

3. Tanapag Harbor

a. An adequate description in terms of actual location and acreage of that land that will not be available for leaseback because of its designation as a Memorial Park;

b. A further review of the request of the Marianas Political Status Commission that the area between Beach Road and Inner Road, north of Abel Dock, be included in the land to be returned to the Government of the Northern Marianas; and

c. Establishment of general principles to be used in reference to the immediate leaseback of those land areas within Tanapag Harbor to be acquired by the United States, but not to be used for the Memorial Park.

4. San Jose Harbor, Tinian

This is a complete agenda item with all areas still under discussion as there has been no position papers presented nor resolutions developed in reference to any of the aspects of San Jose Harbor by the United States.

5. Commercial use of the new airfield facilities to be developed near West Field on the military complex

a. Building of terminal facilities adjacent thereto;

b. Acceptable wording to ensure joint use of military facilities applicable to and needed by the commercial airport such as maintenance facilities, taxi ways,

the airstrip itself, utilities, fire and crash rescue services, etc; and

c. Limitations on use and access to the civilian terminal and commercial operations.

6. General Joint Uses

A review of this entire area working towards resolution of the problems indicated and development of general principles which would later be guidelines for the Joint Relations Committee.

7. Joint use of Social Structures on the Military Complex of Tinian

As indicated above, a position paper will be submitted by the Marianas members of the Joint Land Committee prior to September 16, 1974. The same language stated for general joint uses, above is applicable to this section.

8. Method of Acquisition of Land for Military Purposes

A position paper on this subject will be submitted by the Marianas Political Status Commission prior to September 16, 1974.

9. Determination of Price for the Land to be Acquired and the Method of Payment

10. Review of draft language applicable to the many issues already resolved and those additional issues stated above that will have been developed to a satisfactory conclusion.

11. Identification of issues still remaining to be resolved by the Commission, as a whole, when it reconvenes for Marianas Five.

This Interim Report has not attempted to outline a present position in reference to all issues and items

discussed up to the present in the Joint Land Committee. It was felt appropriate, however, to indicate to our principals the remaining magnitude of land problems that must be resolved during the next session of this committee in order to facilitate discussions and tentative agreements during Marianas Five. It is the objective of the Joint Land Committee that, upon conclusion of its next session, a final report be submitted well in advance of Marianas Five so that both the United States Delegation and the Marianas Political Status Commission will have adequate time for review of the conclusions and recommendations reached and of the issues that still remain to be resolved. The entire Joint Land Committee feels that the effort put forth by both delegations has been productive in establishing the many definitive issues relevant to land and the resolution of them. If the same cooperative spirit prevails at the next meeting of this Joint Land Committee, many of the still outstanding issues should be resolved.

Pedro A. Tenorio
Chairman
Marianas Delegation

Emmett M. Rice
Deputy Chairman
U. S. Delegation

ATTACHMENT A

17-00000-0000
UNITED STATES-MARIANAS POLITICAL STATUS COMMISSION
JOINT LAND COMMITTEE

I. ORGANIZATION

A United States-Marianas Political Status Commission Joint Land Committee is hereby established made up of representatives appointed by the Marianas Political Status Commission and the President's Personal Representative for Micronesian Status Negotiations. This Committee will consider the specific requirements and procedures for acquisition of appropriate interests in land to meet the agreed United States requirements in the Mariana Islands as set forth in the Joint Communique of May 31, 1974. These requirements are the island of Farallon de Medinilla consisting of approximately 229 acres; approximately 197 acres in Tanapag Harbor; approximately 482 acres south of Isley Field; and approximately 17,475 acres on Tinian. The Committee will be composed of the following members:

United States:

Chairman
Deputy
Two DOD Members

Advisers as required

Northern Marianas:

Tinian Representative
Saipan Representative
Rota Representative

Advisers as required

II. PROCEDURES

The Committee will meet on a continuing basis until all of the subjects contained in Section IV have been forwarded to the Chairman, Marianas Political Status Commission and the President's Personal Representative for Micronesian Status Negotiations. In the event of irreconcilable differences within the Committee the issue(s) will be submitted to the Marianas Political Status Commission and the President's Personal Representative for Micronesian Status Negotiations for resolution. Information on Committee deliberations or findings will not be released. All press inquiries on matters of substance will be referred to principals.

III. TIME PARAMETERS

The Committee will begin deliberations on July 15, 1974 and report its findings to the Marianas Political Status Commission and the President's Personal Representative for Micronesian Status Negotiations no later than September 15, 1974 for final action.

IV. SUBJECTS FOR COMMITTEE CONSIDERATION AND TASKING

A. Determination of metes, bounds and acreage - Draft acceptable language to describe the following (using special technical assistance as needed:

1. On Tinian - Identify the southern boundary of the base including

the boundaries of the harbor area, to the degree necessary to describe the boundary in the instruments of transfer. (Note: The House of Taga and the immediate beach area near the harbor are not included in the military area).

2. On Saipan - Describe the new Tanapag military area, to include the boundaries of the proposed American Memorial Park, as well as the new Isley Field military boundary, to the degree necessary to describe the boundary in the instruments of transfer.

3. Farallon de Medinilla - Describe the island including its overall acreage.

B. Joint Use of Facilities.

1. Tinian Harbor - Determine the following:

a. Joint use agreements for government, commercial and private use of proposed harbor facilities.

b. Land areas within the harbor area of the base that may be jointly used.

c. Land areas within the harbor area that may be utilized for civilian facilities.

2. Tinian - West Field - Work out necessary joint use agreements on the following:

a. Terms of civilian access to West Field.

b. Terms of private and commercial use of West Field -

(1) Landing fees.

(2) Insurance rates.

(3) Use of general aviation facilities and activities.

c. Relocation of civilian terminal -

(1) Ramp and hangar areas.

(2) Support facilities for private and commercial aviation.

C. Lease-Back Arrangements

1. On Tinian

a. Determine possible areas within southeastern portion of the expanded West Field area that can be leased back to the Government of the Northern Marianas as well as the purposes for which this area can be used.

b. Determine the location and acreages within the maneuver area that can be leased for strictly agricultural purposes, including possible reversions due to expanded operational requirements.

c. Determine location and scope of land that can be leased back within the harbor area.

2. On Isley Field

a. Determine types of possible lease-back arrangements to the Government of the Northern Marianas as well as the purposes for which this area can be used.

b. Determine types of buildings and facilities that are permissible for construction, considering FAA/DOD criteria for airfield development.

c. Determine possible agricultural uses including fence constraints and types of agricultural activities.

d. Reversion procedures in event of contingency use.

3. Tanapag Harbor

a. Determine types of possible lease-back and covenant arrangements to the Government of the Northern Marianas as well as the purposes for which this area can be used.

b. Determine the types of buildings and facilities that are permissible for construction outside park area considering DOD criteria for port development.

c. Reversion procedures in event of contingency use.

D. Method of Acquisition

1. Determine how land is to be acquired for United States use.

2. Establish role of Marianas Land Corporation with respect to United States land requirements.

E. Land Price

1. Determine the fair market value of land in the areas to be acquired for military use -

- a. Tinian
- b. Tanapag Harbor
- c. Isley Field
- d. Farallon de Medinilla

2. Determine the timing and modalities of payment, including the method of settlement with private land owners.

F. Other items relating to land which may be pertinent to the Committee's discussions, such as joint use of base facilities and additional joint use agreements, may be considered at any time by agreement of the Joint Committee Chairmen.

V. FUNDING

The expenses of its own representatives and advisers will be met by each side from its own resources. Expenses of surveys necessary to carry out the provisions of paragraph IV, A. will be defrayed by the United States.

DATE July 18, 1974

FOR THE MARIANAS POLITICAL STATUS COMMISSION

Edward Dlg. Pangelinan
 EDWARD DLG. PANGELINAN
 Chairman, Marianas Political Status Commission

FOR THE UNITED STATES

F. Hayden Williams
 F. HAYDN WILLIAMS
 The President's Personal Representative for Micronesian Status Negotiations

Vicente N. Santos
 VICENTE N. SANTOS
 Co-Chairman, Marianas Political Status Commission

ATTACHMENT B

JOINT LAND COMMITTEE
PROPOSED AGENDA AND SCHEDULE
July 17, 1974

I. Agenda

A. Survey

- Exchange of letters on starting survey.
- Provision of rights of entry.
- Selection of contractor by OICC Marianas.
- Appointment of MPSC observer.
- On the ground inspection by JLC.
- Delivery of survey results.
- Agreement on boundaries and acreage by JLC.

B. Joint Use and Lease Back

1. Consideration of joint use requirements.

a. On Tinian.

(i) Harbor

- GOM requirements.
- Docks.
- Warehousing and storage.
- Roads.
- Fuel storage and distribution.
- Areas for exclusive civilian use.
- U.S. limitations.
- Responsibilities of civilian authority relative to use of land in harbor area.
- Elements of joint use agreement.
- Interim arrangements.

(2) West Field

- GOM requirements.
- Terminal
- Hangers
- Parking and taxiways.
- Fuel and distribution.
- Access roads.
- Power, light and sewage.
- U.S. operational limitations.
- Elements of joint use agreements.

2. Consideration lease back arrangements.

a. Tinian

- Consideration of possible parties to lease back arrangements.
- Areas on Tinian.

(1)- Harbor area.

- Identification of possible warehousing and storage areas.
- Consideration of terms of leases including limitations on use.

(2) West Field (Southeast runway area).

- Consideration of possible uses.
- Determination of terms of leases.
- Limitations on use.
- Covenants.
- Price.
- Interim arrangements.

(3) Maneuver Area

- Consideration of possible agricultural uses.
- Identification of possible areas.
- Nature of use arrangements that might be entered into.
- Conditions of reversion.

b. Areas on Saipan

(1) Tanapag Harbor (military area outside park).

- Consideration of possible holdings and facilities.
- Development of lease back agreements.
- Discussion of reversion conditions.

(2) Isely Field

- (Same as Tanapag).

C. Acquisition, Price and Method of Payment.

1. Acquisition methods (Lease vs. Purchase).

- Review of respective U.S. and Marianas positions.
- Deferral of conditions until end of session.

2. Discussion of role to be played by Marianas Land Corporation vis-a-vis U.S. military installations.

- Role in acquisition of land.
- Role in settlement with private owner.
- Role in arriving at settlements with private leases.
- Possible role in lease back arrangements.

3. Determination of Fair Market Value

- Review of factors and conditions in negotiated contract.
- Review of necessary elements of appraisal process.
- Determination of method to be followed.
- Delineation of categories of land to be distinguished.


4. Method of Payment.

- Discussion of installment payments versus lump sum.
- Possible accounts on the above including timing.
- Determination of method of payment and timing.

Proposed Schedule of Meetings:

July 15-17	Organizational Meeting	Saipan
July 18-30	Internal Preparatory Work and Travel	Saipan/Washington
July 31 - Aug 8	Discussion of Joint Use and Lease Back	Saipan/Hawaii
Aug 10-31	Acquisition, Price Survey Results.	Saipan
Sept 1-12	Final Report	Saipan

ATTACHMENT C



POSITION PAPER
ON
GENERAL JOINT USES FOR THE ISLAND
OF TINIAN

Other position papers will go more definitively into joint use within the specific areas of San Jose Harbor, the commercial air operations of West Field, and the social structural developments of the military complex; however, in addition to those specific joint use arrangements it is appropriate that this Land Committee review the other general joint uses referred to during our prior negotiations. Generally, these are electrical power, with the possibility of gas power, telephones, sewers, water, roads, beach access, and fishing rights. It is understood by this committee that all we are attempting to develop, as an outgrowth of our Land Committee, are general principles to be applied at a later time when a Joint Relations Committee becomes active and the implementation stage is near.

ELECTRICAL POWER SITUATION

It is understood, after a review with your technical experts, that it is anticipated an electrical power plant will be located approximately west northwest of San Jose Harbor. Tinian presently has an electrical

power plant located directly south of the village area. Unfortunately, this location advocated by the Trust Territory Government interferes substantially with the quietude of the village. Therefore, we would like to see this power facility retained on a standby basis and tied into the electrical distribution system in order to provide power to the civilian community during emergency situations, and that our electrical power requirements be included within the military capability when that operation is developed. It is appropriate that the initial military capability takes into consideration the supply of electrical power for the San Jose Village area, San Jose Harbor, and the commercial air facility at West Field. We further request that this electrical power capability be extended along the bypass road so that the Marpo Valley area could receive electrical power during the near term period. We want the civilian electrical requirements satisfied concurrently with those electrical requirements of the military.

An appropriate mechanism would then be developed through the Joint Relations Committee for consumer usage reimbursement. It should be understood that there will be at the outset and in the future sufficient power capability to supply residential, business, commercial, and governmental needs on the southern third of Tinian. At a later time, should expansion be necessary to keep pace with the development of the community in the southern one third (1/3) of Tinian,

the underlying principle that should be developed is that the military will establish sufficient power output, and that additional establishment of lines into the previously unelectrified area would be the responsibility of either the military or the civilian community, depending upon the determination by the Joint Relations Committee using the avenue of least expense, understanding that all easements necessary to develop the initial construction of electrical power would be available to the Government of the Northern Marianas should it be doing the expansion work, and all necessary additional hookups and tie-ins would be processed without further negotiation.

NATURAL GAS FACILITIES

It is not anticipated, at this juncture, that natural gas facilities will be developed by the military for their base establishments; however, should this capability be considered feasible in the future and so developed by the military, a corresponding civilian capability for the southern one third of Tinian should be appropriately developed at the same time so that the civilian community, as well as the military community, can take advantage of this additional potential power source.

TELEPHONE AND TELEGRAPH FACILITIES

Presently Tinian is without any telephone and/or

telegraphic capability except by a Trust Territory radio contact. It is assumed that the military will establish a rather extensive communications system for its military complex, and at the time of the establishment of that telephone and telegraphic complex, it is expected that the U. S. military will develop telephone and telegraphic services to satisfy the needs of the civilian, commercial, business and government communities within the commercial airfield at West Field, San Jose Harbor, the village of San Jose and the Marpo Village area. An appropriate mechanism would then be developed through the Joint Relations Committee for consumer usage reimbursement.

Later expansion of the telephone and telegraphic lines in the southern one third of the island for the above-stated purposes could be accomplished as stated for the electrical power situation by either the military or civilian community. Again, this decision is probably best deferred to the Joint Relations Committee, understanding that all easements necessary to develop the initial construction of telephone and telegraphic communications would still be available to the Government of the Northern Marianas should it be doing the expansion work, and that all necessary additional hookups and tie-ins would be processed without further negotiations; and the military should insure that its switchboard system and telephone power supply capability would be sufficient to adequately handle all

of these future developments. One additional factor to be considered as a principle guideline is that these systems should be compatible with the telephone systems throughout the Marianas.

Two additional situations occur in reference to a communications system for the island of Tinian. They are: 1) The possibility of laying an underwater cable from Guam to Tinian by the military for increased communications capability; and 2) Cable television. It is assumed by this committee that, should an underwater cable capability be established between Guam and Tinian, such a capability would also be extended to Rota and Saipan for the development of a complete communications system for the major part of the Northern Marianas and Guam. Assuming that the military will include within the underwater cable from Guam the provision for cable television, it is this committee's position that the cable television capability will be extended to the islands of Rota and Saipan, and that the use of this military cable television capability will be available to the civilian communities on Saipan, Tinian and Rota subject to the establishment of an appropriate mechanism for consumer usage reimbursement.

WATER SUPPLY, SEWERAGE, AND SOLID WASTE DISPOSAL

Sewer and water distribution line capability within

the village area of San Jose, San Jose Harbor to dockside, and along the bypass road into the Marpo Valley area up to and including the new commercial airport, would be part of the initial development by the military when it develops its own sewer and water systems. The water catchment capability or other water production facilities such as desalinization, as well as waste water treatment plants and solid waste disposal facilities would be supplied by the military at the outset and in the future in sufficient quantity to insure the needs of the commercial airport, San Jose Harbor area, including shipside connections, and for agricultural, commercial, business, governmental and residential needs. Later expansion in the civilian community as to water production, waste water treatment, or solid waste disposal capabilities will be provided by the military; however, additional sewer and water distribution lines to new developing areas in the southern one third of Tinian could be supplied, either by the military or by the local community; this decision, as stated in other areas, is appropriate for Joint Relations Committee determination. If it is determined that the civilian community will do this additional work, it is understood that all easements necessary to develop the initial facilities of sewer and water distribution lines, water catchment or other capability, waste water treatment plants, and solid waste disposal plants would be available to the Government of the Northern Marianas, and all necessary

Additional hookups and tie-ins would be processed without further negotiation. As previously stated for electrical power and telephone, an appropriate mechanism for consumer usage reimbursement would be a subject for the Joint Relations Committee when the facilities near completion.

ROADS

It has been established in previous negotiations that a bypass road will be built from the village of San Jose, through the Marpo Valley, into the commercial area of West Field, and beyond West Field to Broadway, north of West Field. It is understood by this committee that this road will be a minimum of two lanes wide and will be paved and appropriately marked to provide maximum safety. In addition to the development of this roadway, the roads in the San Jose Village area, and in San Jose Harbor, will be subjected to higher densities of vehicles with the advent of the military complex. It is this committee's position that, at the time of the building of the road complex on the base facility itself, the San Jose Village and San Jose Harbor roads will be appropriately expanded, paved, and marked. After completion of the road work in San Jose Village and San Jose Harbor areas, the maintenance of these roads will be the responsibility of the U. S. military. Later expansion of roads in the southern one third of Tinian could be developed optionally

either by the military or by the Government of the Marianas. This is also an appropriate subject for the Joint Relations Committee opting for the least costly development capability. Also, in reference to maintenance of these roads in the southern one third of the island, other than San Jose Village and the San Jose Harbor areas, the option should be left to the Joint Relations Committee to determine whether it would be more appropriate for the local government to maintain these roads, or to include them in the maintenance area of the military on a refundable basis. Should the Marianas Government decide that it would be more appropriate for the Marianas Government to maintain these roads, it should be understood that the use of military equipment at a reasonable rate, whenever the military does not have need for this equipment, would be appropriate and should be a guideline for the Joint Relations Committee. This joint use of government equipment should be applicable to both developing new roads and maintaining and improving existing roads.

BEACH ACCESS

As was established in prior negotiations, it has been agreed by the United States that there shall be access to all beach areas in the northern two thirds of Tinian at all possible times by the civilian community. It is understood that during times of manuevers certain

beaches, or areas of a beach, will be inaccessible.

When reviewing maneuver planning, the military authorities shall abide by the principle that maneuver beaches will remain open unless the dictates of public safety require closure for all purposes other than those maneuvers.

In the future, should other possible beach areas be developed by the military, or the civilian community, the same rules of free access shall apply.


FISHING RIGHTS

Traditionally, the residents of Tinian and Saipan have fished the waters in and around the northern two thirds of Tinian, as well as many areas in the southern one third of Tinian. It is understood as a general principle that all shoreline areas in and around the northern two thirds of Tinian shall remain open to fishermen except for those certain areas that must be closed due to hazardous possibilities developing from maneuvers. Again, whether or not a given fishing area is to be excluded from public use due to maneuvers should always be determined in favor of free access to these fishing areas if any doubt should exist.

The above-stated position paper is in no way attempting to encompass all the potential possible joint

uses that could appear in the future; however, these particular joint uses were of major concern to this committee, and it is felt that they need specific attention delineating the above-stated principles within our status agreement and/or lease agreement for the particular areas involved. We would certainly expect that in the future the Joint Relations Committee would review other possible joint use situations as they arise.

DATED THIS 12th DAY OF August, 1974.


Pedro A. Tenorio, Chairman
JOINT LAND COMMITTEE

ATTACHMENT D

POSITION PAPER
IN REFERENCE
TO
COMMERCIAL AIRPORT ON TINIAN

WEST FIELD

The Marianas Political Status Commission's Joint Land Committee members recommend the following in relation to satisfying the requirements for facilities and services inherent in the civil air operations at West Field projected over the first seven years of operations:

I. Terminal

A terminal building of permanent construction so designed and located to provide maximum flexibility for growth to eventually provide for such activities as, but not limited to, a restaurant and cocktail lounge, duty free store, gift shops, ticketing, Customs, Immigrations, Agriculture and Quarantine will be constructed by the military. The initial construction of the terminal will be done by the U. S. Department of Defense while other DOD construction is being accomplished and will be completed by the time air operations are possible from West Field.

The scope of the initial civil air terminal construction will be generally equal to that which now exists at West Field, plus an additional amount sufficient to provide space for added or increased functions generated

by the end position military activity and presence at West Field.

Space generally south of the terminal shall be reserved for outlease by the Port Authority for such activities and things as taxi stands, car rental, and a small lodging facility. Space shall also be required for paved parking in this general area for use by privately owned vehicles. The military shall pave this vehicle parking area in compensation for space lost at the present location. A fair and reasonable number is estimated to be in the order of magnitude of fifty (50) spaces.

II. Hangars

No civilian hangar requirements are envisioned during the first seven years of operations; however, as occasions arise joint use of military hangars and related maintenance facilities are contemplated.

III. Parking and Taxiways

Taxiways, except those expressly and solely required for movement of civil aircraft to and from the civil parking apron and terminal areas, are expected to be jointly used with the military and will provide access to both the east and west ends of the runway. A parking apron, conforming to military and FAA regulations in effect at the time of construction, shall be planned

to accommodate, with required maneuver space, two (2) 707 type aircraft and eight (8) light civil single and twin engine private or air taxi type aircraft. Tie-downs for light aircraft shall be provided by the military in the parking apron. This is predicted on a seven year progressive growth projection and reflects the maximum number of aircraft on the ground at any one time. The location of the parking apron for civil use will be in the vicinity of the east end of the runway, but in no case will it be closer than the sterile area restriction imposed by the arm/de-arm pad at the east end of the runway.

A 4,000 sq. ft. cargo handling and storage facility is planned for erection in the vicinity of the southwest portion of the parking apron.

IV. Runway

The new runway planned for construction by the military shall be jointly used by civil aviation. Such joint usage shall be paid to the U. S. Government in an amount based on landing fee rates no greater than that prescribed at the time by existing DOD regulations or guidelines. The method established for landing fee collections from civil aviation operators shall also be as prescribed in the then existing DOD regulations and guidelines. The U. S. Government shall in turn make available to the proposed Marianas Port Authority

(the operating entity in charge of all seaport and airport operations) these landing fees and similar funds collected from civil operations for other services.

At no time during construction of the new military field will air operations to and from Tinian be suspended.

Further, the committee understands that West Field will be an instrumented runway; however, lights will remain off during periods of inactivity. The committee expects that base operations will activate the runway and approach lights upon call-in by civil air operators and during emergency operations such as medical air evacuation. Should scheduled air operations increase to include night flights, all existing navigational aids and lighting shall be made available by the military.

V. Fuel and Distribution

Fuel requirements and distribution for civil aircraft and authorized official civil airport ground powered equipment and motor vehicles shall be provided as and when required from the on-base military facilities on a reimbursable basis in accord with the applicable DOD regulations or guidelines covering each specific category of use and user at the time service is commenced.

VI. Access Road

The access road to the civil air terminal

and ramp area shall be by way of a north-south military road which passes east of the new West Field runway and connects to Broadway. A new and separate east-west entry road from the above-mentioned military road shall be built by the military for civilian use into the terminal area. This entry road shall be a minimum of two lanes, paved and adequately marked to provide maximum safety. A paved road between the military operations area and the civil air terminal area shall be provided by the military for use by limited and mutually designated persons and vehicles.

VII. Power, Light, Water and Sewage

All utilities will be provided by the military on a joint use basis. Such services shall be so sized as to adequately provide for those projections contained herein, plus those commensurate with good planning expansion factors.

VIII. Fire and Crash Rescue

Aircraft and structural fire protection services and aircraft crash rescue will be provided by the military at West Field.

IX. Communications

Telephone communications of sufficient capacity to support the requirements and functions described

in this document shall be provided by the military communications activity at West Field. Adequate provisions shall be made for reasonable expansion in such areas as, but not limited to, switchboard capacity, duct sizing, etc. Direct and separate lines of communications shall be provided by the military between the civil air terminal building and the military base operations building. A separate and direct line will be provided by the military between the civil air terminal building and the military fire and crash rescue facility. Additionally, the military, through its switchboard, will provide telephone service to the other islands (Saipan, Rota, Guam, etc.) at such time as similar service is made available for the military.

X. General

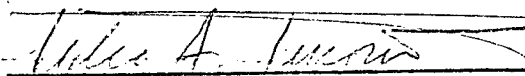
Representatives of the U. S. Delegation did, at our August 8, 1974 meeting, provide the committee with personnel strength figures for West Field. These strength figures have been taken into account in this position paper. An upper limit figure of 6,500 was stated to include military dependents and all required support personnel--a self-contained and supported establishment depending on no assistance from the local labor force available in the community of San Jose. Further, the committee understands that, as rapidly as the local community develops the capability to provide skilled and semi-skilled labor forces to the base, such persons will be hired and will replace those initially brought

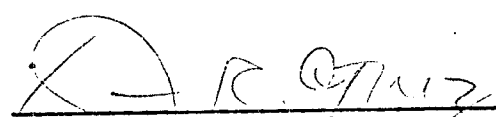
onto the base. The committee further understands that this replacing action will be on a one-for-one basis resulting in a constant maximum strength of 6,500.

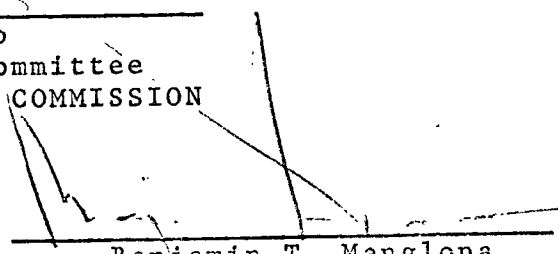
The committee understands that all planning of civil aviation facilities at West Field must be consistent with military requirements; however, once the facilities have been established consistent with military requirements, the free access and joint use of West Field shall not be limited at any time or under any circumstances. Further, the committee has not been furnished any factors by the U. S. Delegation which indicate that our planning will, in any way, remotely interfere with military physical development west and south of the planned civil aviation area.

The committee further understands the access to the civil air terminal area will be unrestricted. Security in and around the terminal area will be provided by civil authorities. Further, the committee understands that the military will arrange to provide Customs inspection of persons, baggage and freight arriving via military aircraft.

DATED THIS 13th DAY OF AUGUST, 1974.


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


Jose R. Cruz
Member, Joint Land Committee


Benjamin T. Manglona
Member, Joint Land Committee

ATTACHMENT E

0339

POSITION PAPER
IN REFERENCE
TO
SAN JOSE HARBOR, TINIAN

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 to

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:

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,

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.

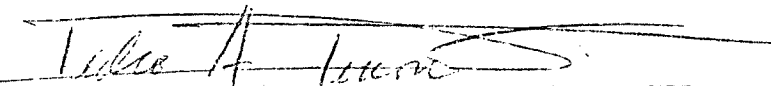
7. Assuming that the military would initially maintain port security over military cargoes moving through the port area, the committee recommends that training be made available for an eventual civilian security force at the port. Initially the civilian guards would function on commercial cargoes. Charges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

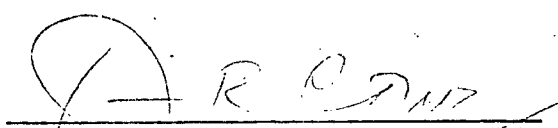
8. The committee recommends that the port's administration office be located in the area of the subsistence berth mentioned above, and that suitable facilities for both Federal and Commonwealth functioned services be included in the planning of the Administration Area.

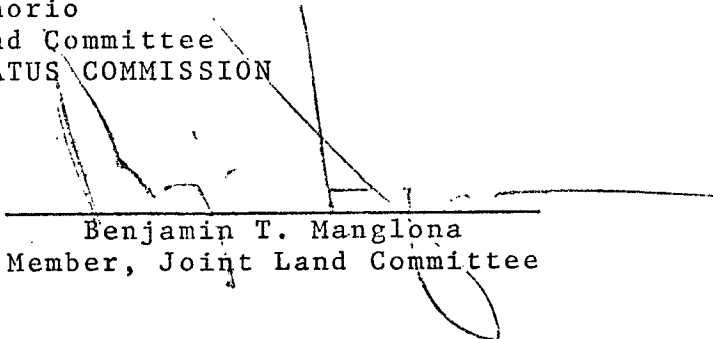
9. The committee recommends that there be established a caretaker corporation for the purposes of detailed negotiation, planning, and necessary preliminary operation of the port area until a Port Authority can be established.

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 13th DAY OF August, 1974.


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


Jose R. Cruz
Member, Joint Land Committee


Benjamin T. Manglona
Member, Joint Land Committee

MARIANAS POLITICAL STATUS COMMISSION
P. O. Box 825
Saipan, Mariana Islands 96950

August 28, 1974

MEMORANDUM

TO: Chairman, Joint Land Committee/U. S. Delegation
FROM: Chairman, Joint Land Committee/MPSC Delegation
SUBJECT: SAN JOSE HARBOR

It has been requested that the figures used by Mr. Amendsen in his oral presentation of possible value of the harbor area on Tinian be presented to you for further clarification and development by your experts. His estimates are as follows:

SAN JOSE HARBOR, TINIAN

Estimated Value Using Current Unit Costs

PAVED DOCK AREA @ \$36/sq.ft.	\$ 7,657,200
Main Dock (50' apron) 50' x 2,000' = 100,000	
Fingers 75' x 450' x 2 = 67,700	
End Dock 75' x 600' = 45,000	
Total square feet = <u>212,700</u>	
PAVED DOCK AREA BEHIND APRON @ 2.50 sq.ft.	750,000
(.50 additional for paving)	
150' x 2,000' = <u>300,000</u> square feet	
WATER SURFACE AREA, DOCKSIDE @ .50 sq.ft.	181,750
Slips 240' x 450' x 2 = 216,000	
Main Dock (less slip) 1,475' x 100 = <u>147,500</u>	
Total square feet = <u>363,500</u>	
ESTIMATED VALUE - WHARF AREA	<u>8,588,950</u>
IMMEDIATE BACKLAND AREA @ 2.00 sq.ft.	2,772,000
Raw land, rough grade	
31.5 acres = <u>1,386,000</u> square feet	
TOTAL ESTIMATED VALUE	<u>\$11,360,950</u>

It is understood that the above-stated figures are "oral presentation figures" only and that they are not to be construed as a position paper in reference to land values.

Recreation and
Fishing

3.4 acres
Mammal
Habitat

Public
Port
Operations

U.S. Lease

(part)

U.S. Lease

Park

7.2 acres

U.S. Lease

U.S. Lease

(part)

U.S. Lease

Public
warehouse

Public
Recreational

Military Res. I

Public
Warehouse

600'

600'

5

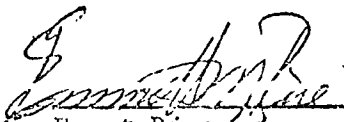
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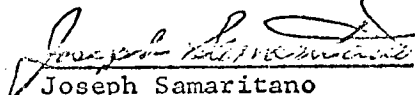
ATTACHMENT E

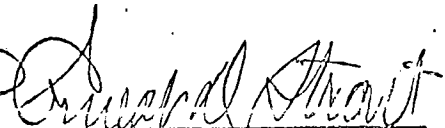
ATTACHMENT "F"

US RESPONSE TO MARIANAS POSITION PAPER ON GENERAL JOINT USES FOR THE
ISLAND OF TINIAN, DATED 12 AUGUST, 1974

The US members of the Joint Land Committee respectfully recommend that the Marianas position paper on general joint use be referred to the Joint Relations Committee. This recommendation is based on the fact that joint use is not a land use or acquisition matter but is primarily concerned with procedural arrangements permitting joint use of certain military property.


Emmet Rice
Deputy Co-Chairman


Joseph Samaritano
Representing Roy Markan
NAVFACENCOM


Ernest D. Strait
Lt. Col, USAF
Representing Bernard Dove
HQUSAF

August 13, 1974

ATTACHMENT G

US RESPONSE TO MARIANAS POSITION PAPER

IN REFERENCE TO

COMMERCIAL AIRPORT ON TINIAN, DATED 13 AUGUST, 1974

With regard to the subject position paper presented by the Marianas members of the Joint Land Committee, the US members wish to make the following response, item by item:

I. Terminal

The DOD proposes to acquire at depreciated value the present civilian terminal or to construct a comparable replacement terminal. Sufficient land will be made available for lease by the Government of the Marianas (GOM) or its lawful representative to construct and operate a comparable terminal with associated aircraft and vehicle parking areas. The DOD does not at this time contemplate construction of military facilities in the vicinity of the proposed civilian aviation terminal that would restrict future lease of additional lands by the GOM, or its lawful representative, for necessary expansion of the terminal. Such future land leases would be in accordance with agreed upon lease back provisions. Future construction of any lodging facility on USG lands is not considered to be in the best interests of either government in protecting the health and safety of personnel using such a facility.

DOD representatives are unable to determine that any expansion of the civilian terminal beyond its present capability will be required to accommodate the end position military activity and presence at West Field.

II. Hangars

Use of military hangars and related maintenance facilities and fees therefore will be possible in accord with the then existing host service regulations and guidelines.

III. Parking and Taxiways

Joint use of military taxiways providing access to the east and west ends of the runway will be permitted in accord with the then existing host service regulations and guidelines.

Construction of aircraft facilities within the land leased by the GOM or its lawful representative will conform to FAA regulations in effect at the time of construction.

The DOD proposes to construct an aircraft parking area suitable to accommodate known civilian aviation activities actually using West Field or having applied to the FAA for such use at this time.

Location of the civilian aircraft parking aprons will be in the vicinity of the east end of the runway, south of the runway center line, and in accordance with the more stringent DOD or FAA safety and airfield clearance criteria.

The DOD position on future aircraft parking aprons needs is similar to that stated in Item I. Terminal.

IV. Runway

The new runway to be constructed at West Field will be a joint use military-civilian runway constructed, owned, and operated by the DOD for national defense. Conditions of civilian aircraft use, to include permits, termination, insurance requirements, FAA clearances, and host service landing fees will be in accord with the host service regulations then in effect.

Host service landing fees collected will go to the US treasury as partial payment for operation and maintenance costs incurred by the USG from joint airfield use. Civilian landing fees will be established and used as prescribed by the GOM or its lawful representative.

During authorized operating hours of the military runway, available navigational aids will be available to civilian aircraft in accordance with FAA and host service regulations then in effect. Cost of providing such navigational aids during other than authorized operating hours will be borne by the agency requiring such aids.

Every effort will be made by the USG and GOM to minimize disruption of civilian and military aircraft operations during construction of military and civilian aviation facilities.

V. Fuel and Distribution

Fuel requirements and distribution for civilian aircraft and authorized official civilian airport ground powered equipment and motor vehicles shall be provided as available by the installation commander on a reimbursable basis in accord with applicable DOD regulations or guidelines covering each specific category of use and user at the time service is commenced.

VI. Access Road

The USG will provide a suitable access road from the civilian terminal to existing off base road networks. Construction of the road will be in accord with normal engineering design criteria for paved roads.

VII. Power, Light, Water and Sewage

Acquisition or replacement of existing utility service facilities within the military lands to be acquired that service the present facility will be in accord with the policy stated in Item I. Terminal. Provision of utilities by the DOD will be on a reimbursable basis in accord with DOD regulations and instructions then in effect.

Aft and structural fire protection services and aircraft crash rescue will be provided as available by the military in accord with a mutual aid agreement to be entered into between the appropriate installation and civil authorities.

IX. Communications

Acquisition or replacement of existing telephone service facilities within the military lands to be acquired that serve the present facility will be in accord with the policy stated in Item I. Terminal. Provision of telephone service by the DOD will be on a fully reimbursable basis in accord with DOD regulations and instructions then in effect. Use of DOD telecommunications systems will be in accord with DOD regulations and instructions then in effect.

X. General

Information provided by the US members in regard to size of the military base community was clearly and definitely identified as being no more than a current planning objective. No commitments have been made or will be made on future personnel, employees, or dependents to be accommodated on the military installation. General personnel policies on employment, training, recruitment, and requirements have been stated by the USG in the past and are not a subject for the Joint Land Committee.

Establishment and operation of the civilian terminal and appurtenant facilities and joint use of the airfield must be on a non-interference basis, consistent with future US military needs and may be terminated in the event of national emergency declared by the President or Congress or at the direction of the host service secretary.

Security, operation, and maintenance of the civilian facilities will be the sole responsibility of the GOM or its lawful representative. Every effort will be made to prevent the damage of aircraft by the inadvertent introduction of debris or other foreign matter on aircraft operation pavements.

Customs inspections of all persons, baggage, and freight arriving at the military airfield will be in accord with applicable laws and implementing regulations and instructions then in effect.

Appropriate and finalized specific, binding agreements will be effected at such time as the GOM is able to assume full responsibility for its new and contemplated role, applicable facilities have been constructed and are available for use, and the appropriate USG representative has been officially designated.

The members are confident that the future development and administration of the base on Tinian will provide great benefit to the people of the island and that conflict between national security and public health will be equitably and lawfully resolved.

1. FAA participation.
2. Other U.S. Federal Grants.
3. GOM C.I.P. Funds furnished by USG.
4. Bond issues since the Port Authority will be autonomous and revenue generating.
5. Revenue from concessions such as duty free stores fees and leases, restaurant, bar, etc. sources of funding.

August 13, 1974

Emmet Rice
Deputy Co-Chairman

Joseph Samaritano
Representing Roy Markan
NAVFACENGCCM

Ernest D. Strait
Lt. Col. USAF
Representing Bernard Dove
HQUSAF

ATTACHMENT H

POSITION PAPER ON LEASE BACK

SUBJECT: DOD Position on Lease-Back of Military Lands on Tinian.

BASIC POLICY: Real property not required at the moment for military uses but not excess to the needs of the U.S. Government, and not otherwise encumbered, will be made available for temporary compatible use by private parties to the maximum extent consistent with need, security, and public safety as may be determined by the United States.

IMPLEMENTATION: Appropriate and finalized, specific, binding agreements will be entered into between prospective lessees and the Government of the United States when clear title to military land requirements has been conveyed to the USG, and an appropriate USG representative has been officially designated. Agreements will conform to the Federal laws, rules, regulations and code applicable at the time of consummation.

MEMORANDUM OF UNDERSTANDING: Under authority of 10 US Code 2667, real property that is not excess but not at the time needed by the U.S. Government (USG) may be leased to others. Such leases will conform to the following general provisions:

a. Preferred order of leasing real property available for use by others will be to:

- (1) Other military departments and other federal agencies
- (2) Government of Marianas or local governmental agencies
- (3) Private organizations or individuals.

b. The use of USG property for private purposes will be granted only after reasonable efforts have been made to obtain competitive bidding except for the following actions:

- (1) Leasing land to the former owners or their lessees
- (2) Granting leases, easements, and licenses to GOM or

local governments and public utilities.

c. Each lease shall be for not more than 5 years unless the host service secretary determines that a longer period will promote national defense or will be in the public interest, or is provided for in existing service regulations.

d. Each lease will provide for revocation at any time by the host service secretary or in case of national emergency declared by the Congress or President of the United States.

e. Each lease will provide for payment of fair market value or similar consideration unless deviation from this requirement is specifically authorized.

f. Grantees will be required to comply with applicable laws, regulations and standards concerning protection and enhancement of environmental quality and pollution control and abatement.

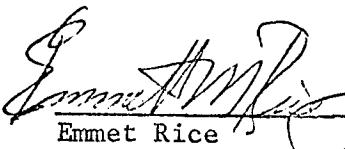
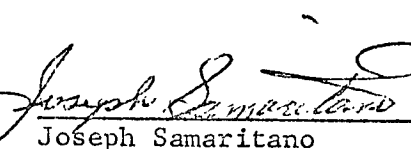
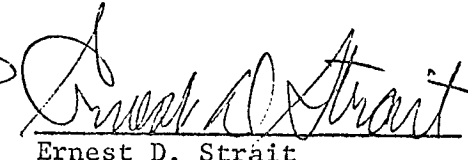
g. Land use will not endanger the lives, health, and safety of the users nor impair or endanger the operation of aircraft using the installation and will be compatible with other military missions assigned.

h. Land use within composite noise rating zone 2 (or equivalent) and designated training areas will be limited to agricultural, outdoor recreational, and air transportation facility uses. Construction of habitable structures will be specifically denied.

i. All leased land use and improvements will comply with applicable federal regulations and codes and the installation master plan and will be subject to review and approval by the installation

commander or designated representative. All improvements are subject to removal and lands restored to original condition upon termination of lease, or at the election of the U.S., improvements may be abandoned in place in lieu of restoration.

j. All leases will include necessary broad hold-harmless and insurance provisions.

 Emmet Rice Deputy Co-Chairman	 Joseph Samaritano Representing Roy Markan NAVFACENGCOM	 Ernest D. Strait Lt. Col, USAF Representing Bernard Dove HQUSAF
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August 13, 1974

ATTACHMENT I

DOD POSITION ON LEASE BACK ARRANGEMENTS

FOR

ISLEY FIELD AND TANAPAG HARBOR, SAIPAN

Basic Policy: The basic policy and procedures expressed in the U.S. position paper dated August 13, 1974 on lease back applies as well to the lands at Isley Field and Tanapag Harbor. However, within Tanapag Harbor, of the approximate 197 acres to be retained by the military, the American Memorial Park area will not be included in the lease back arrangements.

Discussion and Understanding: All lease back arrangements for the 197 acres (exclusive of the proposed park area) and the 482 acres south of Isley Field are authorized under 10 U.S. Code 2667, since such areas are not immediately required and will not be excess to the U.S.

Possible lease back arrangements may include the following:

1. Isley Field - purposes consistent with FAA/DOD regulations and other Federal laws applicable to land use adjacent to an airport will be permitted. Such use will normally consist of airport oriented activities and activities of a non-interfering nature. Some of these can be identified as light industrial, agricultural, recreation, cattle grazing, and other uses of a public nature.

Under an agricultural lease the kinds of crops would be limited to those that would not attract bird life to ensure safe operation of aircraft.

Authorized structures may be of a permanent nature subject to compliance with FAA/DOD criteria and approval on a case by case basis. No inhabited structures will be permitted.

Fencing would normally be required if the land is to be used for cattle grazing. Usually such fencing will be of four-strand barb wire. It is not anticipated at this time that fencing for other uses will be required.

2. Tanapag Harbor - purposes of use will be consistent with harbor oriented activities. These would include port authority facilities, transient sheds, ship repair and drydock facilities, light industrial facilities, and containerization facilities.

Such harbor oriented activities will be constructed outside the proposed American Memorial Park area and will comply with DOD criteria for port development.

Permanent construction will be permitted within the authorized area for lease back. Each item of construction will require the prior approval of the U.S.

REVERSION PROCEDURES IN EVENT OF CONTINGENCY USE:

As expressed in the Joint Communique of May 31, 1974, there are no plans for military use of land at Tanapag Harbor and Isley Field, Saipan. Subject to the nature of any future military use, the United States agrees to permit maximum use under lease to the GOM for purposes compatible with possible future military use.

In the event a contingency requirement develops which necessitates the reversion of one or both areas leased to the GOM, the following procedures would be implemented:

1. Notification would be given to the GOM of the requirement, the effective date of reversion, and termination of the lease.
2. Within time constraints, every effort will be made to allow an orderly vacation of all facilities that may have been constructed by the GOM.
3. Under the terms of the proposed lease for each area, all improvements are subject to removal and lands restored to original condition upon termination, or at the election of the U.S. improvements may be abandoned in place in lieu of restoration.
4. A new lease will be offered at some future date when it is determined that there is no longer a possessory requirement for these properties.

August 13, 1974

Ernest D. Strait
Deputy Co-Chairman

Joseph Samaritano
Representing Roy Markan
NAVFACENGCOM

Ernest D. Strait
Lt. Col., USAF
Representing Bernard Dove
HQUSAF

ATTACHMENT J.

SUMMARY
OF
LAND ACQUISITION PRESENTATION

The United States Government has stated on several occasions that the land requirements in its proposals are a serious and perhaps an emotional matter that must be considered by both sides as highly sensitive. Because of the realization of this fact, we can appreciate and fully understand the reluctance on behalf of the Commission to make any commitments that would not be consistent with the public attitudes in this regard.

Public attitudes regarding land ownership, however, is a sensitive matter all over the world. The Public Interest, or that interest that is directed to the common good, requires the use of land and this also must be recognized and reconciled with the individual attitudes concerning land. Land for streets, power lines, schools, police and governmental functions must be provided in any society if these functions are to exist. This is also true for defense. The very object of defense is to protect and preserve the social, economic and political systems the people, as a whole, have chosen for themselves.

The land requirements for defense in this area are those that are considered to meet the minimum areas necessary to permit the orderly and efficient conduct of the defense mission. The presentation did not deal with the specifics of these requirements, but the manner and method in which they are proposed to be acquired.

The underlying consideration in any land acquisition by the Department of Defense is the legal authority which is derived from Congress. We must, therefore, bear in mind that the Congress of the United States will exercise its judgment concerning any commitments that we may agree to propose for approval. For this reason we look to existing policy and law and to past precedents to formulate a proposal that will be acceptable. The proposals of the Department of Defense is prepared and reviewed by persons who are recognized as technical experts in this specialty of law and procedure, and who are intimately familiar with the Congressional process and attitudes. The positions stated in the presentation and throughout these negotiations are those that are considered just, reasonable and most probably acceptable to the final authorizing authority. > b

The United States, like any other entity or private individual, looks to receive what is paid for. In our land acquisition process we make a sincere effort to determine what is required, how much it is worth, and to acquire the land for that price. We do not bargain or "horse trade." Nothing less than just and reasonable compensation will be paid unless a gift is intended. Our offers are based upon our application of standard and acceptable professional techniques to determine land value that have been tested in the Federal Courts over the years and have been found to be just.

We fully realize the circumstances existing in the Marianas today. The real estate market and limitations on land ownership and development are not the same as in the United States. We have not attempted to change these circumstances to fit the usual evaluation processes but

adjusted the process to fit the local circumstances.

The usual evaluation or appraisal process should be explained in general terms to understand the basis of our approach to value. The appraisal process is an orderly procedure by which a land value problem is defined, the work necessary to solve the problem is planned and the necessary data involved is acquired, classified, analyzed, and interpreted into a supportable estimate of value. The necessary data relates to arms length transactions in the local market as evidenced by recorded property transfers. This data is first confirmed between the buyer and the seller in order to determine the actual compensation paid and whether or not any special consideration is attached to the sale. The data is further analyzed to determine whether it is comparable to the property appraised, whether it is remote in time or location or influenced by other markets.

Project sales and sales that are recorded to indicate a false market are not to be considered in the process. Fair market value is what needs to be determined. This is usually defined as the amount in cash or other terms reasonably equivalent to cash for which, in all probability, the property would be sold by an informed owner who is willing but not obligated to sell to an informed person who desires but is not obligated to buy. It is only that value which is capable of transfer from owner to owner and no consideration can be given to any special value of the property to a particular owner or buyer. This precludes such items as sentimental attachment or hypothetical future events.

Elements affecting value that depend upon future events or a combination of occurrences which, while in the realm of possibility cannot be shown to be reasonably probable, must be excluded from the appraiser's consideration. Land value cannot be supported by possibilities that are speculative or contingent upon contrived situations in an attempt to determine value.

The Government of the United States is expected to be a prudent and informed buyer. Since a reasonable buyer would not be expected to pay for value which is peculiar to him at an enhanced price which his demand alone has created, no allowance for the enhanced value of the property attributed to or resulting from the public use or purpose for which the land is being acquired is considered.

As stated above, the appraisal process is effective only when an operating market exists. All land value problems in Micronesia suffer from the lack of market indicators and a measurable economic base. The sparse land value indicators in the areas reflect economies with little, if any, significant real estate activity. In cases where little or no sales exist, the acceptable appraisal process usually results in very low value

levels. Reasonable valuations under such circumstances are best determined by experienced professional real estate personnel who can arrive at an informed estimate of value supported by their analysis of the meager data and their singular or collective experiences.

Market data for more developed economies, such as Guam, would provide a totally fictitious base. There is no way to make the many required

adjustments to such data without entering into a process based on sheer speculation. Should market data be used from other areas it must relate to islands that could really be termed comparable in size, population, economy, culture and topography. If other market areas used for comparison purposes are remote in any of the above factors, it is really not comparable. To try to contrive a degree of comparability by adjustments to the data, destroys the data itself and the unsupported adjustments become a fictitious base for the appraisal. This, of course, is not acceptable.

Essentially, the evaluation of the real estate in this case is based upon all the available data with reference to other market areas such as Guam to determine the degree of comparability and also considering the quantum of title that is to be acquired. Limitations on title affect the market value. Lands dedicated to public uses and subject to easements or other restrictions on title relative to those uses may have only a nominal value. In this particular case the retention areas create an unusual problem that was considered in the evaluation process.

The first step of our evaluation began with the gathering of data from the public records. Historical research and reference to reports and studies relative to land and land use were analyzed as supportive evidence of our land classifications and evaluations. The various areas to be acquired were classified as to their highest and best uses and market data on similar uses in comparable areas was referred to. On the basis of the data, research and investigations we have considered

the lands to be acquired to possess a present or reasonably potential market for the following uses:

1. Village lots (residential)
2. Commercial
3. Resort Potential
4. Rural Land (Conservation Areas)
5. Rural Land (Agricultural)
6. Suburban
7. Industrial

The suburban category referred to land that was near village areas but lacks urban or village characteristics and was not considered to possess a foreseeable commercial potential.

The land transactions on Saipan and Tinian were reviewed and value conclusions were postulated. This resulted in a very low value which proved what we suspected in the onset of the process. For example, the standard rental rate on both Saipan and Tinian for agricultural or grazing land is \$2.40 per hectare per year. At a 6% rental return a value of \$40.00 per hectare is indicated which is obviously not a true reflection of its real worth, but an interim use at an arbitrary price not related to true value. Hotel leases, industrial leases and other sales were similarly analyzed. Legal premises as to the limitations on title were developed and applied to the specific areas such as retention lands.

The approach and classifications were reviewed to determine the reasonableness of the method used and the support for the value conclusions

in the data that was gathered. Finally, comparisons were made with similarly difficult evaluation problems in other areas throughout the world in which we have had some prior experience to determine whether some alternative approach could produce a superior result.

The DOD land requirements were reviewed to determine if it would be appropriate to acquire less than fee title. Considering the sizeable U. S. Government investment that is proposed, the indefinite nature of the requirement, a fee acquisition was definitely indicated. Existing policy regarding acquisition provides for fee title if in a project requiring construction a ground lease is proposed but the rental to be paid during the proposed period of occupancy exceeds 50% of the fee value. In the case of easements, if the cost of an easement approaches 75% of the fee value, then fee title will be acquired. These rules are based upon sound business and economic reasons. As stated previously, the U. S., like anyone else, expects its agents to acquire and obtain what is paid for. A lease in this case would be contrary to existing policy and regulations and would be very difficult to justify in our own minds as well as before the Congress of the United States. We could not support any acquisition less than fee title.

The land payment must relate to the land itself and cannot include payments for matters not involved in the determination of land values. If other payments or funds are requested for the legitimate requirements of the Commonwealth, they should be identified and justified for what they actually represent. The payment for land cannot be increased

to compensate the Commonwealth for matters, however justifiable, that are not a part of the land value. The U. S. G. will not pay for past occupancy or use of the land and for rights it has previously acquired.

In a fee purchase, the price is paid in full when the title is transferred. We have considered installment payments and see no basis for this procedure. In the authorization process the total cost of the land will be presented to the U.S. Congress and the total cost will be requested in the budget and appropriations.

Since the entire sum will be appropriated, a full payment could be made and the new government can apply those funds for whatever purpose it desires. The unobligated funds could be invested by the new government which would earn interest at a rate in excess of what the U.S. Government could pay. In other words, we believe that providing for an installment purchase would in effect put the U.S.G. in the position of a Banker for the new Commonwealth and we also believe that the Commonwealth could do better by investing its funds for itself.

As to the acquisition procedure, we presume that the new Commonwealth

would acquire the private interests and convey all of the land for our requirements as one transaction. We are responsive to considering any

alternative to this method. As to the M.D.C. lease we believe that this is a matter that must be closely coordinated between the parties since the lease covers areas to be acquired as well as other public lands.

At the conclusion of the above presentations questions were asked and answered and the meeting adjourned.

Dated August 19, 1974

Russ W. Johnson