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INSTALLATIONS AND LOGISTICS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

27 NOV 1974

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MEMORANDUM FOR Deputy Assistant Secretary of Defense
(East Asia and Pacific Affairs), ISA
Attention: Captain Whelan, USN

SUBJECT: Proposed Tinian Land Agreement

We have reviewed the proposed land agreement for DoD use of Tinian, Marianas District, TTPI as drafted by Messrs. Rice and Wilson of Ambassador Williams' office and have serious reservations, concern, objections and disagreements with it. These essentially are ones which we have raised consistently in the past and most recently in reviewing the Final Report of the Joint Land Committee.

More specifically with regard to proposed land agreement you forwarded for our review on November 27, 1974:

(a) Land Interest General

This office reiterates its position that fee acquisition of the Tinian land is essential. This fact was recognized by the Deputy Secretary of Defense in his recent letter to Ambassador Williams although the results of the November 26, 1974 meeting between the DepSecDef and the Ambassador may have resulted in some diminution of this long held Defense position. We would suggest, however, that the desirability of fee purchase continue to be the dominant thought in the minds of DoD representatives.

(b) Price and Method of Acquisition

Pages 2 and 3 of the proposed agreement, while not specific, appear to offer two alternatives - fee acquisition at an undetermined amount and 50 year lease at an undetermined rental which we understand is a lump sum of \$32,900,000. We would prefer that the leasing option be excluded from the land agreement until all avenues towards fee acquisition have been exhausted and the Ambassador formally notifies the DepSecDef of that impasse.

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(c) Determination of Grantor or Lessor

Because of the intermix of public lands, privately owned land, leased lands and retention lands, we believe it essential also that the United States in its land acquisition deal with and acquire from one Governmental (Marianas) body. This Governmental entity should be charged with assembling the various tracts, quieting titles, if necessary, extinguishing other encumbrances such as leaseholds on the public lands and providing to the U.S. the Marianas equivalent of a warranty deed. For this reason we believe that page 2 of the agreement must be more specific in that regard and that the last sentence on page 2 regarding "legal holder of title" be correspondingly modified.

(d) Subsequent Formal Agreement. We question the need for subsequent formal agreements unless the intent of this section is to refer to a deed or a lease. Any agreement that is envisioned by this section must be specified as an implementing agreement and one subordinate to the basic land agreement.

(e) San Jose Harbor - Tinian. The last sentence in section 4 is inconsistent with procurement policy and undoubtedly illegal. While we can execute contracts for small business, blind industries, etc., we have no authority to give preferential treatment to local Marianas firms.

(f) West Field - Tinian - Joint Use. We are uncertain whether the reference to a national emergency applies to the existing emergencies, ones disclosed in the future or both conditions. It may be desirable from our standpoint to let the ambiguity stand.

(g) Civilian Terminal - West Field. For purposes of clarity, the following changes should be made in section 6:

- (1) Revise the third, fourth and fifth lines of 6a to read as follows:
"but not limited to vehicle parking, terminal area, apron and aircraft parking and POL storage will be made available as..."
- (2) Substitute the word "terminal" for the word community in the ninth line of this subsection.

- (3) Substitute the following for the tenth line in subsection 6b:
"and the access road subject to the availability of funds."

(h) Civilian Terminal - Fuel Supplies. We do not concur in the providing of POL supplies as stated in subsection 6c. The difference in military fuels (JP4) and commercial jet fuels (JP5) and their mutual incompatibility will require separate storage and dispensing facilities. More importantly, the dependence on military fuels could incur serious consequences in a future energy crisis when fuel allocations from the FEA become critical. In the event the Ambassador demands this benefit, we must there insist on a caveat that the Marianas District seek its own fuel allocation from the FEA independent of that supplied to the military.

(i) Use of Military Facilities. We nonconcur in this subsection 6f and request total deletion. Our position reflects that of the Air Force also.

(j) Lease Back of Certain Lands. To limit the use of the 1200 acres south and east of the West Field runway we request the insertion of the following phrase between the words "leased back" and "as soon as practicable" in the fourth line of Section 9: "to the Government of the Marianas for public uses...". This section should also be revised to reflect the authorities of the Secretaries of the Military Departments to grant leases in excess of five (5) years under 10 USC 2667 and the lack of any requirement for the SecDef to grant any waiver of lease term.

(k) Lease Back of Other Acreages. Lands on Tinian not for the time needed for military purposes may be made available for other Federal local governmental or private use in that order of priority. Use by Federal agencies is by license or permit; use by local governmental bodies or by private firms or individuals is by lease. No fee is charged another Federal agency, provided services are reimbursable. Leases may be negotiated with local Governmental entities. Private leaseholds must be competitive. As a consequence of this policy, the section should be revised accordingly and the last sentence struck entirely.

(l) Settlement of Claims, Encumbrances, etc. Place a period after the first word "land" on line 4 of Section 11. Strike the balance of the sentence and the next full sentence regarding settlement of the existing outlease with the Jones ranch.

(m) Part II, Utilities. As written, this section is a disincentive for the Marianas to develop its own utility capability on Tinian. While excess military capacity might exist at some time, dependency on it could be disastrous in the long term. The DoD also runs a risk, in allowing connection to the various utility systems, in being unable politically in the future to terminate the provided service.

(n) Medical Care. The words "when available on the island" should be added to the first sentence of Section 3 on page 15.

(o) Fire Protection. We are not required to enter into mutual and fire agreements although we do in many cases.

(p) Other Miscellaneous Refinements:

(1) Strike the word "profits" from the seventh line on page 3.

(2) Substitute the word "inlease" in the eighth line on page 3 for "lease."

(3) Question the applicability of the agreement to "predecessors" in the 18th line on page 3.

(4) Substitute the word "upgrade" for develop in the eleventh line on page 4.


(5) Add the word "concurrently" between the words "will" and "develop" in the thirteenth line on page 4.

(6) Add the phrase "or upgrading of existing facilities" after the word "facilities" in the second line of page 9.

(7) Insert the word "undeveloped" between the word "to" and "beaches" in the eleventh line on page 11.

(8) Correct the typographical error on the 22nd line of page 14 to read "activity."

In summary, we believe in one lump sum payment for a fee title package including the clearing of titles, encumbrances and outleases and the purchase of the existing civilian terminal as referenced independently in Section 6b on page 7.


E. A. Rogner
Director, Base Planning and
Requirements

cc:

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NAVFAC (20) Mr. Markon

AFPRP (L/Col Appelle)

OGC (Mr. Ream)