

OFFICE OF TRANSITION STUDIES AND PLANNING
NORTHERN MARIANA ISLANDS
P.O. BOX 42
SAIPAN, AMERICAN MARIANAS 96950

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Northern Mariana Islands

MEMORANDUM

TO: Fred M. Zeder, DOTA June 29, 1976
Speaker Vicente N. Santos, NMIL

FROM: Director, OTSP

SUBJECT: Proposed Work Program for the Office of Transition Studies
and Planning - July 1976 to January 1978

Pursuant to your request, a proposed Work Plan for the OTSP is submitted for your review and approval of the Joint Commission.

As explained in the attached, it is not yet possible to finalize work plans or contracts for all of the activities or studies previously approved by the MPSC and the U.S. It will, therefore, be necessary to revise or amend parts of this preliminary plan as time passes.

In this regard, the attached plan should be viewed as a starting point which will require review and amendment prior to the end of this year.

Your early approval or comments is requested. Please let me know if you have any questions or guidance regarding the attached.


Pedro A. Tenorio

Attachment

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xc: Hon. Benjamin T. Manglona, Member w/attachment
Hon. Jose R. Cruz, Member w/attachment
Ambassador F. Haydn Williams w/attachment
Hon. Erwin D. Canham w/attachment

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FROM: Director, OTSP

SUBJECT: Proposed Work Program of the Office of Transition
Studies and Planning - July 1976 to January 1978

In accordance with and in furtherance of the basic mission assigned to the Office of Transition Studies and Planning (OTSP), and in response to requests of members of the U.S.-Marianas Joint Commission on Transition, the following is recommended as a first-cut at an 18 month Work Program for OTSP:

Basic program and objectives

Based on the agreement reached between the Marianas Political Status Commission and the U.S. during the Fourth Session of the status negotiations held on Saipan, May 15-31, 1974, on transition activities to be undertaken in the Marianas and subsequent consultations and joint decisions, the following major program objectives and policy guidelines are recommended:

General or primary program objectives

1) To provide plans and related assistance to the new Government of the Northern Mariana Islands of a kind and in a manner

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which will be of greatest utility and long-range benefit to the residents of the new Commonwealth; such plans or studies to be initiated and conducted only after approval is obtained from the Joint Commission on Transition or in accordance with policy guidelines established by the Commission;

2) To provide assistance and support to several discrete approved activities requisite to the timely attainment of self-government in accordance with the provisions of the Commonwealth Covenant Agreement with the U.S., viz:

- a) the election of delegates to a constitutional convention;
- b) the holding of a constitutional convention for the Northern Mariana Islands;
- c) a political education program on the proposed constitution;
- d) a referendum on the proposed constitution; and
- e) the election of a new government, including a Chief Executive of the Northern Mariana Islands.

Special tasks or projects

The following specific studies/plans are contemplated during the period June 30, 1976 to October 31, 1977. A chart depicting these plans in a time-frame is attached.

- 1) Studies for and support of the Northern Mariana Islands Constitutional Convention - planned for August-October 1976 on Saipan.

The Washington law firm of Wilmer, Cutler and Pickering (WC&P) has

agreed to do the necessary background studies and to provide requisite staff support during the pre-Convention and Convention proceedings. This contract obligates the firm to provide briefing papers to OTSP and to all delegates in advance of the Convention on all subjects judged relevant to the issues which are likely to be addressed by the Convention. The contract with WC&P also calls for the provision of the services of several professional advisors during the period of the Convention, including the preparatory stages - the week preceding the opening of the full convention during which time the pre-Convention Committee will draft recommendations regarding the organization and rules of procedure for the Convention. The work will be supervised by the project director, Mr. Howard Willens, a partner of Wilmer, Cutler & Pickering and by the officers of the Convention.

Relations with other agencies

During the course of this project, appropriate relations with the Resident Commissioner's office, the Northern Mariana Islands Legislature (NMIL) and other interested agencies will be established by the representative of WC&P and supervised by the Director of the OTSP, or the OTSP project director - not yet designated. The contractor shall also be free to establish and conduct relations with other interested agencies or individuals, as judged necessary or advisable. For example, the Director of OTSP will continue his close liaison with the Resident Commissioner and those members of the Legislature responsible for or having an interest in any or all phases of the Convention.

Relationship to other projects or tasks

This effort is fundamental to the achievement of early self-government in the Northern Mariana Islands. A successful Convention and its product, a proposed Constitution, will provide a political and governmental framework to the conduct of other studies and plans envisaged by the Commission.

Resources earmarked or available

As a result of the Commission's recent approval of the reprogramming recommendations of the Director of OTSP, \$165,000 is now available for this task. Since the contract with Wilmer, Cutler & Pickering will not exceed \$150,000.00, some \$15,000.00 can be held in reserve or be available to cover related costs of the convention. The total cost of the Convention is not yet known, but the Legislature plans to provide a minimum of \$30,000.00.

Problems anticipated

The timing of the Convention could pose a major problem because the contractor, WC&P, has geared its recruitment of experts to the summer season. Thus, if the Convention is postponed beyond August, the contractor might find it difficult to obtain services of qualified experts. However, the work on the studies and briefing papers, etc., is already underway and would not be affected by any postponement.

The second problem is the availability of funds to cover all of the costs of the Convention beyond the funds available for this purpose from the \$1.5 million appropriated by the U.S. Congress for

transition in the Northern Mariana Islands. It might prove necessary for the Government of the Northern Mariana Islands, either the Legislature or the Executive, to allocate additional funds to this purpose.

2) Socioeconomic planning

The main objective here is to develop a comprehensive socioeconomic plan for the consideration and action by the new government of the Northern Mariana Islands, prior to the end of 1977.

There are several major aspects of this project, as described in the justification presented to the U.S. Congress this spring. The original program plan called for (1) economic and social development planning, (2) fiscal and revenue planning, and (3) the impact on the Northern Mariana Islands of the relocation of the TT capital. Given the close interrelationship of the factors which must be taken into account in the development of an overall socioeconomic plan for the new government of the Northern Mariana Islands, and in order to meet the objectives in this area established by the Joint Commission, the OTSP has engaged the services of a highly qualified contractor - Robert R. Nathan Associates (RRNA) of Washington, D.C. This firm has agreed to prepare a multi-year socio-economic plan, including a fiscal and revenue plan and an assessment of the probable socioeconomic impacts in the Northern Mariana Islands due to the relocation of the T.T. capital. RRNA will also be prepared to present and explain the plan to the first legislature of the new government, in early 1978, and to

the extent permitted by time and resources available under the terms of the contract, the contractor will provide, on request, related technical assistance.

Relations with other agencies

In order to achieve the approved objectives in this area, the contractor, RRNA, must establish early and effective liaison with a number of local offices, private as well as public, and with interested Washington agencies, especially the Office of Territorial Affairs in the Department of Interior. These liaisons will be necessary to obtain the data needed to make the necessary analyses. Poor or incomplete data would undermine any chances of achieving the objectives of this project. Hence, a major part of the time of the Assistant Director for Economics and Finance will be devoted to ensuring that the contractor has access to the latest and best socioeconomic data and to monitoring the progress of the professionals employed.

Relationship to other projects or tasks

This project will hopefully serve as a basis for or assist in the preparation of a wide range of specific plans and programs which the new government of the Northern Mariana Islands may wish to examine or undertake. Specifically, it should provide guidelines to the local administration in fiscal and revenue planning and in structuring programs designed to soften the impact of reductions in government levels or activities or as a result of the relocation of the T.T. capital.

Resources earmarked or available

The funds voted by the Congress for these studies and plans totalled some \$350,000. However, as a result of the contract negotiated with Robert R. Nathan Associates in mid-June, all of the objectives envisaged in the program justification presented to the U.S. Congress should be met by the expenditure of less than \$280,000.00 over a time period of 15 months, or prior to the end of September, 1977.

However, it may prove necessary to reprogram funds for a "crash effort" in the area of the impact of the relocation of the capital if a decision is made to accomplish this over the next 6-12 months.

Several man-years of professional effort will be required to accomplish the plans envisaged by the Commission and required as a basis for new legislation. Also, this project will require the full-time attention of one member of the OTSP - the Assistant Director for Economics and Finance, plus a certain amount of administrative support.

Problems anticipated

None at this time.

3) Government reorganization

In addition to the research for and support of the Constitutional Convention, the transition program calls for the conduct of research and planning for the organization of a structure for the new Government of the Northern Mariana Islands, territorial as well as local.

Although work on a detailed research outline or request for proposals (RFP) is still underway, the OTSP foresees the need for the

assistance of one or more outside consultants expert in the areas of government organization, public administration, and local government.

It is assumed that one of the major objectives of this effort will be to produce an overall plan or alternative recommendations for the structure of the new government of the Northern Mariana Islands, plus proposals regarding interrelationships between the major elements of this government.

The end product should be a blueprint on how best to adapt the present governmental structure to: (a) the new constitution, (b) the projected availability of public funds, and (c) to prevailing political views of local leaders.

There are several discrete areas which will require particular attention - 1) the organization and interrelationship of departments within the Executive Branch of the new Commonwealth; 2) the organization and procedures of the bi-cameral legislature; 3) the organization and authority of local units of government, plus the nature of their relations with the new Commonwealth government and with one another.

In addition, studies and proposals relevant to this area include:

- (1) a detailed review of the present governmental structure and of intergovernmental relations and procedures;
- (2) a critique of current governmental organization and functions in the light of the proposed new constitution and the results of studies in analogous situations in the USA;
- (3) proposals covering all major aspects of public administration - e.g. inter-governmental affairs, local government, planning and budget functions, personnel policies and pay-scales,

recruitment and training of career professional personnel, use of outside consultants or contractors, financial managements, etc.;

- (4) role of quasi-independent boards or commissions, e.g. a local regulatory agencies or a Civil Service Commission for the Northern Mariana Islands.

Relationship to other projects or tasks

This project will provide an institutional framework for the other studies or programs being developed under the Transition program, and should reflect or take account of the results of their work, especially in the areas of fiscal and revenue planning and constitutional development.

Resources available

No more than \$50,000.00 is available for work under this part of the program, plus the amounts budgeted for the work of an Assistant Director for Public Administration, some \$25,000 plus allowance.

As mentioned above, the Director may decide to recommend that all of this work be put under contract or given to an expert consultant(s).

4) Studies and plans regarding the applicability of U.S. programs and services

This activity is of prime importance to the people of the Northern Mariana Islands and thus to their new government. While the Commonwealth Covenant establishes general guidelines in this area, a policy basis for action on the part of both the U.S. and Northern Mariana Islands governments, there is a great deal of research and

analysis that needs to be done in the area of the applicability of U.S. legislation--programs and services for which the new Commonwealth should be eligible.

As a result of a recent review of the OTSP program budget, \$25,000 has been reserved for this. This does not include the expenses or salary of the OTSP Washington Liaison Officer who will spend a major part of his time on this task. It will permit the engagement of a research assistant(s) to assist the Washington Liaison Officer in the fulfillment of his primary mission. Computer service for rapid and uniform identification of federal programs and services applicable to the new Commonwealth may be utilized. Funds will be required for such services.

A more detailed work plan for this activity will be submitted to the Commission once the Washington Liaison Officer has had an opportunity to assess the problem from a Washington perspective and to consult with others in Washington knowledgeable in this area.

5) Physical planning

The report of the special ad-hoc committee on Transition, as approved by the U.S. and the MPSC in 1974, called for an assessment of the current TT and Northern Mariana Islands planning efforts in light of local environmental constraints, such as water resources, soils, manpower, etc. This report assumed that a "substantial amount of useful planning" had already been done by the District Administration over the past several years. On the contrary, it is clear that there

are major gaps or deficiencies in the plans available, either they are largely incomplete or are out-of-date, e.g. the physical plan for Rota was based on old data and fails to take account of new technology and does not present alternatives worthy of consideration by those responsible for making the tough decisions required at the political level.

Program objectives

The main objective of work in this area is the formulation of a time-phased action plan for physical infra-structure improvements (projects) considered essential for a sound and orderly economic and social development throughout the Northern Mariana Islands. Such a plan should encompass the drawing up of basic master-planning concepts for such sectors as utilities, urban development, housing, transportation and communications, schools, hospitals, etc.

Also lacking is a general political-social framework or assumptions for this planning. Physical planning cannot or should not be done in a vacuum; it must take full account of political and social values and objectives. While it is clear, for example, that new or better infrastructure is needed in the islands if additional outside capital is to be attracted, the physical planner must be given guidance as to social or broad program priorities, e.g. is tourism or satellite industry to be given priority or is agriculture or fishing to be emphasized in an overall plan of economic and social development?

There are, however, a number of discrete and fairly pressing requirements for which work can proceed independently. For example,

there is an urgent need for an immediate architectural and engineering (A&E) design for the improvement of the airport and harbor facilities on Rota and Tinian, A&E design of the American Memorial Park on Saipan, A&E design for water systems on Tinian and Rota, and A&E design for highways and roads on the three major islands.

It is hoped, therefore, that portion of the \$225,000 earmarked in the OTSP budget for the general purpose of physical planning be made available for advance A&E design so that these construction projects may be immediately contracted out once CIP funds under the Covenant are made available upon the installation of the new government. In order to provide sufficient advance A&E design funds for priority CIP projects, OTSP proposes to invest the necessary portion of the \$1.5 million Transition funds in Time Certificate of Deposit whereby accrued interest from such deposits will be earmarked for design purposes. It is requested that the Joint Commission review this proposal which is one realistic alternative toward raising funds for design work of priority projects which can be accomplished together with the overall physical/master-planning studies.

As for the remainder of this program, it is our view that we first need to recruit a qualified physical planner for the staff or alternatively to obtain the services of a highly qualified consultant who would then proceed to develop a work program which will complement or take account of the work of Robert R. Nathan group, who have been engaged by OTSP to complete a long-range socioeconomic development plan, including fiscal and revenue planning.

In short, it is our intention to ensure that planning in these two highly related areas proceeds in step and that the physical plans or proposals which will emerge from this effort will take full account of the work of the RRNA group and reflect the policy or political goals which emerge from the constitutional convention and Washington (DOTA) reviews of current programs.

Resources available

The current program contains \$225,000 for this purpose, but as mentioned above, this figure should be reviewed and justified anew in light of a fresh review of current plans and work underway in related planning areas. It is possible that additional funds will be required to do the minimum required, particularly in view of the very limited resources available to local government agencies, i.e. the need to augment quickly ongoing efforts in this area.

6) Initial legislative program

It is contemplated that this effort will reflect the principal findings or recommendations of the above referenced studies and follow extensive staff consultations with responsible officials in the Executive and Legislative Branches and in light of the studies and plans outlined above.

The level-of-effort planned for this area is relatively low, given the need to accord priority to the above mentioned plans and activities. It will depend largely on the availability of resources following the first year of the OTSP program and/or the priority given to it by the Commission when it reviews the program in late 1976 or early 1977.

For the present, the OTSP recommends that no specific plans be made or funds earmarked for this project, pending a review by the Commission of the other elements of the program and the costs of the Constitutional Convention and more urgent planning tasks.

Special activities - discrete events - in conjunction with the establishment of a new government of the Northern Mariana Islands

1) Constitutional Convention

As mentioned above, the approved transition program contains funds for the support of a constitutional convention to be held on a date to be determined by the Legislature, as approved by the U.S. Resident Commissioner or the Secretary of the Interior.

In line with recent reprogramming decisions, funds available for this event from the total \$1.5 million, now total \$75,000.00. Although the costs of holding a fifty-day convention have yet to be determined, it is possible that additional amounts will be required; these might be derived from other sources, e.g. the Legislature has already appropriated \$30,000.00 for this event and might be able to provide many of the facilities required by the delegates.

Once a final cost estimate can be made, bids for facilities have already been sent to several hotels on the island, further information will be provided or an appropriate recommendation will be made to the Commission.

2) Constitutional education program and constitutional referendum

As a result of reprogramming action \$25,000.00 is now available for this task, plus whatever more the Legislature may appropriate and

whatever efforts the Resident Commissioner's office can devote to this purpose. In any case, the program must be the result of close cooperation with all concerned governmental agencies in the Northern Mariana Islands, and be conducted in conjunction with interested private and public groups.

This project will be of fairly short duration, beginning during the Convention, probably late August 1976 and ending on the date of the referendum, probably sometime in November or early December 1976.

It is assumed that a major role in this educational efforts will be played by the delegates themselves, plus other interested local political leaders. However, a well-coordinated and integrated action plan must be developed prior to the end of the Convention if the stated objectives of this part of the Transition program are to be achieved.

The holding of the referendum itself, including the costs thereof, should be the responsibility of the office of the Resident Commissioner, given the nature of the event and the responsibilities of the U.S. in this matter.

3) Election of the first government of the Northern Mariana Islands.

Although this is presently listed as an element in the program of transition, the exact date and costs thereof have yet to be determined. This event must follow U.S. approval of the proposed constitution of the Northern Mariana Islands and the nominations of candidates to the new legislature plus a period of political campaigning.

Funds available for this event from the transition budget total \$25,000.

The OTSP wishes to reserve the right to recommend that these funds be devoted to more immediate or pressing needs, given the fact that the election of local governments is a normal or traditional responsibility of the U.S. under its trusteeship responsibilities.

Presentation of an initial legislative program

This event cannot be detailed until after the several relevant studies planned are completed and proper coordination with appropriate governmental authorities and interested local leaders accomplished.

It may be possible to do much of the work contemplated "in house," by the staff of the OTSP with assistance from local authorities or experts.

It is our intention to advise the Commission further on this program element after a more solid basis for a program plan can be developed.

Priorities

The most urgent task will be to complete the studies and provide necessary staff support to the members of the Constitutional Convention and to the organized Committees of the Convention. This work is already underway and will be completed through a contract with WC&P - a draft contract for \$150,000.00 has been negotiated with Mr. Willens of this firm.

Next in priority is the completion of preliminary analysis in the most critical or basic sectors of the socioeconomic plan. This work is also underway and committed to contract with RRNA as mentioned above, it may prove expedient to augment work on the sub-project dealing with the socioeconomic impacts of the relocation of the T.T. capital - depending on the timing and time-phasing of this decision and implementing plans.

The physical and governmental planning efforts are of less urgency for they should not be initiated or allowed to progress independent from the results of the Con Con or the preliminary analysis of the RRNA researchers, as reviewed by the OTSP and members of the Commission.

Work in the area of the applicability of U.S. federal programs and services, however, can proceed independently and should begin as soon as the Washington liaison office can be established.

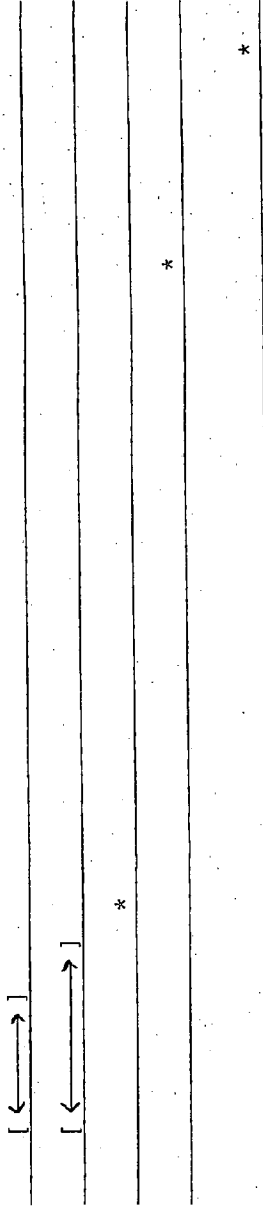
The attached work chart indicates the suggested or preliminary timing of the remaining studies, plans or events.

TIME PHASING OF PRIMARY TRANSITIONAL ACTIVITIES

July August Sept Oct Nov Dec '76 Jan '77 - June '77 July '77 - Dec '77 Jan '78

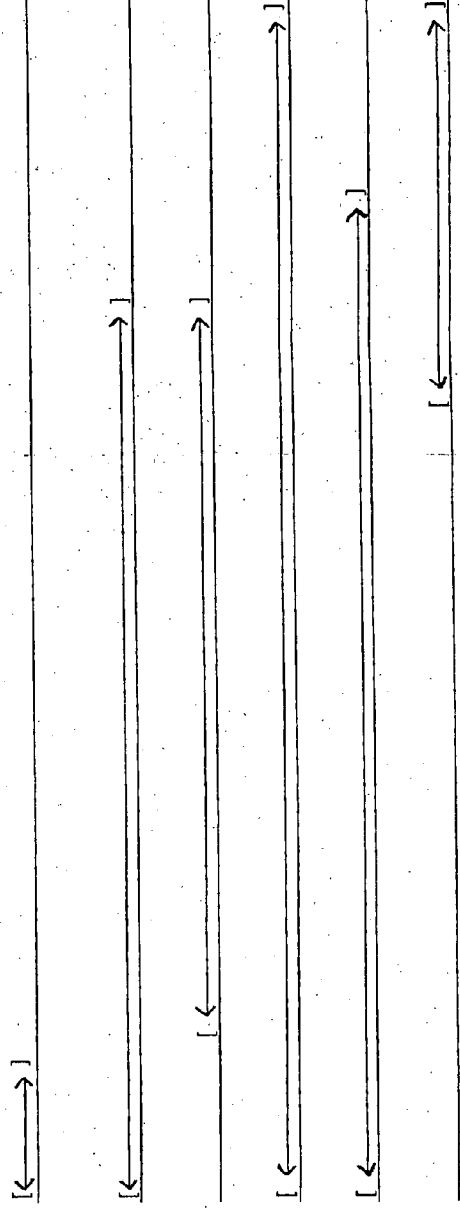
A. Transition Activities

1. Constitutional Convention and professional support of ConCon
2. Constitutional Education Program
3. Constitutional Referendum
4. Election First Gov't NMI
5. Presentation of planning studies to new Government



B. Transition Studies/Plans

1. Background papers for ConCon (Agent - WC&P)
2. Socio-economic, including fiscal planning & impact studies (Agent - RRNA)
3. Physical planning (Agent - to be designated)
4. Applicability U.S. laws/programs (Agent - Washington liaison officer)
5. Research re organization for new government NMI
6. Initial legislative program (Agent - to be determined)



* one-time events, exact dates yet to be determined.