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August 20, 1974

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Herman Marcuse, Esq.
Office of Legal Counsel
Room 5230
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Washington, D.C.

Dear Herman:

In accordance with our conversation of last week, I have attempted to draft portions of the Marianas status agreement for your consideration. Enclosed with this letter are an outline of the status agreement and copies of Titles II through VII of that agreement.

The language of these drafts has not been reviewed with Mr. Willens. Accordingly, these drafts are to be considered preliminary and subject to further review and refinement.

I am having this letter and its enclosures hand delivered to you today. If convenient, I propose that we meet at 3:00 this afternoon to discuss them.

I look forward to meeting with you and receiving your comments.

Sincerely,

Michael S. Helfer

Enclosures
cc: Howard P. Willens, Esq.

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OUTLINE OF MARIANAS STATUS AGREEMENT

Title I -- Political Relationship.

This Title will include the matters relating to the political relationship between the United States and the Northern Mariana Islands. Provisions in the Commonwealth Agreement relating to the Constitution of the Commonwealth will be moved to Title III. Provisions relating to the applicability of the United States Constitution, to the justiciability of controversies arising under the Agreement, and to the oaths of public officials who will be left in Title I.

Title II -- United States Citizenship and Nationality.

This Title has been revised to be almost identical with Article II of the Covenant. The grant of jurisdiction to naturalize found in Covenant Section 204 has been moved to Title V, as have the provisions of the Commonwealth Agreement dealing with naturalization. The definition of domicile in both drafts has been eliminated as unnecessary.

Title III -- Constitution of the Commonwealth of the Northern Mariana Islands.

The Covenant contains a separate Article on this subject, although the Commonwealth Agreement did not. This Title deals only with the substance of the Constitution; transitional provisions relating to its approval are moved to Title XI dealing with transition. The Covenant contains approval provisions in its Article III. Provisions relating to the apportionment of the Legislature are included in this Title.

Title IV -- United States Judicial Authority.

This Title is a revision of Title V of the Commonwealth Agreement which reflects the discussions in the Joint Drafting Committee.

Title V -- Applicability of United States Laws.

This Title is an extensive revision of Title IV

of the Commonwealth Agreement. It also includes matters which had been dealt with in Title VII of the Commonwealth Agreement. Section 403 of the Commonwealth Agreement, and its counterpart Section 403(a)(4) of the Covenant are moved to Title XI dealing with transition.

Title VI -- Revenue and Taxation Provisions.

This Title is a revision of Title VI of the Commonwealth Agreement and its counterpart, Article V of the Covenant. It covers the applicability of the Internal Revenue Code, customs and excise taxes, social security taxes and benefits, exemption from taxation for Marianas bonds, and the cover-over provision.

Title VII -- United States Financial Assistance.

This Title is a revision of Title VIII of the Commonwealth Agreement. It covers only direct financial assistance, unlike Article VI of the Covenant. Provisions relating to limitations of local indebtedness, if to be included at all, should be included in this Title and tied to direct the United States financial assistance. Provisions relating to consultation about subsequent economic assistance are eliminated from this Title and moved to Title IX relating to consultation between the parties generally.

Title VIII -- Public Property of the Commonwealth and Property to be Used by the United States.

This Title will include matters covered by Title IX of the Commonwealth Agreement and Article VIII of the Covenant. Provisions permitting (or requiring) the local government to impose land alienation restrictions will be placed in this Title rather than as an exception to the applicability of the United States Constitution.

Title IX -- Consultation Between the Parties.

This Title will cover matters covered by Title X and Section 804 of the Commonwealth Agreement. There are no comparable provisions in the Covenant.

Title X -- Washington Representation for the Commonwealth.

This Title is reserved for whatever agreement is reached by the parties with respect to Washington representation.

Title XI. Approval Transitional and Other Provisions.

This Title will include provisions relating to the approval of the status agreement and the local Constitution. It will also include provisions relating to the interim applicability of local laws and Phase I assistance. It will include a section dealing with the effective dates of various provisions of the status agreement. This Title might also contain definitions of certain important terms. The Covenant now defines "Government of the Northern Marianas" and "the Northern Mariana Islands" in its substantive provisions. It seems preferable to permit those provisions to read smoothly and to put all definitions into one place. This also eliminates any confusion as to whether the definition applies only to the particular Title in which it is found or throughout the document.