

Commissioner's Office

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January 19, 1974

Senator Edward DLG Pangelinan  
Marianas Political Status Commission  
P.O. Box 977  
Mariana Islands, Saipan 96950

Dear Ed:

This letter will summarize our thinking as to the work to be undertaken by this firm before the next session of our status negotiations and propose appropriate billing arrangements.

Enclosed is a list of the assignments we are trying to undertake during the recess period. We are attaching the highest priority at the moment to preparation of the report for the Marianas District Legislature, drafting of the necessary legal documents for the Public Land Corporation, and beginning work on our version of a formal status agreement. I would like to know whether you or Jim have any additional suggestions as to projects which should be undertaken by us and your views as to our priorities.

I have made an extensive report to my firm regarding the present status of our negotiations, the prospects for at least two additional sessions during 1974, and the extent of the legal work which has been done on behalf of the Commission and is required during the next several months. You can be assured that my partners fully support the firm's representation of the Commission and my personal determination to do our best work until you or the Commission decide that our services are no longer required.

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Before outlining some proposed billing arrangements, I would like to summarize on a confidential basis the cost involved in our representation of the Commission. During the thirteen months of our representation my firm has expended approximately \$180,000 calculated at our normal rate for the time spent by various lawyers on Commission projects. Pursuant to my previous arrangements with the Commission, we have received approximately \$50,000. In addition, our statement for \$10,000, representing services rendered during December 1973 and a statement for disbursements in excess of \$3,000 were submitted to you for payment last month. I do not mention these figures either to intimidate or to impress you but only to inform you fully of what I know is a delicate matter. I regard these figures as confidential and prefer that no one except yourself know the firm's internal calculations regarding the value of the services rendered the Commission. So far as I am concerned, the value of our representation can be assessed by the Commission only by light of what has been accomplished to date and our prospects for the future.

It looks to me from the enclosed list of projects that our responsibilities during the next several months will be as extensive as they were during the period preceding the third session of negotiations. Looking beyond the next session is obviously difficult, but if we continue to be successful it may be that our emphasis will switch from detailed research to the drafting of the status agreement and related projects. This kind of work, however, involves relatively more of my time, as compared with that of associates, and so it is hard to say that any real reduction in legal work or costs is likely. I propose these arrangements:

1. I recommend that the firm should continue billing the Commission at the present rate of \$5,000 per month (\$10,000 during negotiations) through at least the next session of negotiations. I know from our discussions in Saipan that the District Legislature may have to be persuaded to continue funding the Commission at the necessary level but I hope that they can be persuaded to do so, particularly in light of the progress made to date and the prospects for

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a completed status agreement by later this year or early in 1975.

2. With respect to our work in connection with the Public Land Corporation I suggest a different arrangement. As presently contemplated, we will draft the basic legal documents and plan to assist in the presentation to the Commission and subsequently to the Marianas District Legislature. In addition, we will be participating in any legal work associated with the financing of the Corporation and in drafting the contract of sale or lease by the Corporation ~~to~~ the United States. Based on my discussions with Jim White, I expect that he will serve as general counsel to the Corporation and that, once the above projects are completed, we will represent the Corporation only on selected matters to the extent that the Corporation desires to utilize us. In view of the financial prospects of the Corporation, I believe that my firm should bill the Corporation at our customary charges. I know that you cannot personally speak for a corporation which does not yet exist and for which you may have no official responsibility, but I would like some personal expression or opinion from you as to whether you believe this kind of billing arrangement would be appropriate in connection with the Public Land Corporation.

We will be sending you a draft report for the Marianas District Legislature and our view on the public land legislation in the next few days.

Sincerely,

Howard P. Willens

Enclosure

cc: James E. White

01-19-74