

177 KEOLO COMMUNICATIONS INC.

1705 L St. N.W. Washington D.C. Phone 296-0200

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JANUARY 28, 1974

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WILSON LEFT FOR TT TODAY WITH DRAFT OF LAND LEGISLATION, HE WILL SPEAK WITH HICOM, BILL EXPECTED TO BE INTRODUCED AT END OF THIS WEEK. WE HAVE NOT SEEN DRAFT, BUT HAVE BEEN TOLD THAT IT IS VERY DIFFERENT FROM OUR DRAFT SENT JANUARY 23. KEY PROBLEMS:

1. OUR SECTION 9(3) OMITTED. NEEDED TO ASSURE THAT NONPROFIT CORPORATION CAN HOLD LAND. U.S. SEEMS CONCERNED ABOUT PROSPECT OF PRIVATE NONPROFIT CORPORATION. BUT CORPORATION'S MEMBERS WILL BE ELECTED OFFICIALS IN MARIANAS, A PRIVATE CORPORATION ASSURES INDEPENDENCE FROM TT AND U.S. PREVENTS LATER ATTACK ON LEASE OR SALE TO MILITARY ON GROUND THAT U.S. DEALT WITH AN ENTITY IT CONTROLLED, AND CORPORATION IS INTERIM SOLUTION UNTIL TRUSTEESHIP TERMINATION. LACK OF PROVISION FOR PRIVATE NONPROFIT CORPORATION IN LEGISLATION MAY PREVENT SUITABLE ARRANGEMENTS FOR MILITARY LAND IN MARIANAS.

2. OUR RECOMMENDATION THAT DISTRICT LEGISLATURE CONTROL OVER REVENUES OF LEGAL ENTITY BE LIMITED WAS NOT ACCEPTED. COMPARE OUR SECTION 4(1)(B) WITH TT DRAFT SECTION 4(1)(E) AT LINES 18-20 AND TT DRAFT SECTION 7(5) WHICH WE STRUCK. POWERS OF DISTRICT LEGISLATURE MAY BE INCREASED IN U.S. VERSION. IMPORTANT TO ASSURE THAT CORPORATION HAS RIGHT TO COLLECT REVENUES AND EXPEND THEM AS NECESSARY IN ITS BUSINESS JUDGMENT FOR LAND MANAGEMENT, INCLUDING DEVELOPMENT AND RESERVES. DISTRICT LEGISLATURE POWER OVER 'NET REVENUE' (EXCESS OF REVENUES OVER COSTS OF BUSINESS FUNCTIONS OF CORPORATION) MAY BE ACCEPTABLE.

3. NEITHER OF OUR ALTERNATIVE VERSIONS OF SECTION 6(4) WAS ACCEPTED, DEKRAFFENKIED SAYS ISSUE STILL BEING NEGOTIATED WITHIN U.S. GOVERNMENT. NEITHER VERSION IN TT DRAFT IS ACCEPTABLE. MUST ASSURE THAT CONGRESS OF MICRONESIA IS NOT GIVEN AUTHORITY OVER TERMS OF ANY AGREEMENT BETWEEN DISTRICT OR LEGAL ENTITY AND U.S. WITH RESPECT

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U.S. SHOULD BE MADE TO STICK

BY THE TERMS OF ITS POLICY PAPER, LIKE OUR ALTERNATIVE 2.

4. U.S. VERSION DOES NOT PERMIT LAND COMMISSION TO BE DESIGNATED AS ADJUDICATORY BODY, BUT DEGRAFFENRIED SAYS FUNDING WILL BE PROVIDED FOR NEW ADJUDICATORY BODIES. NO REASON NOT TO PERMIT DISTRICT THE OPTION OF USING LAND COMMISSION, AND IT MAY BE CHEAPER FOR TT. OUR PROVISION AT PAGE 5 LINES 5 TO 9 IS DROPPED, SHOULD BE IN THE INTEREST OF ALL DISTRICTS TO RECEIVE THESE FUNDS, AND IT GIVES TT AN INCENTIVE FOR PROMPT TRANSFER. ON PAGE 7 LINES 14-15, U.S. VERSION DROPS PHRASE 'UNTIL TERMINATION OF THE TRUSTEESHIP.' IMPORTANT TO ASSURE THAT CORPORATION IS NOT BOUND AFTER TERMINATION BY LAND AGREEMENTS ENTERED INTO BY TT, MAY BE NEED TO RENEGOTIATE LEASES. ON PAGE 7 LINE 24, U.S. DROPPED 'VALID AND ENFORCEABLES NO REASON FOR DISTRICT OR LEGAL ENTITY TO BE BOUND BY INVALID OR UNENFORCEABLE PROVISIONS.

5. OUR SECTION 10 DROPPED, AND SECTION 10 OF TT DRAFT INSERTED. MANY PROBLEMS MAY ARISE IF LAND TRANSFERRED IS POSSIBLY PUBLIC LAND OR ALIEN PROPERTY FOR PURPOSES OF TT CODE

IMPORTANT TO ASSURE THAT CADASTRAL PROGRAM REFERRED TO IN U.S. POLICY PAPER IS COMPLETED, AND THAT DISTRICT LEGISLATURE CAN CALL ON THE DISTRICT LAND OFFICE AT LEAST TEMPORARILY TO PROVIDE LAND MANAGEMENT FUNCTIONS UNTIL CORPORATION HAS SUFFICIENT RESOURCES. U.S. VERSION PREVENTS THIS.

WILL FORWARD DETAILED COMMENTS ON RECEIPT OF FINAL VERSION OF BILL, PROBABLY MONDAY. ADVISE BY CABLE WHEN DISTRICT LEGISLATURE EXPECTED TO MEET.

HOWARD P. WILLENS

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