



United States Department of the Interior

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OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

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Honorable Harold Brown
 Secretary
 Department of Defense
 Washington, D. C. 20301

Dear Mr. Secretary:

By this letter, I would like to bring to your attention two matters of primary concern to the Department of Defense in the Northern Mariana Islands of the Trust Territory of the Pacific Islands. As you know, the interested agencies of the Administration, including your Department, have now completed their review of the constitution of the Northern Mariana Islands. It is my understanding that the President intends to issue a proclamation in late September approving the constitution and setting its effective date as January 9, 1978. At that time, several provisions of the Northern Mariana Islands Commonwealth Covenant (P. L. 94-241) will also come into effect.

One of the sections of the Covenant which will come into effect at that time is section 804. It provides that "the Government of the United States will cause all agreements between it and the Government of the Trust Territory of the Pacific Islands which grant to the Government of the United States use or other rights in real property in the Northern Mariana Islands to be terminated upon or before the effective date of this section". This includes not only land used by the United States for civilian governmental purposes (which is a very small amount) but also a very large amount of so-called military retention land to which the United States Department of Defense has an unrestricted use right pursuant to agreements between your Department and the Trust Territory Government. According to Section 804, all of these agreements must be terminated after which the Trust Territory Government will transfer all of its interest in those lands to the Government of the Northern Mariana Islands. Finally, the Government of the Northern Mariana Islands will be required to assure that the Government of the United States may continue to use that real property which, at the time of the transfer, is actively used by the United States Government for civilian governmental purposes.

The Government of the Northern Mariana Islands is anxious for the military retention agreements to be terminated so that Government may move forward with recently developed plans for the use of significant portions of the

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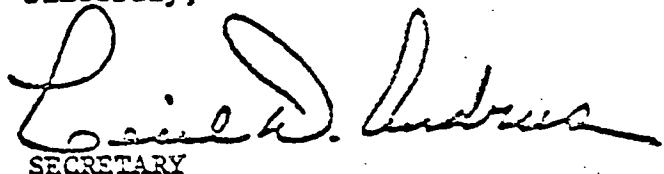
land, especially on Saipan Island. I therefore would appreciate knowing your Department's plans regarding the termination of these agreements and wish to offer the assistance of this Department as you proceed to comply with the provisions of Section 804.

Sections 802 and 803 of the Covenant will also come into effect next January 9. These sections, as you know, provide for the lease of substantial acreage in the Northern Mariana Islands by the Department of Defense. I call this matter to your attention because the amounts to be paid by the United States in consideration of the lease for these lands will escalate each year that the leases are delayed. Further, as set forth in Part I. (2) of the Technical Agreement appended to the Covenant, if the lands on Tinian Island, Saipan Island at Tanapag and the island of Farallon de Medinilla are not leased by the United States within five years from the effective date of Sections 802 and 803, the obligation of the Northern Mariana Islands to lease those lands to the United States on the terms described in Section 803 of the Covenant and the Technical Agreement itself will expire.

The Government of the Northern Mariana Islands and this Department are understandably anxious to know of the plans of your Department for effecting these leases. As the first major phase of the Northern Mariana Island's transition to its new political status draws to a close, plans are being completed for the use of resources to be made available to that Government. The payments from the United States for the leases mentioned above represent a significant financial resource for the Northern Mariana Islands and arrangements should be approved now for the investment of that resource.

I will appreciate your early review of these matters and your response to the questions I have posed so that we may all proceed to finalize plans and actions which will bear so importantly on the future of the Northern Mariana Islands.

Sincerely,



SECRETARY

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