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June 5, 1981

Dear Scott:

Thank you for your letter of May 20, and for the information you forwarded. My duties as Ethnic Liaison do not include items such as historic preservation, but I am nonetheless interested in the topic as it applies to Micronesia.

I have sent much of the information to the appropriate policy office here, in the hope that it will be of some help.

Thank you for writing and for your good wishes on my behalf.

Sincerely,

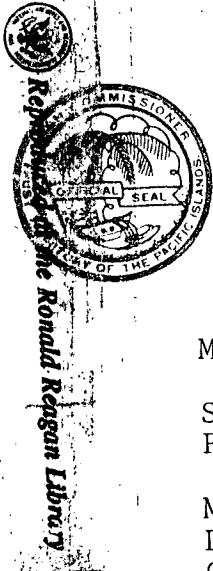
Jack Burgess
Special Assistant to the President
for Public Liaison

Mr. Scott^x Russell
Historic Preservation Officer
Trust Territory of the Pacific
Islands
Saipan, CM 96950

JB:c - 7

The termination of federal support and historical preservation in Micronesia.

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TRUST TERRITORY OF THE PACIFIC ISLANDS
OFFICE OF THE HIGH COMMISSIONER
SAIPAN, CM 96950

CABLE ADDRESS
HICOTT SAIPAN

May 20, 1981

Serial: 5430
File: o.5

Mr. Jack Burgess
Deputy Director
Office of Public Liaison
The White House
Washington, D.C.

Dear Jack:

Congratulations on your recent appointment as Deputy Director. I read in the newspaper that in addition to your other duties, you will serve as liaison to the ethnic communities. It is in this vein that I write you now.

As you may know, I have been working with the Trust Territory Historic Preservation program for the past four years. Our primary goal has been to develop a program of cultural and historic preservation that is relevant and meaningful to the Micronesian people. I believe we have accomplished this goal.

We are now concerned with ensuring that the programs which have been so laboriously established survive the termination process. The most serious threat, of course, is the complete cut-off of federal support. We estimate it will take two to three years to get the programs firmly established and operating on local resources.

I am enclosing a case report which summarizes the anticipated effects termination will have on the local programs. I would like to stress that we definitely do not want to foster continued dependence on federal support. We only wish to ensure this meaningful program is given a chance to grow and benefit the people of Micronesia.

I am not really sure if this matter falls within your bailiwick, but if it does, I would appreciate any assistance



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or advice you can provide. I wish you success in your new position.

Sincerely,

Scott Russell
Historic Preservation Officer
enclosure



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PRELIMINARY CASE REPORT
TERMINATION OF DEPARTMENT OF THE INTERIOR ADMINISTRATION,
TRUST TERRITORY OF THE PACIFIC ISLANDS

October 1980



PRELIMINARY CASE REPORT: TERMINATION OF DEPARTMENT OF THE INTERIOR
ADMINISTRATION, TRUST TERRITORY OF THE PACIFIC ISLANDS.

(1) Involvement with the proposed undertaking.

The Department of the Interior, through its Office of Territorial Affairs, oversees the administration of the Trust Territory of the Pacific Islands. This administration was assigned to the United States under a Trusteeship Agreement with the United Nations after World War II.

The Trusteeship is scheduled to be terminated in 1981, at which time the Department will relinquish all administrative authority. Although the Department does not have discretion in this undertaking, it is taking actions preparatory to termination which make compliance with Section 106 of the National Historic Preservation Act appropriate. The actual nature of the termination, and the post-termination relationship between the U.S. and the new governments of Micronesia (except that of the Northern Mariana Islands) is being negotiated by the President's Personal Representative. These negotiations are not under the control of the Department, but they do constrain the Department in its actions.

(2) Status of the Project.

Termination is scheduled to occur in 1981. The functions of the existing Trust Territory Government are being systematically dismantled and transferred to the new Micronesian governments.

The Northern Mariana Islands have elected to become part of the American Commonwealth, and will be a "state" for purposes of the National Historic Preservation Act; they will not be further discussed in this report.

Compacts of Free Association are being negotiated with the Federated States of Micronesia and the Republic of Belau. The Marshall Islands



have completed their negotiations. These negotiations are not under the control of the Department.

(3) Status of NEPA compliance.

The President's Personal Representative is currently preparing an Environmental Impact Statement (EIS) on termination action. A statement of work for the EIS appears as Appendix A.

(4) Description of the undertaking.

Upon termination of the Trusteeship, U.S. jurisdiction over Micronesia will end. Existing U.S. programs will be terminated with certain specific exceptions.

(5) Properties affected.

Twenty six (26)* properties are currently listed in the National Register of Historic Places within the Federated States, Belau and the Marshall Islands. Fourteen (14)* properties have been determined eligible for inclusion. One hundred and fifty (150)** properties have been recorded by professional and other surveys that are eligible for inclusion in the opinion of the State Historic Preservation Officer. At least three hundred (300)** additional properties are estimated to exist that would be determined eligible but have not yet been discovered.

* These totals are low because of the Trust Territory's policy to nominate only those properties it plans to develop immediately, and to request determinations of eligibility only on properties to be affected by construction projects.

** These totals exclude archeological sites eligible solely under 36 CFR Part 1202.6(d).

(6) Adverse effects.

All the criteria of Adverse Effect (36 CFR Part 800.3(b)) may apply in varying degrees to various properties, for the following reasons:

A. The present historic preservation program in the Trust Territory



will end, because the Trust Territory will cease to be a "state" for purposes of the National Historic Preservation Act. Grants from the Historic Preservation Fund will cease, and any positive support given to historic preservation will be completely at the discretion of the new Micronesian Governments. While these governments have indicated their support in various ways (see attached Appendix C), the Department cannot guarantee that support will continue at the present level, in terms of either funding or professional standards. As a result, the Department cannot guarantee that land-use planning will give appropriate attention to historic properties, or that such properties will not be allowed to deteriorate and be destroyed.

- B. Section 106 of the National Historic Preservation Act will no longer apply to Micronesia, although certain U.S. agencies (especially Defense agencies) will continue to undertake activities there under terms of the Compact of Free Association. Thus the Department cannot guarantee that any protection will be afforded to historic properties threatened by U.S. agency actions.

Additionally, there will be a loss of informal control now exercised in the review of non-federal land-use projects. Non-federal projects can be expected to increase in numbers after termination, and correspondingly increase the damage done to historic properties.

(7) Written views of the State Historic Preservation Officer

See attached Appendix B

(8) Written Views of others.

See attached Appendix C

(9) Description and analysis of alternatives that would avoid the adverse effects.

Don't terminate the Trusteeship. This alternative is not politically feasible.



(10) Description and analysis of alternatives that would mitigate the adverse effects.

- A. Allow the new entities to continue participating in the Historic Preservation Fund Program after termination. This alternative would require an amendment to the National Historic Preservation Act. This alternative would allow for a continuation of the program at the current level of funding and professional quality. It would, however, continue to force the Micronesian programs to address sometimes irrelevant national priorities, and would place them in direct competition with the larger state programs for annual grants. Communications with HCRS and the amount of paperwork associated with the current program would also remain problems.
- B. Make arrangements to have the U.S. provide the Micronesian programs with an agreed upon sum of money for an agreed upon number of years, to be used for historic preservation activities. These funds would have "no strings" attached and could be used by the programs to engage in any preservation activities deemed appropriate. This approach would allow the local programs to use the funds for projects they see as valuable, and would also allow for them to avoid preparing the complicated and sometimes confusing paperwork required by HCRS. Additionally, Micronesian programs would not be forced to compete with other states for annual grant funds. However, providing grant funds without controls or required professional supervision and accountability, could result in activities damaging to historic properties. With no professional oversight, inappropriate or improperly supervised projects could be undertaken resulting in damage to historic properties. There would also be no guarantee that the grants would be used for historic preservation activities at all.
- C. Make arrangements to have the U.S. provide the Micronesian programs with an agreed upon sum of money for an agreed upon number of years, with some form of professional supervision built in. This could be accomplished by requiring the Micronesian programs to submit to HCRS a simplified annual work plan, listing projects and outlining basic



program direction, and a straight forward end-of-the-year progress report, in order to be eligible to receive the annual payments. This approach would allow for professional supervision by HCRS without requiring the Micronesian programs to participate fully as "states". It would still allow the Micronesian programs to develop their programs based on local priorities, but would offer a greater degree of professional review. It would also insure grants were expended on preservation related activities.

- E. Require U.S. agencies to follow Section 106 procedures when undertaking projects in Miconesia. This would include agency responsibility for identification of properties (through professional level surveys), avoiding unnecessarily damaging identified properties, and for developing and executing appropriate mitigation measures. This alternative would afford historic properties basic protection from federally assisted land-use activities, but would not provide funds or technical assistance for other important program functions.

(11) Cost of the Undertaking.

This information not available.



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A P P E N D I X A



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THE PRESIDENT'S PERSONAL REPRESENTATIVE
FOR MICRONESIAN STATUS NEGOTIATIONS
WASHINGTON, D.C. 20240

We have reached a point in the Micronesian political status negotiations at which the proposed post-trusteeship status which will exist between the United States and the Trust Territory of the Pacific Islands political entities of Palau, the Marshall Islands and the Federated States of Micronesia has been substantially defined in a draft Compact of Free Association. It is the objective of this Administration to terminate the trusteeship in 1981 and we are actively pursuing this goal.

The Compact will be submitted for approval by both Houses of the Congress. If they approve the Compact it will become public law. Therefore, in conformity with the National Environmental Policy Act (NEPA) and the regulations of the Council on Environmental Quality this office will direct the preparation of a legislative Environmental Impact Statement (EIS). I have scheduled a "scoping session" for August 28th in Room 1107 at the Department of State 2201 C Street, N.W., Washington, D.C., to receive the public's views on the Compact EIS. A copy of the Federal Register notice for this session is attached.

We are aware of your interest in this subject and solicit your attendance at the scoping session since it is our intent to assimilate all viewpoints into the final product which will be forwarded to Congress as part of the legislative proposal.

Sincerely yours,

Peter R. Rosenblatt
Ambassador

Enclosures:



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Preparation of an Environmental Impact Statement for the Compact of Free Association and its Related Agreements

Statement of Work

I. Background and Scope

The President, with the approval of both Houses of Congress, proposes concluding a Compact of Free Association between the Government of the United States and the Governments of Palau, the Marshall Islands and the Federated States of Micronesia (consisting of Yap, Truk, Ponape and Kosrae). These three areas are now separately administered entities within the Trust Territory of the Pacific Islands (TTPI). If the Compact is approved by Congress and by the respective peoples of the TTPI in plebiscite, the Government of the United States intends to proceed in a manner consistent with the United Nations Charter and the Trusteeship Agreement to terminate the trusteeship of the TTPI.

There are a number of subsidiary agreements associated with the Compact. These subsidiary agreements will be Executive Agreements and will not be submitted to Congress for its approval; however, they will be submitted to Congress as part of the Compact legislative proposal. These agreements will be related to communications, law enforcement and



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extradition, Northern Marshall Islands radiation claims, capital infrastructure projects in Palau, United States Federal services and programs (FAA, CAB, Weather, Postal, Emergency Assistance, Health and Education), turnover of U.S. Government property, and will provide an entirely new political status and a modified basis for cooperation between the United States and the freely associated states (FAS).

The Compact embodies a new political relationship known as "free association," a concept without precise precedent either in international practice or in United States Constitutional law. In brief, the Compact envisions the termination by the United States of its authority and responsibility as administering authority over the United Nations strategic trust known as the TTPI. The Compact provides that the emerging Micronesian governments shall enjoy authority and responsibility over their internal and foreign affairs. This foreign affairs and domestic authority will be limited; however, by the United States' retention of full authority and responsibility for security and defense matters.

II. Work Statement

The contractor should prepare a legislative EIS consisting of a draft EIS which will be included in the formal transmittal of the legislative proposal to Congress and will be



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considered the "detailed statement" as defined by NEPA and the CEQ regulations. Since this is a legislative EIS, the contractor will not be responsible for preparation of a final EIS.

The EIS should include the following major components:

- a) the purpose of the proposed action;
- b) a description of the proposed Federal action:

execution of a Compact of Free Association and its subsidiary agreements and the alternatives to the proposed Federal action, e.g., no action, non-termination of the trusteeship (Office for Micronesian Status Negotiations (OMSN) representatives will assist the contractor in preparing this section);

- c) a description of the environment involved including land and offshore areas in Palau, the Marshall Islands and the Federated States of Micronesia;
- d) a discussion of present environmental protection in Palau, the Marshall Islands and the Federated States Micronesia, including land-use plans, policies and controls (U.S. and



TTPI laws and regulations as well as those of Palau, the Marshall Islands and the Federated States of Micronesia);

- e) a discussion of how the Compact will affect environmental protection in the FAS, including the relationship of the proposed action to present land-use plans, policies and controls;
- f) the potential environmental effects which cannot be avoided should the Compact be implemented including, but not limited to, any irreversible or irretrievable commitments of resources;
- g) the potential environmental impacts of the subsidiary agreements;
- h) list of preparers; and
- i) appendices (any documentation necessary to support points made in the body of the EIS itself).



Description of the Environment. The key elements of the environment, which will be affected by the Compact of Free Association and its subsidiary agreements and the potential environmental consequences which appear to justify the greatest concern are unknown; however, the following elements have possible environmental consequences and should be further evaluated. The OMSN will coordinate interdepartmental assistance to the contractor in defining other environmental impacts which will require assessment.

- The economic and social dislocation of persons employed by the TTPI Government which will result from dissolution of this organization.

- The continued operation of the Kwajalein Missile Range in the Marshall Islands.

- The securing of military land rights in Palau including:
 - Access and anchorage rights in Malakal Harbor and rights to adjacent lands;



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- Joint use of Airai and Anguar Airfields;
- Rights to exclusive use of 2,000 acres of Babelthaup Island and non-exclusive use of an adjoining 30,000 acres.
- Continued United States operation of a small Coast Guard Station at Yap.
- The Government of the United States in the conduct of any of its activities under the Compact and its subsidiary agreements will be required to prepare an Environmental Impact Statement for their activities. The U.S. Government will be obliged to comply with standards substantively similar to those required by the laws of the United States enumerated in Article VI of Title One of the Compact.
- The impact of the United States' turning over to the Governments of the FAS control of management of their own environment and biospheres.



- The impact of the assumption by the governments of the FAS's of the responsibility for land maintenance and sanitary practices.
- The impact of the termination of most Federal program support to Micronesia in the post-trusteeship period.
- The impact of termination of the present United States funded environmental programs in Micronesia (e.g., historical preservation).
- The impact of the immigration provisions, Article IV of Title One of the Compact.
- Grant assistance proposed under Title Two of the Compact is front-end loaded, requiring the dedication of a specified percentage of these amounts annually to developmental activities and shall be adjusted yearly for inflation.



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Given the anticipated timing of Congressional consideration of the Compact of Free Association and its subsidiary agreements, it will be necessary that the draft EIS be prepared and circulated by February 15, 1981. Since several weeks will be necessary for review and printing of the draft EIS before circulation it should be available to the OMSN by January 15, 1981. The draft and necessary appendices should be delivered to OMSN in camera-perfect state and ten additional copies for review by OMSN.

III. Security Requirements

The work to be performed under this contract may involve access to material, equipment and/or information classified Secret.

It will be mandatory that any facilities of the contractor utilized for the performance of services meet those requirements set forth in the Department of Defense Industrial Security Manual for Safeguarding Classified Security Information, and that all personnel who handle data or have access thereto have the required security clearances. Contractor's Security Officer shall be responsible for all security aspects



-- The impact of assumption by the governments of the FAS of responsibility for their foreign affairs relating to marine resources matters, including the harvesting, conservation, exploration or exploitation of living and non-living resources from the seabed or subsoil.

Physical and Natural Environment. Attached as TABs B and C are a series of fact sheets which describe the current status of the negotiations, the governmental organization of the TTPI and its physical and natural environment.

Preparation of the DEIS will primarily be based upon a survey and analysis of existing material (available in Washington, D.C.) including gaps in data. However, it may be necessary to supplement the data through visits to the prospective FAS and the Trust Territory Headquarters on Saipan. Resource materials and points of contact will be provided by OMSN.



of the work performed under this contract and shall be subject to verification at any time by OMSN upon request.

Contractors are requested to submit a Visit Authorization Request from their security offices, listing personnel cleared for access up to and including secret.

IV. Evaluation

1. The contractor will be awarded to the firm whose proposal, technical capabilities, price and other factors considered are determined by the OMSN and the Departments of State, Defense and Interior to best meet the criteria for award.

2. Proposals will be evaluated in accordance with the following criteria:

- (a) The qualifications and technical capability of the offeror's personnel as measured by the experience and relevant expertise of the personnel who will perform the environmental impact statement.
- (b) The degree of originality and creativity the offeror will apply to the problem as demonstrated by the proposal.



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- (c) The soundness of the offeror's approach to conducting the relevant environmental study and analyses.
- (d) The organization, clarity and conciseness of the overall proposal.
- (e) The offeror's expertise and successful performance in prior related environmental studies and analyses.



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PUBLIC NOTICE
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DEPARTMENT OF STATE

ISSUED
EFFECTIVE

BUREAU OF OCEANS AND INTERNATIONAL
ENVIRONMENTAL AND SCIENTIFIC AFFAIRS

Environmental Impact Statement

AGENCY: Department of State

ACTION: Notice of Intent to Prepare an
Environmental Impact Statement

SUMMARY: The Department, in conjunction with the Office for Micronesian Status Negotiations, plans to prepare a draft environmental impact statement (DEIS) for the Compact of Free Association and its subsidiary Agreements. The President, with the approval of both Houses of Congress, proposes concluding a Compact of Free Association between the Government of the United States and the Governments of Palau, the Marshall Islands and the Federated States of Micronesia (consisting of Yap, Truk, Ponape and Kosrae). These three areas are now separately administered entities within the Trust Territory of the Pacific Islands (TTPI). The Compact embodies a new political relationship known as "free association," a concept without precise



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precedent either in international practice or in United States Constitutional law. In brief, the Compact envisions the termination by the United States of its authority and responsibility as Administering Authority over the United Nations strategic trust known as the TTPI. The DEIS will review the provisions of the Compact, assess alternatives to the proposed action and address the environmental effects of implementing the Compact and such alternatives.

A public meeting will be held at the Department of State, Room 1107, 21st and C Streets, N.W., on August 28, 1980 from 10:00-12:00 A.M. to discuss the scope of the DEIS. This meeting will be chaired by Ambassador Peter Rosenblatt, the President's Personal Representative for Micronesian Status Negotiations.

Copies of the DEIS will be made available for agency and public comment upon publication. Requests for copies of the DEIS and summaries of the public meeting should be addressed to:

Lt. Col. Albert V. Short
Office for Micronesian Status Negotiations
Main Interior Building, Suite 3356
Washington, D.C. 20240 (202/343-9143) or



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Irene F. Dybalski
Office of Environment and Health
Room 7820
Department of State
Washington, D.C. 20520 (202/632-9267)

Donald R. King
Director
Office of Environment & Health



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CONSTITUTION OF THE FEDERATED STATES OF MICRONESIA

PREAMBLE

WE, THE PEOPLE OF MICRONESIA, exercising our inherent sovereignty, do hereby establish this Constitution of the Federated States of Micronesia.

With this Constitution, we affirm our common wish to live together in peace and harmony, to preserve the heritage of the past, and to protect the promise of the future.

To make one nation of many islands, we respect the diversity of our cultures. Our differences enrich us. The seas bring us together, they do not separate us. Our islands sustain us, our island nation enlarges us and makes us stronger.

Our ancestors, who made their homes on these islands, displaced no other people. We, who remain, wish no other home than this. Having known war, we hope for peace. Having been divided, we wish unity. Having been ruled, we seek freedom.

Micronesia began in the days when man explored seas in rafts and canoes. The Micronesian nation is born in an age when men voyage among stars; our world itself is an island. We extend to all nations what we seek from each: peace, friendship, cooperation, and love in our common humanity. With this Constitution we, who have been the wards of other nations, become the proud guardian of our own islands, now and forever.