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San Jose port, including specifically an area consisting of approximately 49.7 (50±) acres bounding the port area. Joint use of facilities within the confines of military requirements is contemplated. No permanent warehousing construction is visualized. The 50± acres is broken down as follows:

Five parcels directly behind the wharf area	31.5 acres
One parcel next to the five parcels	13.4 acres
The wharf area itself	<u>4.8 acres</u>
Total	49.7 acres

It is estimated that the cost of this development of the Harbor under present conditions will be approximately \$11,000,000. This estimate is subject to inflationary trends, shortages of labor, further planning, U.S. Congressional approval and appropriation, and various possible delays which could in effect increase or decrease the total overall estimate. This \$11,000,000 generally breaks down as follows: Breakwater repairs: \$750,000; repairs to the wharf area: \$3,000,000; dredging the turning basin and the wharf areas: \$4,250,000; storage development in the waterfront area; i.e., transit sheds and setting up a container yard: \$1,500,000; administrative office development: \$400,000; setting up appropriate POL facilities: \$1,000,000.

The initial position of the Marianas Delegation was that the civilian sector should have guaranteed preferential use of one berth and guaranteed preferential use and/or lease back of approximately nine acres (the two easterly parcels) together with the adjacent road and the right to construct permanent warehousing upon the nine acre plot.

In an effort to resolve this issue the following alternative solutions are being examined:

1. Non-acquisition by the U.S. of the easterly two parcels (approximately nine acres) along with the road adjacent thereto and approximately 600 feet of the easternmost portion of the wharf which should be retained by the civilian sector for purposes of port and port related activities to be developed by the civilian sector for use by the civilian community. Joint use of common facilities and when appropriate and available of the other's facilities on a reimbursable basis could be anticipated under this alternative. It was further anticipated that this nine acre diminution of the required military port acreage acquisition might necessitate an equivalent adjustment acquisition in another adjacent area. (This is now the preferred Marianas Position.)

2. Essentially the same as alternative number 1 (supra) except that the U.S. should acquire all of the

wharf footage area. Under this alternative the civilian sector would have assured use of a berth on a scheduled basis of "first scheduled, first served".

Under either alternative solution all of the above stated costs would be borne by the United States, except for that proportionate share of wharf rehabilitation cost applicable to the six hundred feet of wharf area, should it be retained by the Government of the Marianas. (The Government of the Marianas would be required to fund its pro-rata portion in advance.)

It appears both desirable and appropriate that the POL facilities, when developed, should be so developed as to adequately allow other commercial operations to continue on an uninterrupted basis during the loading and off-loading of POL products. A review of present laws and regulations indicates that normal commercial harbor operations allow for joint harbor activities involving POL products and other commercial cargo loading and unloading. However, the military safety regulations are sufficiently stringent so as to impose on a harbor as small as San Jose Harbor, some restrictions on concurrent exercise of both of these activities. Based on the limited investigation this Committee has been able to make, it would appear appropriate and desirable that the less stringent commercial standards ^{be adopted} thus minimizing possible interference with civilian activity.

It is the recommendation of this Committee that the port operation be turned over to the civilian control of the Government of the Marianas as soon as is practicable. However, initially, the Government of the Marianas will be without sufficient expertise and capability to manage this port facility. Consequently, it is recommended that initial port operations be directed by the United States Government during the initial period of major construction of the base on the Island of Tinian. After this initial operating period the responsibility for port operations should be transferred from the United States Government to the Government of the Marianas, or to a non-profit entity designated by the Government of the Marianas. Hopefully, the transfer of operating responsibility will commence within four years from the beginning of port construction and will continue on a phased basis to ultimate civilian control of appropriate functions.

During this initial period, the United States will encourage the development of Marianas capabilities by awarding port service contracts whenever possible to qualified local firms if existing laws and regulations permit such port service contracts to be so awarded on a preferential basis. The United States will attempt to recruit, employ and train citizens of the Marianas for port related jobs of all levels.

If alternative number 1 (supra) is selected the operations of the port will generally be run on the basis that the six hundred foot wharfage and nine acres backup area to be retained by the Government of the Marianas pursuant to this alternative will generally be used for the loading and off-loading of commercial cargo for the civilian community and the remaining port area will be used by the United States Government for its purposes. At various times the use of the facilities to be acquired by the United States and the facilities to be retained by the Marianas may be needed by the other. A coordinated effort to insure such joint use is necessary. During initial operations when the majority of the work to be done at the port will be under the control and jurisdiction of the United States and later when the functions of the port are under the jurisdiction and control of the Government of the Marianas, certain expenses attributable to both the area retained by the Government of the Marianas and the area acquired by the United States will be paid for by vessels using the port facilities. With this in mind, it is proposed by this Committee that a Committee be established with membership from both the United States and the Government of the Marianas to develop and determine all aspects of this suggested operation as to control of vessels and payment of fees. The intended use of San Jose Harbor by

the United States is generally for purposes associated with the military complex to be established on Tinian. (This does not mean that military non-cargo vessels will not make use of the facilities.)

II. The Commercial Airport on the Island of Tinian

This Committee has done much work and had much discussion in reference to the commercial air facility to be located within the military complex, adjacent to the proposed new runway to be developed by the military on Tinian. At the second session of this Committee, position papers were presented covering a myriad of problems; and since that time, at the request of the United States, the Marianas delegation has graphically presented its physical needs for commercial airfield activity in the foreseeable future on the Island of Tinian. In the view of the Marianas representatives these needs are a terminal with square footage of approximately twelve hundred square feet, an automobile parking lot of approximately fifty spaces, and an apron area to handle at any one time two 707 jet aircraft and eight small private planes.

The following general principles have been tentatively agreed upon:

1. The Government of the Marianas and the civilian community shall, with the exceptions of safety of

flight and non-interference with military operations, have continuous joint use of the runway to be developed at West Field, Tinian, and designated taxi-way(s) adjacent thereto. Furthermore, this joint use shall be uninterrupted unless the Government of the Marianas agrees to an interruption or unless one of the following conditions is met:

(a) National Emergency. If it is necessary because of national emergency or a declaration of war, the joint use of the above-described facilities may be curtailed by the Secretary of Defense for all or part of the period of existence of this state of emergency or war.

(b) National Alert or National Interests. The military base commander may, if necessary, curtail the joint use of these facilities for a required period of time during a National Alert or when the National Interests so require.

(c) Construction and Repair. The use of a runway and taxi-way(s) may be curtailed from time to time to allow appropriate and adequate construction and repair work to be accomplished. This construction or repair work will at all times whenever possible be coordinated with the civilian community so as to minimize the hardships involved.

2. Adequate present and future land needs of the civilian community for airport terminal activities including,

but not limited to, parking, terminal area, apron and parking area for aircraft will be made available as near to the runways and related taxi-ways of the military complex as is practicable. The initial location of these terminal and related facilities for the civilian community will be along the southern boundary of the easterly end of the runway. It is understood there is a 1,235 foot "arm" and "de-arm" clearance area, and that the terminal functions will not extend into this area. The exact location and configuration of this terminal facility is subject to further review by both sides.

The cost of development of the terminal structure itself shall be borne by the Government of the Marianas, subject to a payment of fair market value by the United States for the present terminal facility located at West Field. The position of the Marianas Delegation is that the United States assist in this development by paving the apron area for the aircraft along with the parking facility for the automobiles and the access road as a compromise of an impasse reached on the overall issue of terminal replacement. According to the U.S. delgation such a compromise would require a waiver of military construction regulations and possibly an exception to existing U.S. law. The U.S. cannot support such a course of action and therefore recommends investigation of funding possibilities

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from other government agencies such as FAA. Should these terminal facilities -- i.e., the terminal building, apron, and parking areas -- at any time have to be relocated due to the needs of the military, it is understood that use of the runway and adjacent taxi-way(s) by the civilian community will continue to exist on the same basis as before relocation, and that appropriate relocation costs of the terminal facilities, apron and parking areas will be borne by the United States.

3. Aviation and related fuels will be supplied on a cost basis by the United States to the Government of the Marianas for its airfield related needs and for commercial needs related to the commercial use by the civilian community at West Field, so long as such supply is not in competition with any private enterprise that may be attempting to perform this operation.

4. The United States, during its planning of the base facilities, will take into consideration the needs of the civilian terminal area for water, power, telephone and other utilities applicable to a terminal facility, to make available to the civilian community appropriate utility hookups at the closest practicable locations to allow for civilian development of these utilities and joint use thereafter on a properly reimbursable basis.

5. In reference to the present facilities in existence at the West Field location, these facilities and the use of the present air strip will be continued on an uninterrupted basis whenever and wherever possible until the opening of the new runway is completed. It is understood that should ~~necessary~~ interruptions of the use of the present West Field and its terminal facilities be necessary due to the construction of the new facilities, there will be close coordination with the Government of the Marianas to ensure as little hardship as possible.

6. All use of military hangers and related maintenance facilities by civilian aircraft will be in accordance with the then-existing host service guidelines and fees.

7. No agreement was reached on the subject of landing fees to be collected and their ultimate destination.

8. Current United States planning is to construct a lighted, instrumented, runway with appropriate navigational aids. The United States will provide aircraft and structural fire protection services and aircraft crash rescue service as available. The cost of these services shall be borne by the United States, subject to charging appropriate fees to users of these services.

9. Access to the civilian air terminal area will be unrestricted and the security in and around the civilian

air terminal will be provided by the civilian authorities. Security, operation and maintenance of the civilian facilities will be the responsibility of the Government of the Marianas or its legal representative. Custom inspections of all persons, baggage and freight will be in accord with all applicable laws and implementing regulations with the general principle established that whenever and wherever possible this customs inspection shall be performed in the military area by customs inspectors arranged for by the military, and in the civilian area by customs inspectors arranged for by the Government of the Marianas.

III. Joint Uses

Joint uses may be categorized as follows: utilities, social uses, and land use rights, such as hunting and fishing. Initially the Marianas delegation to the Joint Land Committee submitted two position papers in this area. One paper was submitted during the previous session of negotiations entitled, "General Joint Uses for the Island of Tinian" covering the electrical power situation, possible natural gas facilities, telephone and telegraph facilities, water supplies, sewage, solid waste disposal, roads, beach access and fishing rights. A second position paper was submitted prior to the start of this final set of negotiations entitled, "Social Structure and Joint Uses".

These uses were mainly in reference to base facilities such as schools, churches or chapels, hospital and out-patient clinics, recreational facilities, etc.

The United States position in reference to general joint use was to indicate that it was an inappropriate subject for the Committee, and that it was more appropriate to place these subject matters before the Joint Military Civilian Relations Committee. However, since that time the Marianas delegation has restated its strong feelings that many of these problems need to be resolved prior to the development and signing of a status agreement and that the Joint Military Civilian Relations Committee, in all probability will not become a functioning entity until after that agreement comes into being. Therefore, these matters of general and social joint uses have, during this last session of negotiations, come under full discussion with the following results:

A. Utilities

The Committee discussed electrical power, natural gas (should that ever become a reality, which at the present time does not appear likely), telephone and telegraph facilities (if feasible), water supplies, sewage, and solid waste disposal. Present U.S. policy is not to furnish, sell, or transport utilities services to parties

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outside installation limits except under unusual circumstances. In such cases the usual procedure followed by the United States is to make excess capacity of utilities available to the civilian community on an appropriate fee basis. This procedure generally provides use of these excess capacities without any contribution into the development costs of these capacities. The United States would be under no obligation to insure or create any guaranteed capacity for the civilian community on Tinian under this policy. This policy will be applicable on Tinian and the civilian community may avail itself of this excess capacity as available. During developmental phases a substantial excess capacity is anticipated.

Due to the circumstances of Tinian's being two-thirds military and one-third civilian, an inquiry was made into whether or not planning and development of base utilities could incorporate the needs of the entire island and not just those of the base.

It appears desirable and appropriate that the utilities planning and development be done on an island-wide basis taking into account realistic and reasonable projections of present civilian population and probable developments along with the military influx. Planning accomplished by the United States would need to be closely coordinated with Government of the Marianas planning.

The Marianas would bear the cost of the civilian planning effort, either by doing the work itself or by paying the U.S. It would appear appropriate and desirable for both principals to recommend that the Government of the T.T.P.I. take necessary action to obtain full federal funding possibly available for such planning pursuant to the Housing and Community Development Act of 1974. Based on the coordinated planning activity, should this approach be adopted, utilities would be developed of a sufficient size for both the military and civilian communities. That portion of the original development cost of these utilities attributable to that capacity in excess of military needs would be borne by the Government of the Marianas, so that the civilian community can be served on a guaranteed basis. The logic behind this position is that the civilian community would be assured of adequate utilities development at the same time as the military utility development is constructed at a minimum cost to the Marianas and at no additional cost to the United States. It would reduce possible future frictions based upon the need to develop the entire utilities structure for the whole island, rather than attempting to develop two separate utility capabilities. The Marianas might, of course, choose not to participate in particular utility projects but instead to utilize the excess capacity of the military projects, when available.

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It is understood by both sides that implementing and developing this basic principle necessarily requires further study and input by both parties.

Access to potable water supplies will be made available to the U.S. by the Government of the Marianas on an appropriate fee basis.

B. Roads

The position on this subject as presented by the Marianas delegation in its position paper on general uses is unacceptable to the United States, except for the previous agreement relative to the by-pass road. Accordingly, this Committee has no recommendations on this topic.

C. Medical Care

In accordance with applicable guidelines and regulations emergency care for all citizens will be provided by the military. Additionally, medical care on a non-emergency basis will be provided to the residents of Tinian where civilian capability is non-existent, subject to the capacity, and capability of the military and professional staff and availability of facilities. Costs for all medical care will be at the prevailing reimbursement rates. Whether or not a hospital is to be built at the military complex on

Tinian or only a dispensary, has not yet been determined by the U.S.

C. Fire Fighting

It is the recommendation of this Committee that a mutual aid agreement similar to that type of an agreement presently required of the military services in other locations be entered into between the military facility on Tinian and the local community so that maximum beneficial use may be made of military and civilian capability as available on a reciprocal basis at minimum cost to either party. This insures maximum protection possible to both the civilian and military communities.

E. 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 of 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 at all possible times except for those limited areas that must be closed permanently or temporarily due to safety, security and hazardous possibilities developing from maneuvers or

when other military activity or commercial flight activity cannot reasonably be accomplished if fishing is permitted.

F. Beach Access

As was established in prior negotiations, it has been agreed by the United States that there shall be access to beach areas in the northern two-thirds of Tinian for recreational purposes by the civilian community. It is understood that during times of maneuvers and military operations certain beaches or areas of the beach will be inaccessible. However, closure for such purposes shall be kept to a minimum consistent with military mission requirements. Conduct and use shall be governed by applicable military regulations. Use will principally be governed by the interests of safety and security. It is recognized that some beaches may be permanently closed due to military requirements. Marianas citizens shall have the same access to beaches for recreational purposes as military personnel and their dependents have for recreational purposes.

G. Other Recreational Facilities

Marianas Position. It is the position of the Marianas delegation that "whenever and wherever possible access on a non-discriminatory basis for both civilian and

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military communities will be the rule with respect to all recreational facilities (e.g., tennis courts) whether in the military or in the civilian area of the Island of Tinian. With respect to such facilities, however, it is also recognized that it is appropriate for the civilian or military community to establish regulations to maximize the use of such facilities by those individuals for whose use the facilities were intended. The real concern here is that the military will be developing facilities mainly to give a recreational capability to the military community that is stationed a long way from home. With this principle in mind, it may be necessary for the military to establish periods of time within which designated members of the community for which these facilities were built may have use thereof, and other times that the civilian community may be able to make use of these facilities. The Marianas delegation's position in this matter is a request that the military community build facilities adequate to handle not only the military requirement but also a realistic civilian use of these facilities. It is hoped that a principle might be developed similar to that principle developing in the area of utilities, wherein planning for the entire island for recreational facility capabilities might properly be considered rather than limiting it to recreational

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facilities for just the military complex itself -- with appropriate reimbursement by the civilian authorities.

This area of social joint uses of the recreational facilities requires further discussion between the parties to establish an ongoing principle that will create as little friction in the future as possible. It is a delicate area, for both sides recognize the desirability of permitting the use of recreational facilities throughout the Island of Tinian on a completely non-discriminatory basis. With this precept in mind, we hope the parties can move forward to a resolution of this serious problem".

U.S. Position. Current time phased base development planning suggests that the civilian community plan for continued independence and self-reliance. Since morale, welfare, and recreation facilities are constructed for, and normally are restricted to the use of active duty military personnel and their dependents and certain other eligible personnel, the use of such facilities are not normally made available to the civilian populace. Additionally, morale, welfare and recreation activities receive support from appropriated funds, military welfare funds, and other self-generated non-appropriated funds. Accordingly, eligibility for their use is stringently controlled. As a general principle the installation commander

reporting through channels and as authorized as approved by appropriate authority will review each request and act within existing regulations and applicable law. Recognizing that this is a delicate and sensitive area, and with the intent of fostering a cordial military-civilian interface the U.S. recommends that agreements would be premature and will not be made until such facilities are available at which time the matter will be given further serious consideration.

H. Schools

The principle of joint use of school facilities has been established prior to the meeting of the Land Committee. Additionally, with the Mariana Islands becoming part of the United States, it is the general position of the U.S. that educational facilities for military dependents be established in accordance with approved federal policies. [Explanation of policy to be added.]

A complete discussion ensued in reference to the problem of establishing a good educational system within the Marianas as quickly as possible and all parties concerned -- i.e., the military community, the Department of Interior, and representatives of the Marianas delegation -- pledged full and complete cooperation in an attempt in every way to develop adequate education in the Marianas as

quickly as possible after the Marianas comes under separate administration. It was recognized that initial requests must be forthcoming from the then-Government of the Marianas, but such requests when forthcoming will be acted upon as speedily and fully as possible by all parties concerned to see the educational position in the Marianas developed quickly and fully.

I. Base Exchange and Commissary

It is the view of this Committee that purchasing of commodities by the civilian community from the base exchange and commissary is prohibited. The civilian community will have adequate retail outlets to supply the food and dry good needs of the people of Tinian.

J. Base Movies

Use of base movies by the civilian community as guests in accordance with existing regulations is an appropriate principle.

IV. Lease Back Arrangement

On September 10, 1974, the Marianas delegation to the Joint Land Committee submitted a position paper in reference to agricultural and other appropriate uses of

land under the control of the military. This position paper did not attempt to delineate any specific land for any special treatment. Only general principles were set forth in that particular position paper that the Marianas delegation felt were important to the overall land leaseback situation. In response to this position paper, the United States indicated its desire to differentiate between the 1,200 acres (±) south and east of the proposed runway and other possible areas of leaseback pursuant to a U.S. tentative position enunciated by Ambassador Williams.

According to the U.S. Delegation, in order for this 1,200± acres to be made available for a period longer than the maximum normally allowed under regulations -- i.e., five years -- and to be made available without customary cost restrictions to the Government of the Marianas requires secretarial waiver of the appropriate regulations. The United States is prepared to request, and will propose to the Secretary of Defense, that he issue a waiver as to both time and the competitive bidding requirements in reference to these 1,200 acres. The question whether or not the charge for the 1,200 acres would be on a nominal basis or fair market value basis was not resolved. The Marianas delegation feels that the leaseback should be on a nominal basis.

In reference to other possible leaseback areas, including the training maneuver area, the acreages involved would vary from time to time depending, inter alia, on U.S. needs and applicable regulations. Initially, there would be extensive land available for certain agricultural and grazing purposes until such time as the military needed to use any of these given areas. As time progresses, this acreage leaseback capability will be substantially reduced. No specific figures or acreages were promised by the United States. The United States position is that land that is not needed for immediate use will be made available for certain agricultural and grazing leasebacks, subject to all terms and conditions necessary in reference to land, and would be leased back in accordance with appropriate regulations existing at that time. Leaseback in these areas would first be made available to other federal agencies, then to the local government of the Marianas, and third to other individuals. If there is any substantial value in reference to one of these lease areas, it would be done on a competitive basis regardless of the identity of the lessee. The Marianas representative^s did not accept these U.S. positions and continued to feel that their position paper contains the appropriate recommendations. Specifically the Marianas delegation believes that the maximum feasible amount of land should be leased back

to the Government of the Marianas on a nominal fee basis as promptly and for as long a period as possible notwithstanding the usual United States practice.

V. Price for Land

The last major area of concern is the determination of price for the land to be acquired by the United States. Initially in Saipan in the second working session of the Joint Land Committee, Mr. Roy Markon made a presentation of an offer for the United States land needs in the Marianas for military purposes of \$11,661,400 broken down as follows:

<u>Area</u>	<u>Acres</u>	<u>Amount per Acre</u>	<u>Total</u>
Farallon de Medinilla	229	\$ 100	\$ 22,900
Isley Field	482	1,000	482,000
Tanapag Harbor	195	1,500	292,500
Island of Tinian Retention Land	8,452	300	2,535,600
Public Land	8,223	800	6,578,400
Non-Public Land on Tinian (Residential)	700	2,000	1,400,000
Commercial Land	100	3,500	<u>350,000</u>
TOTAL			\$11,661,400

Thereafter during this most recent session, the Marianas delegation presented a fair market value determination of all areas of land required by the United States for military

purposes, with the exception of Farallon de Medinilla and certain acreages on Tinian, showing a preliminary estimate of \$34,274,000 as fair market value for a fee simple interest. A copy of that preliminary estimate of value dated September 21, 1974, is attached.

Thereafter, at the request of the Marianas delegation, Mr. Markon for the United States, using the same method as the Marianas consultant used, came up with an estimate for the same lands in question (excluding Farallon de Medinilla) and certain acreages on Tinian) of \$10,529,600. A copy of this estimate is attached.

A meaningful discussion was developed in reference to comparative values and review of the materials presented by both parties. A full morning session was devoted to a discussion of the approaches to analysis of this problem with both the consultants for the United States and the Marianas present.

Prior to any further negotiations the United States requested:

1. to be advised whether the Marianas delegation desired the U.S. to adopt the Seldin approach to value in which case the \$11.6 million offer is withdrawn and a revised offer will be made;

2. a firm offer from the Marianas delegation with an explanation on the basis of such an offer.

The Marianas delegation promised that prior to the beginning of Marianas Five a counter-offer, taking into account all land areas being requested for military use and based on a method of acquisition and payment acceptable to the Marianas delegation will be submitted. The further problem of the 22 plus acres of land presently being used on Saipan by the United States Coast Guard has not been considered in either evaluation or in the offer by the United States.