

**U. S. PACIFIC FLEET
COMMANDER NAVAL FORCES MARIANAS**

Fleet Post Office
San Francisco, California

In reply refer to:
FF5-9/N15
4500
Ser: 1127

MAR 30 1962

From: Commander Naval Forces Marianas
To: Chief of Naval Operations
Via: Commander in Chief, U. S. Pacific Fleet

Subj: Transfer of administration of the Saipan District from the Department of the Navy to the Department of the Interior

Ref: (a) CNO ltr OP-09B22/rw ser 200P09B2 dtd 9 Jan 1962
(b) CINCPACFLT ltr LI-2 ser 4160 dtd 19 Jun 1953

Encl: (1) Draft of proposed agreement between the Department of the Interior for the transfer of responsibility for the administration of government of the Saipan District

1. A draft agreement in implementation of the transfer of the Saipan District to the Department of Interior was requested by reference (a) and is forwarded herewith as enclosure (1).

2. Agreement has not been reached on details of the transfer of the Saipan Copra Stabilization Fund and the transfer of real property. The Navy position with regard to the Copra Stabilization Fund is that reference (b) which established the Fund specified it to be a reserve for the Northern Marianas Development Company. It is considered that a moral and legal obligation exists for the Navy to specifically state this fact in the transfer agreement. The Navy version of the transfer of real property was prepared with the assistance of a BUDOCKS representative. By this version, handling of military retention areas on Saipan would follow the same pattern as is followed for retention areas in other districts of the Trust Territory.


J. S. COYE, JR.

FF1-1
4500
Ser 14/ 1406
17 APR 1962

FIRST ENDORSEMENT on COMNAVMARIANAS ltr FF5-9/N15 4500
ser 1437 of 30 Mar 1962

From: Commander in Chief, U. S. Pacific Fleet
To: Chief of Naval Operations

Subj: Transfer of administration of the Saipan District from the
Department of the Navy to the Department of the Interior

1. Forwarded.

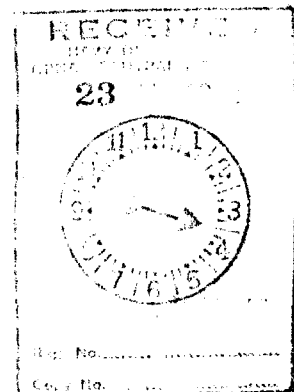
2. The Commander in Chief, U. S. Pacific Fleet, concurs in the
position taken by COMNAVMARIANAS subject to the following changes:

a. It is recommended that paragraph 7, line 10, page 6, be changed
to read "All assets of the Saipan Trust Fund will be transferred....".
The word "funds" implies cash balances. The major portion of the
Saipan Trust Fund assets are invested in Time Certificates of Deposit.
These should be transferred as Time Certificates of Deposit to run until
maturity to preclude loss of interest income.

b. It is recommended that subparagraph 1. a., line 1, page 10, be
changed to read "Small craft listed in Annex A which are now being
used....". This will properly identify the specific small craft to be
transferred.

J. H. Sides
J. H. SIDES

Copy to:
COMNAVMARIANAS

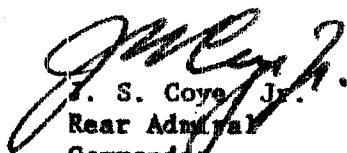


DRAFT OF PROPOSED AGREEMENT
BETWEEN
THE DEPARTMENT OF THE NAVY
AND
THE DEPARTMENT OF THE INTERIOR
WITH RESPECT TO THE TRANSFER OF RESPONSIBILITY
FOR THE
ADMINISTRATION OF THE GOVERNMENT OF THE SAIPAN DISTRICT
OF THE TRUST TERRITORY OF THE PACIFIC ISLAND

This draft, consisting of 23 main pages and pages A-1 and B-1, has been prepared jointly by HICOMTERPACIS and COMNAVMARIANAS for consideration and decision at departmental level. HICOMTERPACIS and COMNAVMARIANAS are in agreement as to the majority of the items covered herein. As to specific paragraphs where HICOMTERPACIS and COMNAVMARIANAS have divergent versions, both versions are set forth for decision at departmental level.

This draft is forwarded for final review and adoption in accordance with departmental decision.

Approved 30 MARCH 1962



J. S. Coyne, Jr.
Rear Admiral
Commander
Naval Forces Marianas

Approved 30 MARCH 1962



M. W. Goding
High Commissioner
Trust Territory of the
Pacific Islands

AGREEMENT BETWEEN
THE DEPARTMENT OF THE NAVY AND THE DEPARTMENT OF
THE INTERIOR WITH RESPECT TO THE TRANSFER OF RESPONSIBILITY
FOR THE
ADMINISTRATION OF THE GOVERNMENT OF THE SAIPAN DISTRICT
OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS

The President of the United States has, by Executive Order 11021 executed on 7 May 1962, directed that the administration of the Saipan District of the Trust Territory of the Pacific Islands be transferred from the Secretary of the Navy to the Secretary of the Interior, effective July 1, 1962.

For the purposes of this Agreement, the portion of the Trust Territory to be administered by the Department of the Interior under Executive Order 11021 will be that area known as the Saipan District which consists of those islands of the Trust Territory of the Pacific Islands and the Territorial waters thereof, which lie north of 14 degrees north latitude, and west of 150 degrees east longitude. Fourteen island units, and several reefs, comprises the exposed portion of the Saipan District. It extends in a slight crescent from Uracas (Farrallon de Pajaros) in the north to Rota in the south - a distance of about 550 miles. There are a total of 18 separate islands in the group. These islands are: Uracas or Farrallon de Pajaros (1), Maug (3), Asuncion (1), Agrihan (1), Pagan (1), Alamagan (1), Guguan (1), Sarigan (1), Anatahan (1), Farrallon de Medinilla (1), Saipan (3), Tinian (1), Aguijan (2).

ARTICLE I

LOGISTICS

Section A - General

1. Support by Navy on Guam

Certain facilities, services and supplies will be furnished to the Government of the Trust Territory from U. S. Navy activities on Guam, on a reimbursable basis as appropriate insofar as available in excess to the needs of the Armed Forces. These will include:

- a. POL - POL products, both packaged and bulk, at prices normally charged other government agencies.
- b. Supplies - In the interest of effecting overall government economy, spare parts, supplies, including medical supplies, at prices normally charged other government agencies.
- c. Logistic services on a cost basis (which includes repair work, packing and crating, handling and land transportation on Guam to points of shipment).

2. U. S. Navy requirements and support responsibility for the Saipan Branch Facility of the Bank of America will terminate at the close of business on 30 June 1962. Subsequent arrangements for banking facilities will be the responsibility of the Government of the Trust Territory.

3. All licenses, leases, agreements, charters and franchises issued, executed or granted by the Navy in connection with administration of the Saipan District will be honored by the Government of the Trust Territory. Licenses, leases, agreements, charters and franchises executed, issued or granted between the date of this agreement and the actual date of transfer of responsibility will be coordinated with the Government of the Trust Territory.

ARTICLE I

LOGISTICS

Section B - Personal Property and Materials

1. To the extent authorized by law and in accordance with CNO letter OPO9B22 serial 200POB2 date 9 January 1962, Navy-owned personal property located in the Saipan District of the Trust Territory will be disposed of as follows:

a. Personal property employed primarily in accomplishing the Navy's mission on Saipan (except civil administration) will remain the property of the Navy.

b. Personal property employed primarily in the administration of civil affairs of the inhabitants of the Saipan District of the Trust Territory will be transferred to the Government of the Trust Territory.

c. Custody of all other personal property under the control of the NAVAD Unit (except as otherwise provided elsewhere in this agreement) will be transferred to the Government of the Trust Territory.

d. Personal property which has been charged or obligated against appropriated funds will be listed by items on schedules with estimated current values and separated by plant account classes 2, 3, and 4 as defined by Navy Comptroller Manual. Separate schedules to be approved by both parties, will be prepared for items to be retained by the Navy and items to be transferred to the Government of the Trust Territory. When appropriate signatures are affixed to these schedules, the schedules will constitute the official record of personal property transferred to the Government of the Trust Territory. Transfer will be on a non-reimbursable basis.

e. Personal property which is not usable will be surveyed and disposed of by the Navy Supply Depot, Guam, in accordance with current Navy directives.

2. To the extent authorized by law and in accordance with CNO letter OP-09B22 serial 200POB2 dated 9 January 1962, Navy-owned materials and supplies located in the Saipan District of the Trust Territory will be disposed of as follows:

a. Appropriation Purchases Account material will be separated by schedules under cognizance symbols and transferred on a non-reimbursable basis.

b. Navy Stock Account material, and other comparable materials, which have not been charged or obligated against appropriated funds will be itemized by schedules under cognizance symbols with the listing carrying the book values.

c. The total value of each category of materials under the description of Navy Stock Account or comparable material, will be transferred on a reimbursable basis, with the appropriate schedules as the supporting vouchers. Reimbursement to the Navy Stock Fund by the Department of the Interior and/or the Government of the Trust Territory will be at the rate of 12½% of the total established value of Navy Stock Account materials, or comparable material, transferred on or about 1 July 1962 and 12½% on or about the first day of each quarter thereafter until the total of the established value has been paid.

It is agreed on or about the first day of each quarterly period beginning 1 July 1962, the Bureau of Supplies and Accounts will initiate a standard form 1080 drawn on the Department of the Interior for 12½% of the established value and this voucher will be honored by the Department of the Interior from funds allocable to the Trust Territory of the Pacific Islands.

d. All usable materials and supplies including medical supplies not required by the Government of the Trust Territory will be returned to the Navy Supply Depot, Guam, as shipping is available.

*of Diligent work in the last of 1944
of the War Book value price*

e. Material and supplies which are not used will be surveyed and disposed of by the Navy Supply Depot, Guam, in accordance with current Navy Directives.

3. Stocks of consumable supplies for a minimum of approximately three-months' requirements should be maintained by the Navy Administration Unit until the Department of the Interior assumes supply responsibility.

4. ^{*} Navy Exchange stock and commissary store supplies will be offered to the Trust Territory Government sponsored organization at cost and the remaining stocks will be returned to the appropriate Naval activities on Guam. *[SVA]*

5. Naval clothing items will be returned to Naval Supply Depot, Guam, as shipping is available.

6. All other types of Naval material not mentioned above and not required by the Department of the Interior will be returned to Naval Supply Depot, Guam, as shipping is available.

7. HICOMTERFACIS VERSION

All funds of the Saipan District pertaining to civil administration controlled by the Naval Administrator of the Saipan District will be transferred to the properly designated Finance Officer of the Government of the Trust Territory against receipt. All funds of the Saipan Trust Fund will be transferred to the High

COMNAV MARIANAS VERSION

All funds of the Saipan District
All funds of the Saipan Revenue Fund will be transferred to the properly designated Finance Officer of administration controlled by the Board of Trustees against receipt. the Naval Administrator of the Saipan District will be transferred to the properly designated Finance Officer of the Government of the Trust Territory against receipt. *All assets of the Saipan Trust Fund will be transferred...* (Civilian FOT) Saipan Trust Fund will be transferred to the High

To Navy Exchange stock and commissary. Some supplies will be offered to the Trust Territory Government sponsored organization at cost and the remaining stocks will be returned to the appropriate Naval activities on Guam. Navy Exchange & Commissary. Note: Management that had been previous and appropriate funds may be transferred to the Dept. of Interior and/or the Dept. of Justice. All that remains will be returned to the Navy. Exchange & Commissary. Purchase of appropriate items and Commissary. Purchase of appropriate items and Commissary. Purchase of appropriate items and Commissary. Purchase of appropriate items and Commissary.

*of Diligent work in the last of 1944
of the War Book value price
The Department of the Interior
Navy Exchange & Commissary
Civilian FOT
The Department of the Interior
Navy Exchange & Commissary
Civilian FOT
The Department of the Interior
Navy Exchange & Commissary
Civilian FOT*

Commissioner of the Trust Territory Government as the sole trustee of the Trust Fund. The funds of the Saipan Copra Stabilization Fund will be transferred to the High Commissioner of the Trust Territory for appropriate disposition.

Commissioner of the Trust Territory Government as the sole trustee of the Trust Fund. The funds of the Saipan Copra Stabilization Fund are a reserve for the Northern Marianas Development Company and will be transferred to the High Commissioner.

8. Every effort will be made to remove by 1 July 1962 or as soon thereafter as possible all Navy material not required or desired by the Department of the Interior for the Trust Territory. Unless otherwise provided for in this Agreement, after the transfer, the High Commissioner will retain all authority and responsibility now held for disposal of residual and abandoned surplus property in the Trust Territory.

9. With respect to all supplies and equipment on order by the Naval Administrator in the Navy Supply System but undelivered at the turn-over date, the Government of the Trust Territory will accept delivery at the Naval Supply Depot on Guam, and any commercial shipping charges on such supplies and equipment for which no 1962 appropriation has been obligated shall be for the account of the Trust Territory either by direct payment or by reimbursement.

ARTICLE 1

LOGISTICS

Section C - Real Property

1. HICOMTERPACIS VERSION

The United States of America, represented by the Department of the Navy, heretofore acquired the right to use and occupy for an indefinite period of time certain areas of land situated on the Islands of Saipan, Tinian, and Nafuten Rock from the Government of the Trust Territory of the Pacific Islands, Saipan District, said areas being more particularly described in Use and Occupancy Agreements filed in the Office of the Clerk of Courts, Saipan District on the 22nd of August 1956. It is agreed that the United States of America does retain all rights and interests acquired as Grantee in the above mentioned Use and Occupancy Agreements. It is further agreed that in Use

COMNAV Marianas Version

The United States of America, represented by the Department of the Navy, heretofore acquired the right to use and occupy for an indefinite period of time certain areas of land situated on the Islands of Saipan, Tinian, and Nafuten Rock from the Government of the Trust Territory of the Pacific Islands, Saipan District, said areas being more particularly described in Use and Occupancy Agreements filed in the Office of the Clerk of Courts, Saipan District on the 22nd of August 1956. It is agreed that the United States of America does retain all rights and interests acquired as Grantee in the above mentioned Use and Occupancy Agreements. It is further agreed that the Depart-

and Occupancy Agreements
for land in the Saipan Dis-
trict where the United
States is the Grantee, the
Department of the Interior
shall be the United States
Agency which will represent
the interests of the United
States. The Department of
the Interior may make such
lands available as necessary
for use of the Trust Terri-
tory Government for housing,
administration, and other
governmental purposes. Pro-
vided, however, that none of
such lands may be released to
its former owners without prior
written determination of the
Department of Defense that said
lands are no longer needed for
purposes of the United States.

ment of the Navy, on behalf of
the United States of America,
will make available to the
Government of the Trust Territory,
upon receipt of a request therefor
from the High Commissioner, said
areas and buildings, structures
and other improvements located
thereon for the use and benefit
of the people of the Trust Terri-
tory in accordance with paragraph
three of the Use and Occupancy
Agreements above mentioned.

ARTICLE 1

LOGISTICS

Section D - Surface Transportation

1. The Department of the Navy currently supports the Naval Administration Unit Saipan with vessels stationed at Guam. It is not the intention of the Department of the Navy to transfer these vessels to the Department of the Interior.

a. *Small Craft listed in Annex A which are now being used ...*
Small craft which are now being used and are necessary for *(see P. 14)* continuance of port operations and other civil administration functions will be made available.

b. As authorized by law, custodial title of these small craft will be transferred to the Department of the Interior, without reimbursement, coincidentally with the transfer of administrative responsibility of the Trust Territory scheduled for 1 July 1962.

c. Spare parts on hand or on order but not yet delivered for small craft will be made available.

ARTICLE 1

LOGISTICS

Section E - Air Transportation

1. Responsibility for air logistic support of the Saipan District Trust Territory will remain with the Commander U. S. Naval Forces Marianas, until the date of transfer of administrative responsibility of the Trust Territory to the Department of the Interior; however, the Department of the Interior may utilize its own aircraft in the support of its phasing in operation before the date of transfer.
2. Any contact with commercial airlines for support of the Trust Territory should be based upon support from Naval Air Station, Agana, to extent manner and degree then currently provided to Trans-Pacific commercial airlines. In accordance with current directives, payment of landing and other fees have been waived during the period of the current contract.
3. The Trust Territory Government will be authorized to use landing strips and associated facilities in the islands of the Saipan District required for the operation of aircraft employed in the logistic support thereof, on a non-reimbursable basis.

ARTICLE 2
COMMUNICATIONS

1. It is mutually agreed that the Department of the Interior will:
 - a. Beginning 1 July 1962, assume full responsibility for further operation and maintenance of the radio station, Saipan.
 - b. Furnish reliefs for the Navy communications personnel at the above stations by 1 July 1962,
 - c. Provide through the Trust Territory communications network, on a non-reimbursable basis, radio communications services to the military activities in the area to the extent that manning for Trust Territory Government administrative requirements permit.
2. It is mutually agreed that the Department of the Navy will:
 - a. As authorized by law on 1 July 1962, transfer electronics equipment and associated material required for the operation of the radio station, Saipan District of the Trust Territory, listed in subparagraph 1a. above to the Department of the Interior on the amount shown in Annex B attached hereto.
 - b. Establish and operate a terminal of the Trust Territory Communications network at the Naval Communications Station, Guam, for further transmittal or refile as appropriate.
3. The Trust Territory will continue to use the frequencies assigned to the Trust Territory network.

ARTICLE 3

DISPOSITION OF FILES AND RECORDS

1. Pursuant to procedure in connection with transfer of records with transfer of function from one government agency to another, all Naval administration files and records will be transferred to the High Commissioner.

(See comments submitted by 909 B81)

ARTICLE 4

SECURITY

1. Unless otherwise provided by executive order agreement between the Department of the Navy and the Department of the Interior, the procedure outlined in the current revision of the OPMAY INST.

5300.11 series and pertinent Trust Territory laws and regulations shall prevail.

ARTICLE 5

SEARCH AND RESCUE RESPONSIBILITY

1. Search and rescue responsibility for the Saipan District will remain with the Commander Naval Forces Marianas.

ARTICLE 6

MESSES, CLUBS AND RECREATION FUNDS

1. General

a. Funds of the CPO Mess, Enlisted Men's Club, and local recreation funds remain the property of the Navy.

b. Except as may be specifically provided below Chief Petty Officers' Messes, Enlisted Men's Clubs and local Recreation Funds will be disestablished in accordance with instructions found in the following directives:

(1) NAVPERS 15800 - Manual for CPO Messes and EM Clubs Ashore

(2) NAVPERS 15869 - Special Services Manual

c. It is anticipated that in the Saipan District of the Trust Territory, a hotel will be established by an authorized agent of the Trust Territory. In addition, encouragement will be given to the establishment of private clubs.

2. Property Purchased With Appropriated Funds

a. It is contemplated that items in this category will be required by the Trust Territory. Property purchased with appropriated funds is generally incorporated in a building and is part of the essential equipment or furnishings thereof.

b. As required by NAVPERS 15800 and 15869, messes, clubs or recreation property purchased with appropriated funds shall be listed separately from property purchased with non-appropriated funds.

c. Designated representatives of the Trust Territory may request the Chief of Bureau of Naval Personnel or the Chief of Bureau of Yards and Docks, as appropriate, via Commander Naval Forces Marianas, to transfer to the Trust Territory, such of the above material as they, the Trust Territory, desire.

d. Lists of items of this type or material which are not desired by the Trust Territory shall be forwarded to Commander Naval Forces Marianas who will issue distributive instructions. Bureaus which furnished this equipment shall be forwarded information copies of this correspondence.

3. Property Purchased with Non-Appropriated Funds

a. Each mess, club, or local recreation fund will prepare a list of all material, indicating the condition of the material as provided in NAVPERS 15800 and 15869, and forward such list to Commander Naval Forces Marianas.

b. Commander Naval Forces Marianas will review the lists to determine which of the items will be required by the Navy.

c. Commander Naval Forces Marianas will prepare a list of material which remains excess to the needs of the Navy and which may be offered to Trust Territory on a reimbursable basis. Commander Naval Forces Marianas will be advised of the items desired by Trust Territory.

d. Redistribution or disposal of the materials will be directed by Commander Naval Forces Marianas.

4. Stocks of Distilled Spirits

a. Items will continue to be sold at established prices to authorized personnel until the effective date of transfer.

b. Items remaining will be sold at mass or club cost to a designated agent of the Trust Territory of the Pacific Islands.

c. A list of items not desired by the Trust Territory will be forwarded to Commander Naval Forces Marianas who will provide disposal instructions.

5. Disposition of Future Correspondence.

The bank or banks in which non-appropriated funds of clubs, messes and recreation funds are deposited will be advised that the Commander Naval Forces Marianas is the cognizant authority referred to in NAVPERS 15868 and 15869. The above banks will also be advised that after the disestablishment of the Naval Administration Unit such bank statements as would be forwarded to commanding officers in accordance with deposit agreement, should thereafter be forwarded to the Chief of Naval Personnel (Pers G13).

6. Navy Fleet Plan Motion Picture Service

Navy Fleet Plan Motion Picture Service to the Naval Administration Unit will cease on the date that the Department of the Interior assumes administration control and all motion pictures will be shipped to the Navy Motion Picture Exchange, U. S. Naval Station, Guam.

ARTICLE 7

PERSONNEL

1. The Trust Territory Government will assume responsibility for administration of all personnel employed in connection with the Naval Administration of Saipan, except as stipulated in paragraph 2. below, effective 1 July 1962.
2. The Commander Naval Forces Marianas may direct the separation, effective 30 June 1962, of all Micronesian personnel in Saipan who are now serving Excepted Appointments under Rule VIII, Section 08.3 of the Civil Service Regulations. The Trust Territory Government may re-employ as many of these personnel as are necessary to the conduct of its mission, under its existing Micronesian employment procedures.
3. The High Commissioner of the Trust Territory of the Pacific Islands and Commander Naval Forces Marianas are to deal directly with each other in connection with the following personnel matters:
 - a. Turnover of personnel incident to the change in administration.
 - b. Temporary assignments on a reimbursable basis of both Micronesian and non-Micronesian employees either to Saipan District or Guam Headquarters, TERPACIS, for purposes of orientation and training, and where necessary, to insure continuity of operation.
4. Unless otherwise directed by competent authority, all Naval personnel will be detached from duty in the Saipan District of the Trust Territory on or before 1 July 1962.

Micronesian personnel serving an excepted appointment, under Rule VIII, Section 08.3 of the Civil Service Regulations, are not eligible for transfer. Accordingly, the nature of action for those who are to be reemployed by the Dept of Interior will be "Separation to accept (type) appointment in the Dept of Interior." If any Micronesian employees are not to be reemployed by the Dept of Interior, they will be separated by reduction in force.

5. Subject to any subsidiary agreements arrived at between Commander Naval Forces Marianas and the High Commissioner, it will be the policy of the Navy to permit contractor supervisory personnel to remain on public works projects under construction in the Saipan District of the Trust Territory on the transfer date or beyond such transfer date until such projects are completed.

(See comments commented by OP09381)

ARTICLE 8

LAW ENFORCEMENT - CIVIL AND CRIMINAL

The Code of the Trust Territory of the Pacific Islands will
apply.

ARTICLE 9

OPERATION OF POST OFFICE

1. Navy Post Office in the Saipan District of the Trust Territory will be disestablished on or before 1 July 1962.
2. The present Navy number and mailing address of "c/o Fleet Post Office; San Francisco, California" will be discontinued upon disestablishment of the Navy Post Office.

ARTICLE 16

WEATHER SERVICE

1. The Department of the Interior will institute negotiations with the Department of Commerce for the establishment of a weather station at Saipan by the U. S. Weather Bureau.
2. Weather messages will be transmitted by radio stations of the Trust Territory as mutually agreed by the Department of the Interior and the Weather Bureau.
3. The logistic support for the Weather Bureau personnel will be a function of the Trust Territory Government.