

03  
4.6      March 24  
1976

PROPOSAL TO PROVIDE TECHNICAL SERVICES TO PREPARE  
AN ECONOMIC AND SOCIAL DEVELOPMENT PLAN AND TO  
CONDUCT RELATED ECONOMIC AND SOCIAL STUDIES FOR  
THE NORTHERN MARIANA ISLANDS

Transition planning for the Northern Marianas will consist of economic and social planning, physical planning, and government and administrative planning. These three planning efforts will provide the basis for preparing a comprehensive development program which will be available for immediate implementation when the new government of the Northern Marianas is established. The Office of Transition Studies and Planning (OTSP) will be responsible for conducting transition planning activities and for the preparation of the development program.

Robert R. Nathan Associates, Inc. (RRNA), proposes to assist OTSP in two respects. First, we propose to provide general assistance in the programming and coordination of transition planning activities, and in preparing the comprehensive development program. Second, we propose to provide specific technical assistance to OTSP in preparing a multiyear economic and social development plan, and in conducting related economic and social studies.

We believe that RRNA possesses exceptional qualifications and capabilities to undertake this work. Effective 15 March, 1976, the principals of Robert R. Nathan Associates, Inc., and James R. Leonard Associates, Inc., reestablished their former longstanding professional association. As a result of this association, the experience and capabilities of James R. Leonard Associates have been acquired by RRNA. Leonard Associates, of course, served as economic counsel to the Marianas Political Status Commission throughout their negotiations with the United States. Former Leonard Associates personnel who possess extensive experience in analyzing Northern Marianas economic and social

problems, and who are intimately familiar with the planning goals of the Northern Marianas, are now staff members of RRNA.

In addition to the expertise provided to the firm by Leonard Associates, RRNA has worldwide experience in national, regional and community development planning. On two occasions, RRNA has undertaken projects in Micronesia. First, between 1965 and 1967, the firm provided an economic planning advisory team to the Trust Territory Government. This team made the first systematic economic survey of the Trust Territory and prepared an economic program for the development of the Territory within the existing political framework. In addition to maintaining offices in Saipan, the team conducted specific studies to determine the resources for development in the Marianas District. Second, between 1970 and 1972, the firm provided planning assistance to the Peace Corps in Micronesia. Again, a significant portion of the firm's efforts were directed toward the Marianas. Also relevant to this proposal is a project in Western Somoa which was recently completed by RRNA. During the course of the project, RRNA assumed major responsibilities for the preparation of the Western Somoa Third Five Year Development Plan.

A brochure detailing other development planning experience of Robert R. Nathan Associates, Inc., is attached to this proposal

#### Scope of Work

The required planning activities to be conducted by OTSP will be highly interrelated and interdependent. In addition to providing specific assistance in regard to economic and social planning, RRNA also will assist OTSP to program all related planning activities. On completion of individual economic and social,

physical and government/administrative plans, the firm will assist OTSP to integrate the plans into a comprehensive development program for the Commonwealth of the Northern Marianas.

Programming and Coordination  
of Planning Activities

An immediate requirement will be the development of the OTSP work program. We propose to assist OTSP in specifying and scheduling planning and other tasks of OTSP over a two year period. This will involve the determination of the specific work products of various consultants, and others, which will be required to allow the preparation, by 1 September, 1977, of a comprehensive development program for the Northern Marianas. Time required to conduct necessary studies, as well as consultant report dates, will be scheduled. The schedule will reflect the interdependence of all planning activities and the necessity for various planning tasks to be completed before others can commence.

On completion of individual plans (economic and social, physical and government/administrative), we will assist OTSP to integrate the plans into a development program which may be presented for consideration by the people of the Northern Marianas and which will provide development guidelines for the legislature of the Northern Marianas.

Economic and Social  
Planning Activities

We propose to assume technical responsibility for all required economic and social studies and planning. Working under the direction of OTSP, and with OTSP counterparts, fiscal and physical resources will be inventoried, economic and social

development goals will be determined, a development strategy will be formulated and development targets will be established. Economic and social policies and programs for agriculture, fishing, industry, tourism, trade, housing, education, health, public safety and other economic and social sectors will be developed. Specific projects in each economic and social sector will be identified, assessed and assigned priorities.

Particular attention will be given to developing a fiscal and public revenue program for the Northern Marianas, and to assessing the impacts of the relocation of the Capital of Micronesia. In regard to the relocation of the Capital, a program will be developed to absorb persons unemployed as a result of the relocation into the economy of the Northern Marianas. Also, attention will be given to specifying the forms and detailing the organization and operating modes of economic and social institutions, including development banking, land, housing and other institutions.

The economic and social plan will be a multiyear plan which will present the specific actions and government budgets required to attain economic and social development goals. It will be directly correlated with the physical and government/administrative development plans. It will complement and, in turn, be complemented by these plans.

#### Program of Work

We propose to conduct the work over a 15 month period. A resident staff, consisting of a Senior Development Planner and a Development Economist, will be assigned to OTSP in Saipan. This

staff will be supported by the RRNA Home Office staff and by short-term specialists who will be assigned to OTSP as the needs for expertise in the economic and/or social sectors are identified. A total of 41 professional manmonths will be committed to OTSP.

Within 20 days after a contract, or a letter of intent, is executed, the principal-in-charge of the RRNA effort, Mr. James Leonard, will visit Saipan for a period of no less than two weeks. The purpose of this visit will be to prepare for the arrival of the resident staff and to assist OTSP develop an initial program of work which will coordinate all consultant activities during the planning period. Mr. Leonard also will assist OTSP to identify immediate economic and social studies required to support the constitutional convention to be held in August and September, 1976.

The resident staff will arrive in the Northern Marianas approximately 45 days after a contract, or letter of intent has been executed. They will remain in the Marianas until the comprehensive development program, including an economic and social plan, a physical plan and a government/administrative plan, is completed. All planning activities will be scheduled for completion on or about September 1, 1977.

During the course of work, it is estimated that a total of 8 manmonths of short-term specialist time will be provide by RRNA. Specialists will be selected on the basis of planning requirements identified by the resident staff.

The RRNA principal-in-charge, Mr. James Leonard, will continuously monitor the economic and social planning work, as well as participate in specific planning tasks. Mr. Leonard will make

at least three supervisory visits to the Marianas prior to September 1, 1977. In addition, Mr. Robert R. Nathan, president of RRNA, will serve as project advisor and will be scheduled for at least one visit to the Northern Marianas prior to September 1, 1977.

#### Project Personnel

Biodata for each of the RRNA professionals proposed to participate in the Northern Marianas planning effort are attached to this proposal. Biodata for short-term specialists, many of whom must be recruited in the future, will be presented to OTSP to allow OTSP approval of the specialists prior to their assignment to the project. Following is a brief review of proposed personnel and their professional qualifications.

Principal-In-Charge. Mr. James Leonard will serve as the RRNA principal-in-charge of the project. Mr. Leonard is well known to the leadership of the Marianas and participated in the recent status negotiations as economic counsel for the Marianas Political Status Commission.

Project Advisor. Mr. Robert Nathan, president of RRNA, will serve as project advisor. Mr. Nathan's extensive experience includes economic counsel in regard to national and regional economic planning which <sup>he</sup> has provided to more than 30 nations, including the United States.

Senior Development Planner. Dr. Irving Swerdlow will serve as senior development planner and head of the RRNA resident staff. Dr. Swerdlow has been a consulting associate of RRNA for more than 25 years. In addition to planning efforts he has directed in various countries, Dr. Swerdlow has held positions at the ~~Syracuse~~ <sup>University</sup> as professor of economics and associate dean of the Maxwell School of Public Affairs.

Development Economist. Mr. Richard Maurice, a development economist, also will serve on the resident staff. Mr. Maurice has broad experience as a project analyst and has been concerned with determining the feasibilities of projects both in the United States and abroad. As a former staff member of James R. Leonard Associates, Inc., he has participated in various phases of the Marianas Political Status negotiations and is familiar with many of the economic issues which must be considered. Mr. Maurice has field experience both in the United States and abroad.

Economic Assistants. At least two Marianas citizens with training in economics will serve as part of the resident team. It is anticipated that OTSP will provide assistance in recruiting these professionals.

#### Budget

We propose to undertake work on a cost reimbursable basis with a fixed profit to be specified as a percentage of the estimated total costs. Direct cost estimates are based on actual salaries which will be paid to project personnel during the course of the project. Indirect cost estimates are based on experienced past overhead rates which have been audited by the United States Government. Other costs are estimated according to our assessments of project requirements.

We estimate the total cost of work to be performed by RRNA to be \$304,375. The fixed profit is computed to be 6.5 percent of costs, \$19,784. This profit rate is consistent with the rate generally applied to work which RRNA performs for the U.S. Federal Government. Therefore, total estimated costs plus fixed profit will amount to \$324,159.

A detailed budget is presented with this proposal.



ESTIMATED COST PLUS FIXED FEE BUDGET FOR  
CONSULTANT SERVICES, INCLUDING ECONOMIC  
AND SOCIAL DEVELOPMENT PLANNING AND  
RELATED ECONOMIC AND SOCIAL STUDIES

PROFESSIONAL SERVICES/41 MANMONTHS:

Direct Labor Cost (DLC)

1. Home Office Staff:

|                                  |              |           |
|----------------------------------|--------------|-----------|
| Principal-In-Charge (J. Leonard) |              |           |
| 4 mos. @ \$3,500 p.m.            | \$14,000     |           |
| Project Advisor (R. Nathan)      |              |           |
| 1 mo. @ \$7,500 p.m.             | <u>7,500</u> |           |
| Total Home Office Staff          |              | \$ 21,500 |

2. Field Staff:

|                            |               |           |
|----------------------------|---------------|-----------|
| Senior Development Planner |               |           |
| 14 mos. @ \$3,000 p.m.     | \$42,000      |           |
| Development Economist      |               |           |
| 14 mos. @ \$2,000 p.m.     | <u>28,000</u> |           |
| Total Field Staff          |               | \$ 70,000 |

3. Short-Term Specialists:

|                            |                  |           |
|----------------------------|------------------|-----------|
| 8 Manmonths @ \$4,400 p.m. | <u>\$ 35,200</u> |           |
| Total Direct Labor Cost    |                  | \$126,700 |

Indirect Labor Cost (IDLC)

|                                    |               |                  |
|------------------------------------|---------------|------------------|
| 1. Home Office Staff (@ 1.6 X DLC) | \$34,400      |                  |
| 2. Field Staff (@ .85 X DLC)       | <u>59,500</u> |                  |
| Total Indirect Labor Cost          |               | <u>\$ 93,900</u> |

|  |           |
|--|-----------|
| TOTAL COST OF PROFESSIONAL<br>SERVICES | \$220,600 |
|--|-----------|

OTHER EXPENSES:

Transportation

|  |              |           |
|--|--------------|-----------|
| 1. Air Travel (15 Rdtrps--DC/Saipan<br>@ \$1,500 Per Rdtrp)        | \$22,500     |           |
| 2. Local Transportation (Auto Rental--<br>100 Days @ \$25 Per Day) | <u>2,500</u> |           |
| Total Transportation   |              | \$ 25,000 |

Allowances and Per Diem

|   |               |           |
|---|---------------|-----------|
| 1. Field Staff Relocation Expenses<br>(Including Auto Shipment) | \$ 7,500      |           |
| 2. Field Staff Per Diem<br>(900 Days @ \$15 p.d.)               | 13,500        |           |
| 3. Consultant and Other Per Diem<br>(365 Days @ \$35 p.d.)      | <u>12,775</u> |           |
| Total Allowances and Per Diem                                   |               | \$ 33,775 |

|  |  |        |
|--|--|--------|
| Local Staff (2 Economic Assistants<br>@ \$10,000 each) |  | 20,000 |
|--|--|--------|

Offices, Supplies and Secretarial  
Services (Provided by OTSP)

--

Miscellaneous

|                                   |              |                 |
|-----------------------------------|--------------|-----------------|
| 1. Telecommunications and Postage | \$ 1,000     |                 |
| 2. Contingencies                  | <u>4,000</u> |                 |
| Total Miscellaneous               |              | <u>\$ 5,000</u> |

TOTAL OTHER EXPENSES \$ 83,775

TOTAL COST OF PROFESSIONAL  
SERVICES AND OTHER EXPENSES 304,375

TOTAL FIXED FEE  
(@ 6.5 percent of total  
cost and expenses) 19,784

TOTAL COST, EXPENSES  
AND FIXED FEE \$324,159

## RESUME

JAMES R. LEONARD

### EXPERIENCE:

James R. Leonard, Vice President of Robert R. Nathan Associates, Inc. (RRNA), supervises the general operations of the firm and directs many RRNA projects.

Mr. Leonard has provided advisory services to a great variety of public and private clients in the United States and abroad. These services include national, regional and economic sector development planning services; technical studies to facilitate the formulation of public agency economic policies; and economic counseling services, encompassing a broad range of economic issues, to facilitate the development of business decisions. Clients he has served include agencies of the U.S. Departments of Commerce, Defense, Housing and Urban Development, Interior, Labor and Transportation; independent agencies of the U.S. Government, including the Agency of International Development, the Public Land Law Review Commission, the U.S./Mexico Border Commission, the New England Regional Commission, the Peace Corps and the Office of Economic Opportunity; various state and local government agencies; the World Bank; foreign governments, including the Governments of Korea, Micronesia, Malaysia, Afghanistan, Nigeria, Nicaragua and Venezuela; and many private and corporate clients.

Highlights of Mr. Leonard's development planning experience include national and regional planning services he has provided as a resident advisor to the Governments of Micronesia and Malaysia; sector planning services he has provided for the Governments of Afghanistan (Agriculture), Nigeria (Transportation) and Venezuela (Recreation/Tourism); and regional, community and urban development planning services he has provided for planning agencies throughout the United States.

Technical studies directed or conducted by Mr. Leonard include studies to determine long term demand for agricultural, forestry and mining commodities, and for many industrial products; wage and productivity studies; management studies; and capital project feasibility studies. His experience in the professional sports industries includes direction of a study to determine the economic feasibility of a proposed thoroughbred horse racetrack in Puerto Rico; studies to determine the economic feasibility of dog racing and Jai Lai in Baltimore, Md.; and a study to determine the economic feasibility of constructing a sports/convention complex, including a domed stadium, in Baltimore, Md. In regard to the latter study, Mr. Leonard conducted in-depth investigations of professional baseball and football growth potentials, and the economics of sports stadiums and arenas.

JAMES R. LEONARD

As economic counsel, Mr. Leonard advises corporate clients in regard to mergers and acquisitions, marketing strategy, and foreign operations. Since 1972, he has served as economic counsel, in support of legal counsel, for the Mariana Islands in political status negotiations between the Mariana Islands and the United States. These negotiations have been conducted to establish the economic and other terms under which the Marianas will become an unincorporated territory of the United States.

In recent years, Mr. Leonard has been particularly active assisting attorneys and their clients in analyzing economic factors and preparing evidenciary briefs for regulatory and other legal proceedings. Regulatory proceedings in which he has participated include proceedings before the Civil Aeronautics Board (Continental Airlines); the Federal Communications Commission (Warner Communications); the Federal Maritime Commission (Subsidized Shipping Association); the Interstate Commerce Commission (The Ohio River Company); the Puerto Rico Racing Board (San Juan Racing Asssocation); and the Canadian Railroad Commission (Canadian Pacific Telecommunications). Other legal proceedings in which he has participated include anti-trust cases in which he has represented Avnet Corporation, ASCAP, Toyota Motors and the State of Washington and King County Washington.

EDUCATION:

B.A., Economics, 1955, University of Texas

M.A., Economics, 1957, Northwestern University

Completed all Ph.D. degree requirements in economics except dissertation, Northwestern University.

PROFESSIONAL AFFILIATIONS:

American Economic Asssocation

National Economists Club

LANGUAGES:

English

French: a reading knowledge

DATE OF BIRTH:

January 5, 1933

CITIZENSHIP:

United States

15526

# RRNA

NAME: Robert R. Nathan  
DATE OF BIRTH: December 25, 1908  
CITIZENSHIP: U.S.  
EDUCATION: B.S., Economics, University of Pennsylvania,  
1931  
M.A., Economics, University of Pennsylvania,  
1933  
LL.B., Georgetown University, 1938  
LL.D., Georgetown University, 1972

Robert R. Nathan, President of Robert R. Nathan Associates, founded the firm in 1946. He provides overall guidance for the firm's activities and takes an active professional part in much of its work.

Mr. Nathan is particularly involved in the field of economic development, and has served as economic planning and policy adviser to the Governments of France, Burma, Korea, Costa Rica, Nigeria, Afghanistan, Iran, Israel, El Salvador, Colombia, the Commonwealth of Puerto Rico, and the Trust Territory of the Pacific Islands. Mr. Nathan has also been engaged in economic consulting to many departments and agencies of the U.S. Government and of state and city governments, to the World Bank and the Inter-American Development Bank, and to business and labor organizations on a wide variety of economic matters.

Mr. Nathan speaks before many public and academic audiences. He has appeared as an expert witness in numerous administrative proceedings in the United States before the Federal Communications Commission, the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Power Commission, the Maritime Administration, and the Indian Claims Commission. He has submitted testimony and testified as an expert witness in many rate of return cases, in litigation concerning economic subjects, and before many congressional committees in a professional capacity.

Mr. Nathan brought to the firm many years' experience with the Federal Government. In 1945, he was Deputy Director of the Office of War Mobilization and Reconversion, following service in the U.S. Army. In 1942-43, Mr. Nathan was Chairman of the Planning Committee of the War Production Board. He was Chief of the Military Requirements Division of the

Nathan - page two

Defense Advisory Commission, and Assistant Director of Research and Statistics of the Office of Production Management (1940-41). Mr. Nathan served as Chief of the National Income Division of the U.S. Department of Commerce, having participated in the development of the first official national account statistics in the United States. Mr. Nathan was also Assistant Director of Research of the Pennsylvania State Emergency Relief Board, and Consultant to the President's Committee on Economic Security.

Mr. Nathan's publications include National Income, 1929-36 (Washington, D.C.: U.S. Government Printing Office, 1937); Mobilizing for Abundance (New York: McGraw-Hill, 1944), books which he coauthored; and many articles in professional journals. He is a member of the District of Columbia Bar, the American Economic Association, and the Society for International Development. He was Vice President of the American Statistical Association (1940), National Chairman of Americans for Democratic Action (1957-59), President of the American Freedom from Hunger Foundation (1967-73), Chairman of the Population Reference Bureau (1970-74), Trustee of the Asia Society (1970-73), and Vice-President of the National Economists Club (1972-74). He is a member of the Board of Overseers of the Wharton School of Finance & Commerce, University of Pennsylvania, and is a Trustee and Member of the Research and Policy Committee of the Committee for Economic Development. Other memberships include the National Commission on Money and Credit (1959-61), and the Cosmos Club. In addition, Mr. Nathan holds memberships on boards of numerous corporations and the District of Columbia National Bank, and is a member of the Board of Advisers of Volvo.

15528

NAME: Irving W. Swerdlow  
DATE OF BIRTH: October 14, 1909  
EDUCATION: B.A., Economics and Statistics, University of  
North Dakota, 1930  
Ph.D., Economics, University of Wisconsin, 1934

Dr. Swerdlow, who recently served in Nigeria as part of RRNA's transport advisory team, has an impressive background and expertise in the areas of public administration and management sciences. In addition to his formidable academic qualifications (Professor, Economics Department and Public School of Citizenship and Public Affairs, Syracuse University, and Director, Center for Overseas Operations and Research), Professor Swerdlow has considerable experience in operational affairs in these areas.

As Director of the Center for Overseas Operations and Research, Professor Swerdlow directed the development and operation of many research and training programs on problems of the less developed countries, including a program for internships in public administration in South Asia and Africa. In 1965, Professor Swerdlow conducted a study of the administration of technical assistance programs, examining several particular situations, including Nigeria. He was instrumental in the development of an administrative staff college for the Government of Pakistan, and worked on numerous other programs dealing especially with public administration issues in developing nations.

As an economic adviser on the planning team supplied to the Government of Burma by Robert R. Nathan Associates, Professor Swerdlow contributed to that country's economic development program, foreign exchange control, and the creation of short-term general and sectoral development plans. In addition, as Deputy Director of the Economics Division of the Regional Office of the U.S. Government in Paris, representation to the O.E.E.C., he was involved with fund allocation and special development programs in Europe and Africa. Professor Swerdlow has also served as Deputy Director and Director of the Office of Statistics and Reports of the Economic Cooperation Administration, and as Budget Director and Deputy Controller of the United Nations Relief and Rehabilitation Administration.

Professor Swerdlow has written extensively on economic development, budgeting, resource allocation and control procedures, and has authored such papers as "Classification and Concepts of Stages of Economic Development," and "The Building of Economic Institutions." He is presently at work on a book tentatively entitled The Public Administration of Economic Growth in Less Developed Countries.

## RESUME

RICHARD O. MAURICE

### EXPERIENCE:

Richard O. Maurice has extensive experience as a statistical and financial analyst. He has participated in a wide variety of economic feasibility, capital project, land development and transportation studies. Mr. Maurice is thoroughly familiar with the various sources, methodologies and techniques of data collection, analysis and interpretation, and is familiar with computer systems and applications to economic problem solving.

Recently, Mr. Maurice played a major role in a study of the feasibility of industrial, commercial and municipal development on land reclaimed from the sea by dredging, at the City of Corinto, Nicaragua. In a complementary study for the City of Corinto, Mr. Maurice assessed the adequacy of the present municipal tax system, and analyzed the feasibility of implementing municipal infrastructure and utility improvements programs. This study required the preparation of projections of municipal tax and other revenues, municipal operating expenses and capital requirements for implementing improvements programs. Most recently, he participated in a study to develop and determine the feasibility of alternative management and operational modes for the Ports of Cristobal and Balboa of the Panama Canal Zone.

In 1973 and 1974, Mr. Maurice participated in studies related to economic development of the Northern Marianas, prepared by James R. Leonard Associates, Inc., in the firms capacity as economic counsel to the Northern Marianas in their negotiations to become a Commonwealth of the United States. Also in 1973 and 1974, he served as assistant project director for a study of port operations at Port Everglades, Florida. This study was part of a comprehensive Master Plan study for the port, and entailed a detailed financial analysis of present port operations, projections for future port development and analysis of the socioeconomic impacts of port development on the surrounding region.



Mr. Maurice has considerable experience in a variety of socio-economic and feasibility studies relating to large scale capital projects and development studies. In 1972 he participated in a study of the economic feasibility of development of a major tourist complex on the Caribbean Coast of Venezuela. He also participated in economic feasibility studies for a large domed sports complex in Baltimore, Maryland and one in Seattle, Washington; and the development of a business park in Oklahoma City, Oklahoma. For the Broward County Hospital District of Broward County, Florida, Mr. Maurice determined the economic feasibility of the construction of doctor's office facilities in conjunction with overall health facilities planning for the district.

Other recent projects in which Mr. Maurice has participated include a study for the Department of Interior of the demographic, social and economic characteristics of the Alaska Native population as they relate to the Federal Programs designed for or affecting the Alaska Natives; and the socio-economic impacts of a large fossil fuel electric generating station in Northern Oklahoma.

Clients served by the studies in which Mr. Maurice has participated include the Autoridad Portuaria de Corinto, the World Bank (IBRD), the Maryland Sports Complex Authority, the Port Everglades Port Authority, the Department of Interior and many private firms. He has also assisted in preparing expert economic testimony litigation.

EDUCATION:

B.A., George Washington University, 1969

Graduate studies: Applied Statistics and Economics

LANGUAGE:

English, French

DATE OF BIRTH:

September 13, 1946