

Report on Discussions with Michael Helfer  
Relative to Technical Agreement

Jan 10 1975

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On Monday, January 6, 1975, I had a thorough discussion with Mr. Helfer on the January 2, 1975, technical agreement.

Helfer had not received any report from Jim White or the MPSC at that time, but felt that their comments would shortly arrive. We agreed that if he had not received necessary instructions and report by Wednesday, January 8, 1975, that he would come to Interior and avail himself of telephone facilities to acquire this input.

Helfer had a number of comments following his receipt of the technical agreement, which are as follows:

1. He suggests that we Telex the changes made in the January 2 version from the December 19 version to Bergerson to pass to White.
2. He disagrees with the express requirement on page 1 that the technical agreement should require specific approval of the Marianas District Legislature. He deems it advisable to eliminate the possible "yes" vote on the covenant and a "no" on the "technical agreement." He suggests that the covenant simply refer to the technical agreement without incorporating the terms of the technical agreement by reference. He suggests review of Section 803 language for this purpose.

3. He finds problems with timing as to effective date of the technical agreement. He suggests that language to the effect that the agreement should become effective "as soon as the land entity is organized and as soon as 802 and 803 come into force." Part 4, page 13, would also need appropriate modification.

4. On page 4, line <sup>10</sup>4, he proposes to delete "short term."

5. He feels that the issues presented by the Micronesian Development Corporation lease should be addressed. Should the GNMI assign termination rights to the United States?

Should the GNMI simply agree to terminate upon U.S. request?

Who receives the rentals and how are they to be apportioned?

Is there a possibility that the lease to the U.S. subject

to the MDC lease may constitute a material breach of the lease?

If this should constitute a breach, should the GNMI or U.S.

pay the damages? Under the present MDC lease, Jones has the

right to construct permanent buildings. Is it necessary to

curtail this right for U.S. purposes? If so, and if Jones

is damaged by U.S. curtailment of construction rights, should

the U.S. pay Jones damages? Should there be an express ~~is~~

agreement for the GNMI to exercise eminent domain to protect

the MDC lease should such action be required before 1982?

Helfer is also concerned about the liquidation <sup>ed</sup> ~~on~~ damages <sup>provisions</sup> of the

MDC leases. (I would suggest that we review all our prior

studies on the MDC leases and fully consider all <sup>MDC</sup> ~~business~~

issues at this time.)

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6. On page 4, paragraph 4, line 7, he proposes to change "these leases" to "all leases" or to insert language agreeing to leaseback "all but two" of the present leaseholds, since some of the 12 supposed grazing leases may not be present, <sup>valid</sup> ~~violating~~ existing leases. ✓

7. He feels that there should be an express agreement incorporated to pay relocation benefits to the 38 plus homesteaders if some elect to take land exchanges rather than money. It appears that the Trust Territory is presently circumventing the provisions of the Relocation Act by utilization of land exchanges rather than by outright purchases in C.I.P. acquisitions. He feels that exchange is simply a <sup>different</sup> ~~document~~ form of consideration than actual <sup>monetary</sup> ~~money~~ payment, but that either form falls within the purview of the Act. ✓

8. He requests that those of the 38 homesteaders who may be assured leasebacks should be presently identified. ✓

9. He feels that there should be some provision guaranteeing free land or land at a nominal fee for a future terminal should the present terminal have to be relocated. He feels that there should be some expression that the U.S. will be responsible for new roads, aprons, parking areas, etc., should relocation of the terminal be necessary. As to a second and subsequent relocation, should it necessarily arise, he wants to include ✓

express language to the effect that the U.S. would fund such subsequent secondary or location, ~~should it be necessary.~~

10. The MPSC has no problem with using the income from the Tanapag Park Trust Corpus for development and maintenance of the park. Until such time as the income becomes excessive for such purposes, MPSC desires some express provision for this contingency. Helper suggests that provision be made regarding the income to be used on a first priority basis for Tanapag Park development and maintenance, but that special approval may be used for other cultural and recreational facilities throughout the Marianas. He further feels that express provision should be made for disposition of trust corpus and accruals at the end of the 50 and or 100 year period. He suggests insertion of express provisions to allow the Marianas to erect its own memorial to Marianas war dead. ✓

11. He suggests that the 44 acres in the Tanapag area to be used for harbor related activities may occasionally permit construction. The MPSC view is that it does not wish to be required to seek specific express U.S. permission for each occasion of permanent harbor related construction. ✓

12. He suggests that a general paragraph be inserted relative to other leasebacks. That the technical agreement implies other technical leasebacks than those specifically set out. MPSC would be satisfied with a provision stating that other leasebacks would be pursuant to applicable, ✓

existing regulations at that time. Another suggested alternative is to use the general leaseback terms already incorporated in this agreement for other leasebacks.

13. He feels that there should be express provision for reversion of land for non-use. MPSC would be satisfied with a very flexible definition of what constitutes non-use. He suggests that we might attempt to tie this to "surplus" as defined by United States law and regulation. Essentially, they want some definition of what constitutes surplus and ~~what it~~ <sup>Something</sup> to assure that they are treated as anyone else is treated as to surplus. They would also like specific provisions relative to how and on what terms reversion would occur. Helfer also stated that the May and December versions of the covenant which were prepared solely by the United States stated that terms of subsequent leases would include provisions for non-use. ✓

14. On page 7, paragraph 2, West Field, Tinian, Helfer wants to insert a provision in the first sentence that there will be both civilian-military use "at all times". He refers to previous drafts that provide for contingency for national emergency, etc., in both of these contingencies. He would not object to a provision for non-interference with actual military use of the airfield. ✓

15. He suggested that the question of landing fees need to be reconsidered. In view of the fact that the Guam situation is not applicable to this circumstance, I would not believe that this is a serious contingent.

16. He wants an insertion on page 10, part 3, paragraph 2, beaches, Tinian, to the effect that civilian personnel should have the same use and access and privileges as "military personnel and their dependents have."

17. He is generally satisfied with the paragraphs on utilities, except for the fact that those new provisions, allowing the Marianas, at their option, to cause "add ons" to planned utilities for Marianas use if the Marianas chooses to add for such add ons, e.g., a nine inch pipe as opposed to a six inch pipe."

18. He feels that the section on medical care, page 11 needs clarification.

19. He feels that the section on schools, page 12, should explicitly provide for an intergrated school system pursuant to applicable United States law at the time.

20. He feels that something should be added relative to preference for Marianas contractors for government contracts, and stated that they have done additional research on the issue and will make the results of this research available shortly to the U.S. delegation.

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21. He feels that paragraph 8, page 12 could be shortned by simply stating that civilian purchasing from the base exchange and commissary will be prohibited at all times. ✓

22. As previously states (supra) he finds problems with Part IV implementation as to inconsistencies with timing with other sections. ✓

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Affairs

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