

PACIFIC BASIN DEVELOPMENT COUNCIL

1988 ANNUAL MEETINGS
Board of Directors
Honolulu, Hawaii
August 21-22, 1988

BRIEFING PAPERS

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Bureau of Planning

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R	1990 Census of Population and Housing - Governor Ada to present -



Pacific Basin Development Council

Suite 325 • 567 South King Street • Honolulu, Hawaii 96813-3036

Telephone (808) 523-9325 Facsimile (808) 533-6336

or Joseph F. Ada

nt

or John W. Ahee

esident

or A. P. L. utali

in Samoa

ry

or Pedro P. Tenorio
 member of the
 1st Mariana Islands
 ror

1988 ANNUAL MEETING

Board of Directors

Honolulu, Hawaii

August 21-22, 1988

PRELIMINARY DRAFT AGENDA

Saturday, August 20, 1988

Columbia Inn (back meeting room), 645 Kapiolani, ph. 531-3747

8:00 a.m. TECHNICAL ADVISORY COMMITTEE
 (by invitation only)

Sunday, August 21, 1988

8:45 a.m. OTEC/BIG ISLAND SITE VISIT
 Charter Flight (by invitation only)

7:00 p.m. GOVERNORS PRIVATE DINNER

Monday, August 22, 1988

Governor's Conference Room, State Capitol, 5th Floor, ph. 548-5420

9:00 a.m. CALL TO ORDER

o Governor Joseph F. Ada, President

APPROVAL OF PRELIMINARY AGENDA
 [Tab A.]

APPROVAL OF 1988 WINTER MEETING
 MINUTES [Tab C.]

INTRODUCTION OF GUESTS [Tab B.]

o Governor Joseph F. Ada

PRELIMINARY DRAFT AGENDA

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1988 WINTER MEETING UPDATE

- o Jerry B. Norris

EDA UPDATE

- o Assistant Secretary Orson Swindle
U.S. Department of Commerce

DEPARTMENT OF THE INTERIOR UPDATE

- o Deputy Assistant Secretary Mark Hayward
U.S. Department of the Interior

PACIFIC POLICIES & COMPACT IMPACT REPORT UPDATE

- o Governor Joseph F. Ada

NATIONAL GOVERNORS ASSOCIATION UPDATE

- o Governor John Waihee

**REGIONAL NARCOTICS INTELLIGENCE INFORMATION SYSTEM
[Tab D.]**

- o Governor Joseph F. Ada

OTEC UPDATE [Tab E.]

- o Dr. Fujio Matsuda
- o Dr. Luis Vega
- o Dr. Faillautusi Avegalio
Pacific International Center for High Technology Research
(PICHTR)

REGIONAL AQUACULTURE CENTER UPDATE

- o Dr. Kewan Main, CPTSA Executive Director

EEZ PROJECT UPDATE

- o Robert Knecht

BROWN TREE SNAKE UPDATE [Tab F.]

- o Dr. Thomas Fritts, U.S. Department of the Interior

PRELIMINARY DRAFT AGENDA

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12:00 noon LUNCH BREAK

2:00 p.m. MEETING RECONVENES

o Governor Joseph F. Ada

AIR SERVICE ISSUES

Pacific Region Policy on Aviation and Tourism
Japanese Bilateral Negotiations

o Governor John Waihee

Australian Bilateral Negotiations

o Deputy Assistant Secretary Mark Hayward
U. S. Department of the Interior

Pre-Screening of Japanese Visitors
Training of Airport Personnel
Essential Air Service Regulations

o Governor John Waihee

HARBOR MAINTENANCE TAX UPDATE [Tab G.]

o Edward Y. Hirata, State of Hawaii

AGRICULTURAL ISSUES UPDATE [Tab H.]

Livestock Feed Proposal
Rural Development Strategy

o Jerry B. Norris

Update on Land Grant Institutions

o Dean Noel Kefferd, University of Hawaii

USDA Reorganization Proposal

o Richard N. Duncan, U.S. Department of Agriculture

REGIONAL FISHERIES PRIORITIES

o William Paty, State of Hawaii;
Western Pacific Regional Fishery Management Council
& Pacific Fisheries Development Foundation

PRELIMINARY DRAFT AGENDA

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**PACIFIC ISLAND REGION TUNA ASSESSMENT
& DEVELOPMENT PROJECT [Tab I.]**

- o Governor A.P. Lutali
- o Dr. Charles Helsely, University of Hawaii

TRADE ISSUES [Tab J.]**USTR Intergovernmental Advisory Committee**

- o Governor Joseph F. Ada

Pacific Trade Study Proposal

- o Jerry B. Norris

1990 CENSUS OF POPULATION & HOUSING [Tab K.]

- o Governor Joseph F. Ada

3:45 p.m. BUSINESS SESSION: [Tab L.]**Audit and Financial Report
Annual Review of Policy Positions**

- o Jerry B. Norris

**Election of Officers
Time and Place of 1989 Winter Meeting
Time and Place of 1989 Annual Meeting****OTHER BUSINESS****Closing Remarks****4:00 p.m. ADJOURNMENT (estimated)****PRESS CONFERENCE**

JBN/cki
8/17/88

EDA FUNDING PROBLEMS

At present, we do not know what this agenda item entails. A possible area is PBDC's EDA grant application.

On July 13, 1988, PBDC requested approval of its grant application for \$240,000 (\$180,000 federal/\$60,000 match). The "funding problem" could be related to the fact that the application was due in the hands of EDA by June 14, 1988. PBDC staff rationale for their tardiness is that three Governors were in constant travel status so that their signatures could not be obtained. The Governor or TAC may want to address this issue from the perspectives of PBDC staff effectiveness in meeting deadlines; or the impropriety of blaming Governors.

In terms of the application itself, no major problems are evident but you should realize that the application provides very little discussion on the details of PBDC's proposed work tasks. While the application is almost an inch thick, PBDC's tasks are explained in only 4 pages (attached). If EDA provides the funding requested based upon the existing application, this would be acceptable since the application provides much flexibility. However, the PBDC Governors or TAC may desire to obtain more specific information on PBDC work tasks so that they may more fully understand the work PBDC proposes to undertake.

PBDC staff indicate in the application that PBDC will be pursuing a new program element - "the delivery of service to the Freely Associated States." At the 1987 PBDC Annual Meeting, the Governors only agreed to "discuss possible areas of mutual interest" (see attached letter of August 24, 1987 and PBDC meeting minutes) but did not decide to actually involve FAS or provide service to them. In fact, PBDC staff have proposed that this issue be an agenda item for the 1988 Annual Meeting.

For your information, FAS involvement in PBDC may jeopardize DOI funding for PBDC; may conflict with Governor Ada's plans for the Chief Executives Organization initiative; and may provide PBDC staff with the impetus needed to conduct the "Study on Attitudes on Critical Issues in the Independent Countries and Freely Associated States as Those Issues Relate to U.S. Pacific Policy" which Governor Ada has fought. FAS involvement in PBDC is more fully addressed within the briefing paper on this particular item.

One final point is that PBDC has a vacant planner position. The Governor may want to suggest that this position be used for temporary assignments from each island to assist PBDC staff in addition to gaining training and exposure to PBDC activities. In any event, the Governors or TAC may want to inquire about PBDC staff ideas in filling this position.

PBDC Base & Fringe Rates
For EDA 1988-89

	Base Rate	Base Salary	Fringe Rate	Fringe	Base + Fringe	Base + Fringe
JERRY B. MORRIS Executive Director	26.94	56,027	5.66	11,774	32.60	67,801
CAROLYN K. IMAMURA Director of Planning and Programs	23.18	48,214	4.77	9,932	27.95	58,146
WARREN K. LOWE Fiscal & Special Projects Officer	14.03	29,172	2.81	5,838	16.83	35,010
CHRISTOL K. ALLEN Executive Secretary	9.38	19,519	1.98	4,118	11.36	23,638
LUCIA S. TUNGOL Secretary/Accounting Clerk	8.90	18,507	2.02	4,205	10.92	22,712
Open Planner	14.71	30,600	3.16	6,565	17.87	37,165
		<u>202,040</u>		<u>42,433</u>		<u>244,473</u>

Gov + Lt Gov Salary
\$56,000 \$45,000

Salary is between Guam's
Planner III & IV levels

PACIFIC BASIN DEVELOPMENT COUNCIL
SCOPE OF WORK

*Increase economic development and diversification for the Islands by working with the Chief Executives to attract new industry into the areas of the Territories of American Samoa and Guam, the Commonwealth of the Northern Marianas and the State of Hawaii (hereafter referred to as the American Flag Pacific Islands -- AFPI) and the Republic of the Marshall Islands and the Federated States of Micronesia (hereafter referred to as the Freely Associated States -- FAS).

	%	Hrs	Rate	
JBN	20%	2080	\$32.60	13,561.60
CKI	10%	2080	\$27.95	5,813.60
WKL	8%	2080	\$16.83	2,800.51
CKA	10%	2080	\$11.36	2,362.88
LST	10%	2080	\$10.92	2,271.36
Planner Lead	20%	2080	\$17.87	7,433.92

				34,243.87

*Assist the AFPI and FAS governments and private sector in exploration of the expansion of agricultural and rural development activities.

	%	Hrs	Rate	
JBN Lead	20%	2080	\$32.60	13,561.60
CKI	10%	2080	\$27.95	5,813.60
WKL	7%	2080	\$16.83	2,450.45
CKA	9%	2080	\$11.36	2,126.59
LST	9%	2080	\$10.92	2,044.22

				25,996.46

*Assist the AFPI and FAS governments, local businesses and relevant non-profit organizations to establish strategies and implementation plans that will improve management and operational assistance.

	%	Hrs	Rate	
JBN	7%	2080	\$32.60	4,746.56
CKI	8%	2080	\$27.95	4,650.88
WKL	15%	2080	\$16.83	5,250.96
CKA	9%	2080	\$11.36	2,126.59
LST	9%	2080	\$10.92	2,044.22
Planner Lead	20%	2080	\$17.87	7,433.92

				26,253.14

*Conduct assessments (and when appropriate, feasibility studies) on economic development related projects that will encourage economic growth in the AFPI.

		%	Hrs	Rate	
CKI		3%	2080	\$27.95	1,744.08
WKL	Lead	10%	2080	\$16.83	3,500.64
CKA		9%	2080	\$11.36	2,126.59
LST		9%	2080	\$10.92	2,044.22
Planner		10%	2080	\$17.87	3,716.96

					13,132.50

*Support local governments and private sector efforts to create a more positive economic climate by assisting these local governments to identify and obtain resources that will build their infrastructure and provide jobs for local residents.

		%	Hrs	Rate	
WKL		10%	2080	\$16.83	3,500.64
CKA		9%	2080	\$11.36	2,126.59
LST		9%	2080	\$10.92	2,044.22
Planner	Lead	29%	2080	\$17.87	10,779.18

					18,450.64

*Organize and sponsor conferences and/or workshops to improve the basic economic aspects of development, job creation, local tax generation, statistical gathering/applicability and improvement of economic development management skills including development of MBO type systems where applicable.

		%	Hrs	Rate	
JBN		6%	2080	\$32.60	4,068.48
CKI		4%	2080	\$27.95	2,325.44
WKL	Lead	20%	2080	\$16.83	7,001.28
CKA		9%	2080	\$11.36	2,126.59
LST		9%	2080	\$10.92	2,044.22
Planner		6%	2080	\$17.87	2,230.18

					19,796.19

*Continue to expand intra- and inter-regional technology transfer to the local governments and private sector.

		%	Hrs	Rate	
JBN	Lead	15%	2080	\$32.60	10,171.20
WKL		10%	2080	\$16.83	3,500.64
CKA		9%	2080	\$11.36	2,126.59
LST		9%	2080	\$10.92	2,044.22
Planner		5%	2080	\$17.87	1,858.48

					19,701.14

*Assist areas to mitigate effects from Sudden and Severe Economic Dislocation Impacts.

		%	Hrs	Rate	
JBN	Lead	10%	2080	\$32.60	6,780.80
CKA		3%	2080	\$11.36	708.86
LST		3%	2080	\$10.92	681.41

					8,171.07

*Provide technical assistance and information on Pacific Ocean transportation systems, policies, and problems as it relates to trade and other needs of Island economies.

		%	Hrs	Rate	
JBN	Lead	10%	2080	\$32.60	6,780.80
CKI		10%	2080	\$27.95	5,813.60
CKA		9%	2080	\$11.36	2,126.59
LST		9%	2080	\$10.92	2,044.22

					16,765.22

*Assist the AFPI and FAS Chief Executives to analyze and develop policies that can be implemented to improve air transportation services as those services relate to tourism and other relevant economic development areas.

		%	Hrs	Rate	
JBN		2%	2080	\$32.60	1,356.16
CKI	Lead	35%	2080	\$27.95	20,347.60
CKA		9%	2080	\$11.36	2,126.59
LST		9%	2080	\$10.92	2,044.22

					25,874.58

*Assist in updating the Planning Information Data Base (PIDB) for economic development activities in the AFPI, and as appropriate, in the FAS.

		%	Hrs	Rate	
JBN		10%	2080	\$32.60	6,780.80
CKI	Lead	20%	2080	\$27.95	11,627.20
WKL		20%	2080	\$16.83	7,001.28
CKA		15%	2080	\$11.36	3,544.32
LST		15%	2080	\$10.92	3,407.04
Planner		10%	2080	\$17.87	3,716.96

					36,077.60

					244,462.40
					=====

Overall Salary	83%	2080	97.14	202,051.20
Overall Fringe	17%	2080	20.40	42,432.00

				244,483.20
				=====

Supply the Economic Development Representative (EDR) with timely information on plant closures or prospective plant closings, as well as the number of employees affected by these actions.

JBN Lead As Required

NOTE: PBDC will provide all other support to include office rent, supplies, equipment, communications costs, insurance, audit costs, travel, per diem and all other costs incurred within the organization.



Pacific Basin Development Council

Suite 325 • 567 South King Street • Honolulu, Hawaii 96813-3036

Telephone (808) 523-9325 Facsimile (808) 533-6336

Governor Joseph F. Ada
Guam
President

May 19, 1988

*Not supported by
Gov. Ada*

Governor John Waihee
Hawaii
Vice President

ACTION MEMORANDUM #24-88

Governor A.P. Lutali
American Samoa
Secretary

TO: The Honorable Joseph F. Ada

FROM: Jerry B. Norris *[Signature]*

SUBJECT: Study of Attitudes on Critical Issues
in the Independent Countries and
Freely Associated States as those
Issues Relate to U.S. Pacific Policy

Governor Pedro P. Tenorio
Commonwealth of the
Northern Mariana Islands
Treasurer

The United States Information Agency has issued a request for proposals to conduct a series of papers on the opinions and attitudes of citizens of the Republic of the Marshalls, the Federated States of Micronesia, the Republic of Palau, the Cook Islands, Fiji, Kiribati, Nauru, Niue, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa.

The "country studies" are to focus on the attitudes of selected "audiences" in these countries on critical issues (e.g. increasing Soviet presence, the nuclear issues, fishing rights, the EEZ, etc.), especially as those issues relate to U.S. policy.

Dr. Michael Hamnett, who is currently under contract to PBDC for the Impact of the Compact and the U.S. Pacific Policy effort has organized a group of specialists on the Countries concerned and suggested that PBDC bid on the contract. Mike and Dr. Robert Kiste of the University of Hawaii will co-direct the project and no PBDC resources will be used. PBDC will be provided funding for the administration of the grant if it is awarded.

Jerry B. Norris
Executive Director

THE HONORABLE JOSEPH F. ADA
May 19, 1988
Page Two

Given our interest in the U.S. Pacific Policy (or lack thereof), and the relevance of many of the issues to the Governors who are members of PBDC, I would like to encourage approval for the submission of an application.

Since these will not be policy papers, PBDC would not be in a position of causing problems with the afore-listed Countries, it would give us a good base of information to work with and it would give PBDC an entrance to a Federal agency with whom we have not worked in the past.

Your approval of this request would be appreciated.

APPROVE/DISAPPROVE

Comments: _____

Please return, by fax ((808) 533-6336) ASAP.

JBN/1st
—



Pacific Basin Development Council

Suite 325 • 567 South King Street • Honolulu, Hawaii 96813-3036

Telephone (808) 523-9325 Facsimile (808) 533-6336

Governor Joseph F. Ada
Guam
resident

May 30, 1988

Governor John Waihee
Hawaii
Vice President

Governor A.P. Lutali
American Samoa
Secretary

Governor Pedro P. Tenorio
Commonwealth of the
Northern Mariana Islands
Treasurer

Mr. John Woodward
Regional Director
Economic Development Administration
U.S. Department of Commerce
Jackson Federal Building - Room 1856
915 Second Avenue
Seattle, WA 98174

VIA: Mr. Frank McChesney, EDR/HNL

Dear Mr. Woodward:

The purpose of this letter is to forward the Final Report for A Program of Economic Development Planning for Islands in the South, Central and Western Pacific. This Report covers the period July 1, 1987 - May 15, 1988. It should be noted that the grant expires on June 30, 1988, so this Report might not cover all activities in each of the areas.

To you, your staff and your families, our Mahalo, Fa'afetai and Si Yu'us Ma'ase for your support and continued interest in the Pacific.

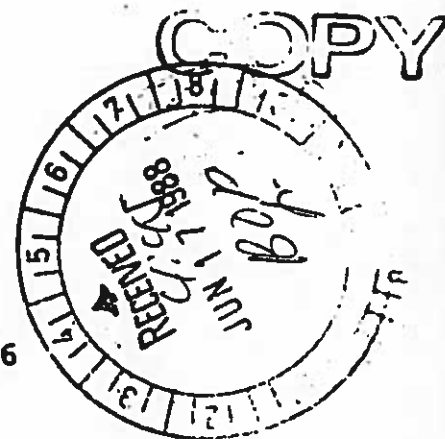
Sincerely,

/s/

JERRY B. NORRIS
Executive Director

JBN/1st
Enclosure

cc: The Honorable Joseph F. Ada ✓
The Honorable John Waihee
The Honorable A.P. Lutali
The Honorable Pedro P. Tenorio



ECONOMIC DEVELOPMENT ADMINISTRATION

Planning Grant No. 07-05-15082

**A Program of Economic Development Planning for Islands
in the South, Central, and Western Pacific**

ANNUAL REPORT

for the Period

July 1 - May 15, 1988

This Planning Grant Annual Report was accomplished under a grant from the Economic Development Administration. The statements, findings, conclusions, recommendations, and other data in this report are solely those of the Board of Directors of the Pacific Basin Development Council (the Grantee) and do not necessarily reflect the views of the Economic Development Administration.

PACIFIC BASIN DEVELOPMENT COUNCIL

567 South King Street

Room 325

Honolulu, Hawaii 96813

May - 1988

ANNUAL REPORT

ECONOMIC DEVELOPMENT PLANNING FOR ISLANDS IN THE SOUTH, CENTRAL, AND WESTERN PACIFIC

****** EDA Planning Grant #07-05-15082 ******

The following is a general digest of accomplishments carried on under the aforementioned 301(b) Planning Grant between the period commencing July 1, 1987, through May 15, 1987. Since a number of program elements overlap in areas of responsibility it is necessary to review the entire document to get a sense of the accomplishments of the PBDC Board of Directors and their staff.

Although many projects are ongoing, some were of short duration and item specific. A copy of the *1987 Program Status Report* is also provided as ATTACHMENT 1.

Note: Copies of any and all reports and/or documents referred to in this missive are available upon request from the Executive Director, PBDC.

1. PROVIDE FOLLOW-UP SUPPORT FOR ACTIVITIES IN THE TOURISM, FISHERIES AND OCEAN RESOURCES, TRADE DEVELOPMENT, AND AIR AND OCEAN TRANSPORTATION PROGRAM ELEMENTS.

TOURISM: As noted in the last report, the Executive Director had been asked by the Governor of Hawaii to sit on a small, but directed Task Force for Increased Air Service into the Pacific. This effort is to take advantage of the commitment that the Government of Japan has made to increasing Japanese tourism by 5,000,000 tourists by 1992. The reasoning behind the presence of the Executive Director of PBDC on the Task Force is several fold. First, to assure that Hawaii's efforts do not have a negative impact on the tourism efforts of American Samoa and Guam; second, to bring into the picture, the experiences that PBDC has had in the air service and essential air service programs in the Pacific, and finally, to bring into being a realistic regional effort.

At the February Winter Meeting of the Board, staff were directed to bring together the key island staff from the American Flag Pacific (AFPI) involved with aviation and tourism and to develop a Pacific Basin Policy on Aviation and Tourism for approval by the Board.

The meeting was held in Honolulu, March 17-19, 1988, and after three days of hard work, a draft policy was produced. A copy of the policy and a final report for the project may be found as ATTACHMENT 2.

As noted in our last report, PBDC with the assistance of the University of Hawaii's School of Travel Industry Management, has completed *Visitor Industry Development for American Samoa, Guam and the Northern Mariana Islands, A Bibliography*. Copies have been distributed to the appropriate agencies and entities and has been well received.

As noted in the last report, PBDC continues to coordinate the efforts between Hawaii's School of Travel Industry Management and Guam in the review of their *Guam Visitor Industry Master Plan*. We are also assisting in the finalization of the Commonwealth of the Northern Mariana Islands (CNMI) *Tourism Assessment and Impact Study*. PBDC's involvement allowed for coordination of both projects, the use of the same staff and substantial savings in transportation and other potentially duplicative costs.

Although somewhat removed from direct tourism related activities, PBDC, in concert with the Pacific Business Center Program (PBCP), was instrumental in obtaining Federal funding for the airport at Fitiuta as a direct result of the SSED grant for Manu'a. This will be a key element in setting up the tourism efforts for both Manu'a and American Samoa.

OCEAN RESOURCES: The 200-Nautical Mile Exclusive Economic Zone (EEZ) Conference funded by the Office of Coastal Resources Management was held in Honolulu during this report period. Please see Item #11 for details.

At the request of the East-West Center, PBDC distributed *Cultural Issues in Marine Policies* to major policymakers in the Pacific.

The Executive Director agreed to serve as a member of the Industry Advisory Committee and Chair of the Pacific Islands Subcommittee on newly created [Regional] Center for Tropical and Subtropical Aquaculture. The Center has been established and has two standing committees. Proposals have been solicited from the Pacific Islands and are under review by Center staff. Funding is being provided by USDA and the efforts of the Center will compliment the efforts of PBDC. Several meetings have been held to review projects for FY 1988/89 and the Executive Director is involved in an internal review of operating procedures.

PBDC responded to a request for program ideas in the area of S/K funded fishing priorities. An informal survey was taken of key fisheries officials in the American Flag Pacific Island (AFPI) and the Freely Associated States (FAS) and results were passed on to the Regional Director of National Marine Fisheries Service.

TRADE DEVELOPMENT: The PBDC project to identify General Systems of Preference (GSP) products that might be manufactured in the AFPI (excluding Hawaii) and shipped to the appropriate Pacific Rim countries has been completed as noted in our last report. The Office of the U.S. Trade Representative is providing a half dozen copies of "Doing Business with the GSP", and the Hawaii based Director of International Trade Administration has agreed to assist in putting together a "how to" book for use by the AFPI Governments and Chambers of Commerce. There is also some discussion about holding a workshop on the subject some time this year. As noted in earlier reports, we

see the GSP project as being a reverse of the Headnote 3(a) effort which has caused much concern with the domestic textile markets on the U.S. mainland and the U.S. Congress.

During the 1988 Winter Meeting the Governors raised concern over the fact that all the Territories and Commonwealth (with the exception of Puerto Rico) had been left out of the U.S. Canada Trade Agreement. This caused major concern as the National Governors Association attempted to pass a resolution at the request of the Administration. A strong policy position was drafted and approved by the Board and staff were directed to come up with alternatives and options. Staff has recommended an immediate all encompassing study into trade and import/export alternatives. Funding for this most import effort is being sought at this time.

PBDC distributed proposed rule changes for the Federal Headnote 3(a) program to the governments of the AFPI for comment.

The Executive Director of PBDC has agreed to sit on the U.S. Small Business Administration's International Trade Task Force and has attended several meetings this year. For the most part this is an information exchanging activity but will complement the trade study discussed above.

The PBDC and the U.S. Department of the Interior have entered into a technical assistance Memorandum of Understanding (MOU) to assist in the coordination of Aquaculture, Agriculture and Mariculture Program (PBDC/OTIA MOU-10) in the AFPI and FAS. Although involved initially with import substitution, export and import efforts and potential will also be identified.

On April 7 - 22, the PBDC Executive Director led a team consisting of the Director of Intergovernmental Affairs, U.S. Department of Agriculture, three members of the Future Farmers of America (FFA) and an additional PBDC staff person from Washington, D.C. on a trip through the FSM, Guam, CNMI, Hawaii and American Samoa. The effort was jointly funded through EDA and OTIA. This was the start of an agricultural assessment for the Pacific region and also resulted in the formal introduction and placement of the Future Farmers of America program. This summer two high school students from each of the four States in FSM and one student each from Palau, the Virgin Islands, American Samoa, Guam, and CNMI will attend a years school in the U.S. mainland placing emphasis on vocational agricultural education. During the summer several vocational agricultural teachers from the U.S. mainland will visit the Pacific Basin followed up by several educators from the Pacific region visiting the U.S. mainland. A copy of the Trip Report may be found as ATTACHMENT 3.

PBDC was instrumental in organizing the American Pacific Islands Land Grant Directors under the administrative support of the University of Hawaii's College of Tropical Agriculture. This effort will serve as a clearinghouse for information in tropical agricultural research, pest control, and crop development, as well as a faculty training facility serving AFPI and FAS. Senator Inouye has obtained \$650,000 for the effort. This program will be involved in the OTIA/PBDC MOU referred to above.

AIR AND OCEAN TRANSPORTATION:

Air: PBDC's Director of Planning and Programs coordinated and held the "Washington [D.C.] Aviation Seminar in mid November. Subjects included international aviation, essential air service, consumer complaints, airport improvements program, aviation security, congressional update and a series of individual appointments. This continues to be one of our more active program areas. An interesting development is the concern by many over potential air related terrorist activities surrounding the 1988 Olympics in Korea and the need for airport facilities in Guam, CNMI and Hawaii to review security measures as well as security options. A quick elapse time study of travel time under two scenarios was prepared for FAA, indicating the number of hours it would take before Federal presence could be on the scene should a major aviation security incident occur on Guam or Saipan. This subject was covered in some detail in a closed "for Governors only" briefing by the Manager of the Foreign Airport Assessment program in the FAA Civilian Aviation Security operations.

Maui Air which serviced the CNMI and Guam, made a decision to close down operations for a month and a half while changing equipment (aircraft). Although the certified Essential Air Service Carrier, they neglected to advise the U.S. DOT. PBDC was asked to become involved in coordinating communications between CNMI and DOT which resulted in Continental Airlines extending replacement service to those in Rota and Tinian who had no service at all.

At the request of the Guam Airport Authority, PBDC is assisting in the drafting of a manual for new carrier entries into Guam. This effort, which will identify the issues that must be addressed by both the new incoming carrier and the Guam Airport Authority will be used as a template for manuals for other island governments.

PBDC staff served as a technical and information resources for a private financial group that was interested in acquiring Hawaiian Air Lines. Besides the afore-mentioned services, PBDC assisted in the coordination of several trips into the AFPI and in setting up briefing sessions with the financial group and AFPI government air related staff in Honolulu.

Ocean: PBDC staff continue to monitor and assist in the efforts to gain an exemption on inter-regional cargo and ocean liner port user fees. Both amendments were included in the Tax Reform Act of 1986 (technical amendments) but were withdrawn at the last minute. It is expected that they will be introduced in the upcoming session of Congress once again.

In concert with the U.S. Department of Defense, the Army Corps of Engineers, the Senate Committee Energy Committee staff and the CNMI government, PBDC continues to assist in the efforts to provide concurrent construction of shoreside facilities (dock) as authorized under P.L. 99-662. PBDC has provided staff briefings and background details for this project.

PBDC staff participated in the Lanai 2010 Master Plan hearings and efforts and the Director of Planning and Programs will continue to provide technical support to this activity.

2. PROVIDE TECHNICAL ASSISTANCE, STAFF SUPPORT, AND MONITORING IN THE PROGRAM AREAS AND PRIORITIES ESTABLISHED BY THE PBDC BOARD OF DIRECTORS:

The Board has identified problems with weather reconnaissance and reporting in the Pacific Basin. The topic and action of the Board can be found in the minutes of the Winter Meeting. It should be noted that the Assistant Secretary of EDA has assisted the Board in following up on the issue.

The Board continues to voice concern over problems with the Brown Tree Snake. A review and up-date of current efforts can also be found in the enclosed Winter Meeting Minutes.

NOAA senior staff have advised the Board of their interest in launching a Federal-State Partnership Program in the Pacific. The Governors have requested that such a program be established and have directed PBDC staff to support the effort.

The Board, at the request of Governor Ada of Guam, publicly have supported the Territories effort to become a Commonwealth.

Continued to provide technical assistance for computer coordination in American Samoa with regards to setting up a computer by electronic mail effort. Also established direct link with the State of Hawaii's Director of Electronic Data Process and the government of American Samoa; supported field and training visit in concert with the PBCP and Pacific International Center for High Technology Research (PICHTR). The most recent effort with PICHTR concerns the establishment of a South Pacific Educational network. The formal agreement will be signed by government officials of American Samoa, Western Samoa, Tonga and PICHTR personnel in early August.

Based on information obtained by Mr. John Woodward, EDA Regional Director concerning privatization of government services earlier last year, a study was authorized and has been completed on the impact of Federal financial funding to a project that might be privatized.

Continued to serve and provide support for input as founding Board Member for the Pacific Congress on Marine Science and Technical Conference of 1988 (PACON 88).

Provided technical assistance on possible taxi metering project in American Samoa through their Commerce Commission and have negotiated an agreement between Guam and CNMI to extend the technical assistance of the State of Hawaii to the CNMI.

Provided assistance in helping the Commonwealth Development Authority in Saipan work up their program priorities and found assistance to provide them with an effort to set up a local construction bonding operation.

Assisted in finding private funding for a private docking facility in American Samoa. Coordinated effort between interested party, American Samoan government and SBA. This project has hit a snag and PBDC has requested a review of the original decision to not let the project go forward.

Provided contacts for two full time employee positions with power authority (private) in Saipan and have been asked by American Samoa to provide the same assistance for two engineers for the American Samoan Power Authority (ASPA).

Provided technical assistance and support for recent U.S. Department of Commerce Field Trip to the Republic of the Marshall Islands and the Federated States of Micronesia. Will provide continuing follow-up based on DOC Trip Report.

Provided similar support for the EDA/OTIA jointly funded field trip to the FSM, Guam, CNMI, Hawaii and American Samoa. (SEE ATTACHMENT 3).

Co-sponsored and participated in the Annual PBDC/CZM Conference which was co-hosted by ASG in Pago Pago.

Provided liaison to set up an information exchange (and possible employee training program) between the Director of Public Safety, CNMI and the Chief of Police, City & County of Honolulu.

The SSED project in Manu'a, funded by EDA, is winding down. Quarterly reports have been provided and final efforts and activities will take place in the next several months. The project has worked well, with few glitches. Ms. Maria Pangelinan, President of the CNMI CO-OP visited American Samoa and

provided valuable insights into their agricultural production capabilities. The last two segments--technical small business assistance for agricultural farmers and the wrap up of tourism potentials on Manu'a will be completed during the next quarter.

Have completed the American Samoa Localized Housing Standards Project. In their own way HUD, Farmers Home and V.A. have signed off on the standards. FEMA has refused to review the final draft saying it goes beyond their scope and authority. The Governor of American Samoa has signed off and agreed that the standards will be implemented by Executive Order for HUD home projects. We are now working with HUD to set up a pilot construction effort. Final printing of the standards are taking place at this point in time.

Launched the next phase of Weights and Measures Training for Guam. This session will also provide assistance for CNMI as noted above.

Provided private sector contacts with CNMI government for possible sale of storm shutters for government and private sector offices.

Based on interest of the Assistant Secretary of EDA, researched water problems in Federated States of Micronesia and the State of Pohnpei.

Assisted U.S. Geological Service in their efforts to establish a mapping service center in Guam for the Central and Western Pacific.

Made inquiries on technical aspects of newly required altitude instruments for commuter size aircraft based on Federal regulations recently published. This is important for all of the AFPI.

Assisted the Speaker of the Montana House of Representatives with his interest in acquisition of a privately owned cattle ranch in CNMI. Additional interest has been generated by Washington, D.C. based staff with two other groups--one from the Pacific Northwest and one from Montana/Canada.

Assisted private businesses in seeking possible markets in AFPI and FAS.

3. COORDINATE THE EFFORTS AND RESOURCES OF ALL COMMUNITIES, OTHER INSTRUMENTALITIES, AND ORGANIZATIONS WITHIN THE PBDC AREA TO PLAN, DEVELOP, MAINTAIN AND IMPLEMENT THE ISLANDS' OVERALL ECONOMIC DEVELOPMENT PLANS AND ECONOMIC STRATEGIES; THIS WILL INCLUDE CONTINUING LIAISON ACTIVITIES WITH APPROPRIATE STATE, TERRITORIAL, FEDERAL, AND PRIVATE SECTOR OFFICIALS AND INDIVIDUALS.

PBDC, at the direction of the Board, assisted in the distribution of the recently published U.S. Office of Technology Assessment's *Integrated Renewable Resource Management for U.S. Insular Areas* report. The Board has also designated a work group to assist in the coordination of testimony before the House Interior Committee and in coordination of future regional and island specific actions. It is expected that the individual OEDP will be modified, to some extent, based on the priorities from the OTA report.

PBDC has been directed by the Board to set up a coordinating mechanism to assist the island governments on both a regional and island-specific effort to follow-up on the Office of Technology *Integrated Renewable Resource Management For Insular Areas* report. These efforts are to be coordinated with each islands' OEDP and other planning efforts. The Board has also designated \$5,000 to process and publish the technical papers that were a result of the hundreds of hours of research and meetings that went into the Office of Technology Assessment Report. The financial impact will be minimal as the technical reports will be sold so that all costs can be recovered. Several of the papers have been converted into our word processing language and it appears that the project will be a bit slower than originally planned.

As noted earlier, PBDC is heavily involved with the new efforts with regards to the regional aquaculture and regional agriculture programs recently established at the University of Hawaii. That effort, combined with the PBDC-OTIA coordinating MOU will foster good program development in both of these areas. As priorities of these two projects are identified, PBDC will work with the individual island governments to update their OEDPs.

Working with the Western Pacific Regional Fisheries Management Council, PBDC reviewed the potential impact of an amendment to the Caribbean Basin Initiative (P.L. 98-67) which would allow tuna, caught on foreign bottomed vessels to be imported to the East Coast of the United States. The request originated from ASG.

Established working relationship with the new Executive Director of the Housing Urban Development Area office. Concluded most of the work on the American Samoa Localized Housing Standards with his approval.

Continued the SSED project for Manu'a with support of PBCP.

PBDC staff attended the EDA Workshop for Grantees in Seattle. Discussion was initiated about the possibility of holding AFPI and FAS Regional Workshops.

Assisted EDA Seattle and Honolulu staff with the workshop on individual projects and on appropriate planning and funding tools. Participation included staff from the Freely Associated States, Guam, CNMI and American Samoa. EDA, HUD, Farmers Home and SBA staff also were present and active in the effort. PBDC staff provided follow-up on several issues raised by EDA Assistant Secretary and others.

4. ASSIST MEMBER GOVERNMENTS IN FORMULATING AND IMPLEMENTING PROGRAMS TO DEVELOP LATENT NATURAL, PHYSICAL, AND HUMAN RESOURCES TO ENHANCE THE LOCAL ECONOMY AND PROVIDE NEW, GAINFUL, AND PERMANENT EMPLOYMENT FOR THE UNEMPLOYED AND UNDEREMPLOYED.

The Executive Director is serving on Congresswoman Pat Saiki's Pacific Islands Advisory Committee. The Committee is assigned the task to assist the Congresswomen in finding areas in which she can involve herself with relationship to economic, social and political development. Recommendations of two recent meetings centered on vocational education opportunities and assisting in seeking additional resources for the independent South Pacific Island Countries.

The Executive Director is also serving on the U.S. Small Business Administration's Honolulu Regional Advisory Council to assist small business in Hawaii and the Pacific region, and is also serving on the SBA Honolulu Rural Advisory Council. Both of these groups meet every two months and have identified a number of areas that have economic impact (or potential economic impact) on the region. Currently efforts are centering on finding additional shipping tonnage for a newly created shipping line and in identifying priorities for shipment of goods and services from the State into the region.

The Executive Director is now serving his fifth year on the Honolulu/Pacific District Export Council (DEC). Current priorities include an examination of the financial impacts of the Jones Act on Guam and Hawaii and introduction of Exchange Program of the Association International Des Etudiants En Sciences Economiques Et Commerciales (AIESEC) into businesses in the region. This program provides a unique opportunity to provide traineeships for students in U.S. business and U.S. students in foreign businesses.

PBDC has assisted and will support the efforts to establish an EDA funded and supported incubator activity in CNMI. It is the intention that this facility will serve as a template for other AFPI.

PBDC assisted in putting together a proposal for a grant to the American Samoa Government for replacement of the fishing boats lost during the recent typhoon. Although the application dropped through the cracks, it appears that it will be resubmitted to EDA, Seattle.

The Executive Director has agreed to serve on the Advisory Committee to the Pacific Islands Association--an organization involved in economic and business development throughout the entire Pacific. Pacific Islands Association's 1988 meeting will be held in Paris, France. The French government will provide funding for round trip transportation and per diem for two participants from each of the twenty-three (23) islands in the Pacific. (note: PBDC has no plans to attend the conference).

The State of Hawaii's *Pacific Basin Health Promotion and Development Center* has held several meetings and set priorities to assist the island governments in health related efforts and activities. The Executive Director serves on the Board of Directors. Senator Inouye obtained a total of \$2.4 million for AFPI related health efforts.

As a direct offshoot of the organization, the health officials from the American Flag Pacific Islands and the Freely Associated States have set up their own organization to complement the Hawaii effort.

5. CONTINUE TO PROVIDE ASSISTANCE AND SUPPORT TO THE PBCP, AN EDA FUNDED UNIVERSITY CENTER PROGRAM.

PBDC continues to work cooperatively with the PBCP staff and vice versa. Recent efforts included supporting funding directly from the Governors of American Samoa, CNMI and Guam for the Center Program. Although not directly involved, PBDC staff have also supported funding from the FAS to match the EDA commitment for the program. We continue to identify specific clients for the program.

The Director of the PBCP and her staff also support PBDC in their efforts, referring areas of policy direction and need to PBDC. Both organizations work in a cooperative manner in the sense that PBDC is actively involved in the MACRO efforts of development in the Pacific while the PBCP is involved in the MICRO and "troops in the trench" effort.

Regarding the SSED grant referred to earlier, PBDC has a subcontract with PBCP for services provided by the University and will continue to administer the project until completion. As noted earlier, the project is in its final stage.

6. MAINTAIN A NETWORK AND LIAISON WITH ALL FEDERAL, STATE, AND LOCAL AGENCIES AT THE WASHINGTON, D.C., SAN FRANCISCO, OR SEATTLE, HONOLULU-PACIFIC AREA AND LOCAL ISLAND LEVELS, WHOSE PROGRAMS ARE DIRECTLY RELATED TO COMPREHENSIVE ECONOMIC DEVELOPMENT.

Much of the work that PBDC does evolves around providing some aspects of liaison, so in this respect, the reader is encouraged to review other sections of this report.

In a more specific "liaison" mode PBDC was honored with a request by the Secretary of the U.S. Department of the Interior to produce two major reports for Interiors presentation to the President and the Congress. This effort is reported on, in detail, in Section 14.

In other areas, the Executive Director participated in EPA's Sixth Annual Pacific Territories Conference and will do so again for their Seventh Annual. PBDC also assisted in the American Samoa Government CZM Annual Pacific Conference. Discussions were also held with the Director of Intergovernmental Relations for the U.S. Department of Agriculture who joined PBDC staff and Future Farmers of American staff in the thirteen day visit to the region. As noted earlier, this was a jointly funded effort of EDA and OTIA.

During the program year, PBDC staff also participated in the visit of the Assistant Secretary of EDA to the region as well as assisted, supported and traveled with the recent Department of Commerce Field Visit to the Republic of the Marshall Islands, Federated State of Micronesia, Guam and CNMI.

With the recent visit of the Director of Intergovernmental Relations, USDA, and given the formal interest of the Board in the area of the President's Rural Development Initiative, staff will recommend to the Board the establishment of Advisory Groups (making use of existing organizations when possible--perhaps the OEDP Advisory Committee) to provide the individual (and collective) Governors with assistance in involving themselves in the Initiative. This will be a program element for next year's activities and will be a high priority.

The final activity in this section should be of major interest to all concerned with the Pacific. In 1971 PEACESAT -- a satellite radio system for use with programs in education, health and technology -- was established at the University of Hawaii with 23 Pacific sites throughout the region providing two way communications. These sites included the CNMI, Guam, American Samoa, Tonga, Fiji and some sites in the old Trust Territory of the Pacific Islands. The system was shut down in 1985 when NASA decommissioned the satellite.

Shortly following its shut down, the Board of Directors of PBDC assigned staff the project of re-establishing the system. Through the good efforts on the Governors of the AFPI, the leaders of the educational institutions and especially the hard work of PEACESAT staff, Senator Inouye was able to obtain funding of \$1.7 million for PEACESAT. This effort, worked on by many to include PBDC staff, will allow for the re-establishment of networking and liaison in the Pacific region.

PBDC initiated a survey of past, current and potential user groups in Hawaii, Guam, CNMI, American Samoa and the Freely Associated States. Additional funding has been sought for the funding of this "quick and dirty" analysis. Communications is such an important aspect of development--both regionally and island specific, that it is an area that needs additional support.

7. PROVIDE TECHNICAL ASSISTANCE ON A CONTINUING BASIS, TO EDA ON ECONOMIC DEVELOPMENT TRENDS, STATUS OF PROGRAMS AND PROJECTS, AND NEW PROGRAM OR RELATED PROJECT MODIFICATIONS.

PBDC staff have provided on-going assistance to the EDA EDR in Honolulu. Staff continue to provide opportunities for the EDR to meet with Federal officials passing through Honolulu as well as others interested in economic development to include AFPI personnel and leaders.

We have also provided news clips, field reports, publications and other pertinent information directly to the EDR who in turn passes such information on, as determined appropriate, to his Seattle Office. As noted earlier, the PBDC Executive Director set up and accompanied the Regional Director and new EDR on two separate trips to the AFPI during the program year. Similar services are provided to the U.S. Department of Interior and other Federal agencies.

Staff also provided support to the Department of Commerce September Field Visit to the Freely Associated States and have been debriefed by the Team leader on three occasions to include his recent follow-up trip through the Freely Associated States.

Staff also provided briefings and made contacts for a recent Guam and Freely Associated States visit by staff from the ITA Pacific Basin Office from Washington, D.C.

PBDC continues to assist EDA in their efforts to bring unique and profitable projects into the region. Information was provided on the unique water problems in Pohnpei; on the port harbor project in American Samoa; on incubators for the CNMI effort, on the CNMI legislation that allowed for a unique

program in allowing Farmers Home Administration loans to be put in place in an area that has special conditions with regards to land ownership and in other related areas of interest.

As noted earlier, at the request of EDA, PBDC staff provided support and program suggestions for the Workshop held in Honolulu in May, 1988.

8. AS DIRECTED BY THE BOARD, ASSIST THE U.S. DEPARTMENT OF THE INTERIOR AND OTHER FEDERAL AGENCY STAFF IN AREAS DIRECTLY RELATED TO ECONOMIC DEVELOPMENT.

PBDC continues to be of assistance to a number of Federal agencies in this area of responsibility. This includes setting agendas, making travel plans and setting meetings on each of the islands with individuals from the U.S. Department of Transportation, Interior, Commerce, State, etc.

During the program year, PBDC assisted with and provided support for the first AFPI Field Visit by the Assistant Secretary of EDA, although it should be noted that most of the logistics were provided by the Executive Director of the PBCP. PBDC also helped set up and coordinate the recent DOC visit described elsewhere in this report as well as the USDA/FFA visit.

With regards to OTIA, we continue to provide technical and substantive support to programs including privatization, agricultural development, tourism, fishing, and transportation and have substantially increased the sharing of information with regards to air service problems to the DOT.

Other program elements report on this type of activity but other examples include the continuation of workshop activity in privatization; supplying of specific experiences by other governmental jurisdictions in areas of interest in privatization to include medical, energy, transportation, garbage collection and communications.

PBDC is also continuing to explore possible region wide health, life and workman's compensation insurance as well as retirement programs.

Note: For more specific examples please see the *1987 Program Status Report* -- ATTACHMENT 1.

9. PROVIDE ADMINISTRATIVE SUPPORT FOR THE PBDC BOARD OF DIRECTORS, TO INCLUDE ITS ANNUAL AND WINTER MEETINGS AND PERIODIC MEETINGS OF THE TECHNICAL ADVISORY COMMITTEE (TAC).

The PBDC 1987 Annual Meeting was held in Saipan, CNMI on August 23-25. A copy of the agenda, minutes and attendance list are provided for information (SEE ATTACHMENT 4). The 1988 Winter Meeting of the Board was held on February 24, 1988, in Washington, D.C. A copy of the agenda,

minutes and attendance list are also provided for information (SEE ATTACHMENT 5). The Technical Advisory Committee (TAC) has met twice during the program year. During the coming year at least two meetings will be scheduled.

New Officers of the Board for Program Year 1988 are:

President - Governor Joseph F. Ada, GUAM
Vice President - Governor John Waihee, HAWAII
Secretary - Governor A.P. Lutali, AMERICAN SAMOA
Treasurer - Governor Pedro P. Tenorio, CNMI

It should be noted that several personal changes have resulted in new members of the Technical Advisory Committee. Briefing/history books have been prepared to and distributed to each new member.

To assist the Board members, this year saw the programming of all financial and related files to dBase III to accept and summarize information from disbursement and journal ledgers on an account code basis. The information is then translated into Lotus for the financial reports. This is a change from previous use of a Lotus-only method of summarization which was very cumbersome not only to implement, but also to use on a day-to-day basis and for monthly, quarterly, semiannual and annual reports.

Fiscal staff also developed a payroll model to calculate payroll in accordance with State and Federal requirements which are easily updated to accommodate employee and government changes. This was especially timely with regards to the recent changes in the U.S. Tax Code.

A budget model was also developed to facilitate the preparation of an annual budget which will dovetail with the Income Statement report. Standardized spreadsheets were also created by staff to facilitate preparation of audit workpapers and to summarize financial data by project grant.

The PBDC library is expanding and use has doubled in the last several months. Bibliographic reports and indexes in a number of areas have been completed which assist the Governors, their respective staff members and others to look at the most recent materials in the AFPI and the FAS.

10. PROVIDE EDUCATIONAL BRIEFINGS, AS APPROPRIATE, TO FEDERAL AND PRIVATE SECTOR OFFICIALS INTERESTED IN INDIVIDUAL ISLAND, REGIONAL AND PBDC DEVELOPMENT EFFORTS.

As noted throughout this report, PBDC continues to provide this service to all interested parties. It should be noted that while the requests for this service continue to increase in the governmental area, the requests from the private

sector--both domestic and foreign have more than doubled this reporting period. It would appear that private sector business is, at long last, starting to increase its' interest in the Pacific.

Throughout the program year, a number of key Congressional members and staff have passed through the region. This gives our staff and some of the Federal agency staff the opportunity to discuss current and future legislative plans for the region. PBDC staff also continues to build on relationships with the U.S. Congressional Office of Technology Assessment who through their efforts in the aforementioned OTA report on renewable resources, have taken a kind interest in the AFPI and PBDC.

11. PROVIDE FOLLOW-UP AND POLICY EXPLORATION RESULTING FROM THE PACIFIC BASIN MANAGEMENT OF THE 200-NAUTICAL MILE EXCLUSIVE ECONOMIC ZONE CONFERENCE HELD JULY 8-10, 1987, IN HONOLULU.

On July 8-10 the PBDC 200 Mile EEZ Conference was held in Honolulu. Well over 250 attended with representation from American Samoa, Guam, CNMI, the Federated States of Micronesia, Hawaii, California, Oregon, Washington, Connecticut, Rhode Island and Washington, D.C. Verbatim transcriptions were taken by court reporters, have been edited and distributed to all speakers. After a second round of editing, proceedings of the conference have been printed and distributed to all attendees and interested parties. A copy of the Proceedings has been included as ATTACHMENT 6.

As a direct result of the conference, the Office of Coastal Resources Management provided PBDC with an additional grant to follow up on the applicability of Federal, Territorial, Commonwealth and State laws, rules and regulations that relate to EEZ. That project is now under way with an October 1988 time deadline. Guidelines for the workplan were provided by AFPI CZM staff and other interested parties at a scoping session called by PBDC on November 23.

It should be noted as with a number of other PBDC Board member instituted projects that no EDA funds were used in the project.

PBDC staff also attended the USGS Ten Year Planning Conference in Washington, D.C. and provided a review of the Conference for all AFPI CZM staff.

12. ASSIST THE HONOLULU ECONOMIC DEVELOPMENT REPRESENTATIVE (EDR) IN COORDINATING QUARTERLY (OR AS NEEDED) TRAINING SESSIONS FOR THE EDA FUNDED PROGRAM PLANNERS FROM THE AFPI. IT HAS BEEN SUGGESTED THAT PERHAPS THE FIRST EFFORT SHOULD CENTER ON THE CREATION OF A STATISTICAL PROGRAM FOR THE AFPI.

This topic has been discussed with the EDR and with other key staff of EDA as well as the Assistant Director of EDA. It was the general feeling of PBDC staff that there was a need to bring in the key island staffers to examine how to collect, quantify and make use of key elements of economic development information and statistical materials. This becomes an issue of interest and importance as EDA makes increasing demands (and rightly so) for economic data for regional and island specific program proposals. PBDC staff still feels that this is important because even basic data like cost of living figures, per capita income figures and even unemployment figures are often difficult to quantify. As an example, currently none of the Territories and/or Commonwealth have unemployment insurance. Hence, unemployment figures are done by survey since there is no incentive (e.g. unemployment compensation) to have people come to government to tell them they are unemployed. There is also the problem of how one counts (unemployed) subsistence citizens. This is an area that will be considered as a high priority by the Board for next year's program plan.

There was also discussion about the possibility of a workshop for the Freely Associated States staff and PBDC offered assistance in this area. EDA, with financial support and cooperation of Interior's Office of Territorial and International Affairs (OTIA), held the workshop as earlier reported.

13. PROVIDE FOLLOW-UP AND POLICY GUIDANCE FOR RECENT HIGH LEVEL MEETING HELD BETWEEN THE GOVERNOR OF HAWAII, THE ASSISTANT SECRETARY OF TERRITORIAL AND INTERNATIONAL AFFAIRS, U.S. DEPARTMENT OF THE INTERIOR, WHICH ESTABLISHED THE NEED TO FORMALIZE TECHNICAL ASSISTANCE AND OUTREACH FROM THE STATE OF HAWAII AND THE UNIVERSITY TO THE AFPI.

The Executive Director was asked to serve on the Blue Ribbon Commission to establish Hawaii's *Pacific Health Promotion and Development Center*. Following establishment of the Center, dedicated to move Hawaii's health resources into the Pacific, the Executive Director was asked to serve on the Board of Directors. The Director of Hawaii's Department of Health has made two trips to the AFPI and made a presentation to the Board at their Annual Meeting in Saipan. PBDC has been directed to continue support and establish a working relationship with this effort.

PBDC has provided a guideline document for the Governor of Hawaii to assist him in considering making 1989 the year of the Pacific for the State.

Efforts are being directed to determine the best way to have Request For Proposals from the AFPI and Freely Associated States advertised to the State, City & County, academic and private sectors in Hawaii. PBDC is working through the local International Trade Administration Representative, the U.S. Department of State Representatives in the FAS and the U.S. Department of Interior staff to set up a process to bring this effort to a resolution.

14. WITH BOARD APPROVAL, FULFILL THE REQUIREMENTS OF P.L. 99-239 (COMPACT OF FREE ASSOCIATION ACT OF 1985), SEC. 301 - 304 WHICH REQUIRES A CONFERENCE OF UNITED STATES NONCONTIGUOUS PACIFIC LEADERS (ALASKA, HAWAII, GUAM, CNMI, AMERICAN SAMOA, THE FEDERATED STATES OF MICRONESIA, THE REPUBLIC OF PALAU AND THE REPUBLIC OF THE MARSHALL ISLANDS) AND A REPORT WITH RECOMMENDATIONS ON PACIFIC BASIN POLICY.

At its Annual Meeting in Saipan, the Board of Directors agreed to a Memorandum of Understanding between PBDC and OTIA, directing the drafting of two major reports as required by *The Compact of Free Association*. It should be noted that this is the first time that these two reports have been done.

The first report is the *Impact of the Compact on U.S. Areas*. This report completed in DRAFT for the Office of Territorial and International Affairs (OTIA), assesses the impacts in a number of social, educational and development areas in Guam, CNMI and Hawaii. It also makes recommendations to attempt to correct and/or mitigate those impacts.

The second report, *Pacific Policy Reports*, also completed in DRAFT form and submitted to OTIA, addresses the coordination of delivery of Federal programs and services; the need for consistency in the administration of such programs; a recommended policy for the Pacific; addresses the unique aspects and needs of the area as that relates to application of Federal programs, laws and regulations; discusses the need for Congress to be more informed so that they can discharge their duties; and recommends specific actions that may be needed to facilitate the economic and social health and development of the noncontiguous Pacific areas. This report, once reviewed by OTIA, will be used as a discussion piece for an "all leaders" workshop in Honolulu.

With regard to both of these projects, information was obtained and liaison established and/or maintained with the Governors and Presidents of the Republic of the Marshall Islands, the Federated States of Micronesia, American Samoa, CNMI, Guam, and the States of Hawaii and Alaska. Key staff in planning, budgeting, economic and social development, education, energy, transportation, health and other relevant agencies and departments was also part of the effort. Meetings were also scheduled with key members of the local legislatures. With regards to the Federal family, key meetings were held with

all district and area offices in Honolulu, and with high ranking military leaders at the CINCPAC level and with the U.S. Army Corps of Engineers. At the Washington, D.C. level, meetings were held with the Department of Defense, Department of State, Department of the Interior, a number of agencies within the Department of Commerce, Department of Labor, Housing and Urban Development, Transportation and Treasury as well as key members of the White House Staff. Meetings were also held with key members of the leadership of the Congress as well as their staffs.

It was important for PBDC to be involved in these two efforts because of the interest and dedication of the Board and PBDC staff in seeing all of the U.S. Territories, Commonwealths, Freely Associated States as well as the State of Hawaii, have the best of all opportunities to improve their social, economic and political well being. By engaging in direct conversation with leaders of the Pacific, concerns that might well have been missed or misunderstood by an outside team, were reduced to non-issues and non-concerns.

These two reports provided PBDC and its staff with the most visible effort to date and provided contacts that will be invaluable in the future with regards to economic efforts related to EDA and other agencies and the public sector. The reports will speak for themselves and will provide the opportunity for a coordinated and consistent policy for the region. The educational benefits to all concerned cannot be measured but will provide valuable insights into further Territorial-Commonwealth-State-FAS-Federal relationships.

The Impact report has been refined and will be sent to OMB for their review and will be published. The Pacific Policy report is currently being reviewed. The Compact calls for a meeting of Pacific Policy Leaders and key Agency personnel. Currently with the introduction of a new recommended Assistant Secretary of OTIA, the planned meeting dates are being reviewed.

CONCLUSION

This program year has been an exciting and rewarding period of time. We have seen several trips by a number of key policy and program people from the U.S. Department of Commerce to the region to include the Assistant Secretary of EDA. We have experienced commitments for the establishment and/or expansion of a number of Federal programs. We have watched the first year of Free Association pass into history as the new political and economic status of the FAS unfolds. We have been involved in the first effort to assess the impact of the Compact and the first effort to establish a consistent and realistic policy for the Pacific.

PBDC is healthy, involved and productive and we look to an exciting 1988/1989 Program Year.

ATTACHMENTS

- 1. 1987 PROGRAM STATUS REPORT**
October 1, 1986 - September 30, 1987
- 2. PBDC AVIATION-TOURISM POLICY POSITION**
- 3. USDA/FFA Field Trip Report**
- 4. 1987 ANNUAL PBDC BOARD OF DIRECTORS MEETING**
(Agenda, minutes and attendance list)
- 5. 1988 WINTER PBDC BOARD OF DIRECTORS MEETING**
(Agenda, minutes and attendance list).
- 6. PROCEEDINGS - PBDC EEZ CONFERENCE**

PACIFIC POLICY REPORTS

Overview:

The U.S. Congress through Public Law 99-239 has mandated the U.S. Department of Interior to prepare Pacific Policy Reports for the U.S. noncontiguous Pacific areas. The reports are to identify clearly defined policies and recommendations required to accomplish the objectives of the policies. The Department of Interior was to submit the reports to Congress by January 1987 and every five years thereafter. The Department of Interior in turn requested the Pacific Basin Development Council during June 1987 to prepare the document. During late 1987 work was started and a draft was provided to the noncontiguous areas for their review.

Initially the Department of Interior was to meet with the noncontiguous Pacific areas in Hawaii during February/March 1988 to solicit their comments on the draft. The date for the meeting however was subsequently pushed back several times and has been indefinitely postponed. It is anticipated that the meeting will not be held until after the November Presidential election or until after the next President takes office. This is a concern to the noncontiguous Pacific areas as it is their desire that the new President's transition team have the reports in order to assist them to formulate policies to enhance the socio-economic and political aspirations of the U.S. noncontiguous Pacific areas.

Pacific Policy Reports' Recommendations:

While the PBDC Summer meeting is not the appropriate forum for discussing the recommendations contained in the draft prepared by PBDC's executive staff, there are two issues which the Governor may want to raise at this time. The first is in regard to negative statements contained throughout the draft with respect to Guam's political development and the draft Commonwealth Act. For example, the document states on page 2.2.6 that the Office of Territorial and International Affairs will work with the Government of Guam, U.S. Congress and other Executive Branch Agencies 'to develop a commonwealth agreement that is consistent with the laws of the United States' (emphasis added) 'and the desires of the people of Guam. This statement is in conflict with the intent of the draft Commonwealth Act to eliminate laws which constrain our development and which has been overwhelmingly approved by Guam's voters. There are other such statements on Guam's draft Commonwealth Act contained throughout the document. Had the Department of Interior wrote the document, such

statements would be understandable. However, as PBDC's executive staff prepared it, the statements reflect a complete lack of sensitivity on their part of the PBDC member governments' aspirations.

The second concern is in regard to the recommendation contained in the document that OTIA continue to be responsible for the territories' and the U.S. freely associated political jurisdictions' affairs. In the past there has been concern voice regarding OTIA's ability to be an advocate for the territories, even with the head of OTIA elevated to an Assistant Secretary position within DOI. There does exist other options which include creating an office within the Executive Office of the President such as in the case of Puerto Rico, creating a separate independent agency with the Executive Branch, creating a Regional Commission and transferring the responsibility to another Executive Branch Department. Each of the options have their advantages and disadvantages. The Governor may want to informally discuss with the Governors of CNMI and American Samoa their thoughts on the subject and whether the territories agree with continuing OTIA's oversight and advocate roles.

Recommendation:

Meeting Date on the draft Pacific Policy Reports:

The Governor should seek PBDC's support in requesting DOI to set a date for the conference required by P.L. 99-239 to further discuss the draft and appropriate revisions to it so that it can be made available to the transition team after the Presidential election.

Guam's Commonwealth Draft Act:

The Governor should voice to PBDC's executive staff his concerns regarding their lack of sensitivity with respect to Guam's draft Commonwealth Act. If such statements were to be included in the document, they should have been inserted by DOI.

Oversight Responsibility:

The Governor should informally discuss with the Governors from CNMI and American Samoa the most appropriate entity within the U.S. Executive Branch for being an advocate for the territories and U.S. affiliated political jurisdictions. Such discussion may may further assist Guam to determine which recommendation to support or whether to advocate another alternative.

Noncontiguous Areas with a large US military presence requires that the armed services take an active role in protecting the unique cultural heritage and fragile economies and environments of those areas. It also requires that the US military assist in the social and economic development and resource management of the Noncontiguous US Affiliated Areas (See also section 7).

6. The US Will Foster and Encourage Political Development Of The Noncontiguous US Affiliated Pacific Areas

The US Government seeks to maintain close ties with the US Affiliated Pacific Areas. Alaska and Hawaii have chosen to become incorporated into the United States and have achieved levels of political, economic, and social development that will allow those jurisdictions to meet their obligations as States. The US affiliated Pacific Territories, the Commonwealth of the Northern Marianas, and the Freely Associated States are at stages of political and economic development in which they have achieved degrees of financial self-sufficiency and local autonomy. Moreover, the US Government will, as a matter of national policy, work closely with the governments of the Territories, commonwealth, and Freely Associated States to fulfill their self-determined political desires and to achieve greater financial self-sufficiency and local political autonomy (See also section 6).

Based on this general policy, the Department of State will assist the Freely Associated States in achieving formal recognition of their status and in establishing diplomatic and economic relations with other nations in the world. The Office of Territorial and International Affairs, the Department of Commerce and other agencies of the US Government will assist the Freely Associated States in developing their economies to meet the basic human needs of their people and to increase the financial self-sufficiency of their governments (See also section 7).

The Office of Territorial and International Affairs (OTIA) and other appropriate agencies of the US Government will actively assist the government of Guam in fulfilling their desire to achieve the status of Commonwealth of the United States. OTIA will work with the Government of Guam, the US Congress and other Executive Branch agencies to develop a commonwealth agreement that is consistent with the laws of the United States and the desires of the people of Guam (See also section 7).

OTIA and the Presidents Representative actively participate in the negotiations on issues affecting the relationship between the United States and the Commonwealth of the Northern Marianas mandated in Section 902 of the Covenant. Executive Branch agencies and the Congress of the

needs to be addressed in light of a new policy for dealing with noncontiguous areas.

Liaison with Territories and Commonwealths also needs to be reanalyzed. It is recommended that all Federal agencies review the adopted policy, analyze how their current activities can be improved, and make necessary changes to provide improved program delivery.

During this study, many Federal and local experts have recommended that the liaison function be transferred from OTIA to another organizational entity. Some have recommended that the function be placed in the White House, while others have advocated the creation of a new independent agency. Still others favor placing the responsibilities in another Federal Department or shifting responsibilities back to the Congress.

Because so many people have commented on this subject, the Study Team has attempted to outline some of the strengths and weaknesses of each recommendation:

FEDERAL ORGANIZATION

There are several options concerning Federal organization:

1. Retain responsibility within the Department of the Interior;
2. Transfer responsibility to another Department within the Executive Branch;
3. Establish an Independent Agency within the Executive Branch;
4. Vest Territory and Commonwealth responsibility within the Executive Office of the President;
5. Establish a Regional Commission for Territorial Affairs (Similar to the Appalachian Regional Commission).

OPTION ONE--RETAIN RESPONSIBILITY WITHIN THE DEPARTMENT OF THE INTERIOR

There are a number of reasons to leave the Territorial functions within the Department of the Interior:

1. DOI has been the traditional advocate and spokesman of the Territories;

2. DOI support mechanisms such as the budget office, solicitor assistance, policy analysis and inspector general audits currently exist;
3. Budget procedures have been established;
4. Coordination and communication procedures currently exist;
5. Office space is allocated;
6. Legislative committees and staff liaison are well-established;
7. Response to legislative mandates is predictable;
8. This is the least-cost option;
9. Much progress has been experienced by the Territories, Commonwealths and Free Associated States under DOI administration;
10. Transfer to another Agency would cause a loss of continuity in administration, planning and development.

Among reasons to transfer the functions are:

1. Territorial budgets must compete with other DOI priorities;
2. As a Department, Interior is more adept at land development than people development;
3. Interior may not be adjusting well to its new coordinative role;
4. While much progress has been made, much remains to be done and the rate of progress might be increased elsewhere;
5. Other Departments and Agencies might be more responsive to a new organizational arrangement and mission;
6. Adverse constituency perception of Interior's ability to deliver services;
7. Historically, inter-agency coordination has been difficult at best.

**OPTION TWO--TRANSFER RESPONSIBILITY TO ANOTHER
DEPARTMENT WITHIN THE EXECUTIVE BRANCH**

A. Transfer to Department of Commerce

Advantages:

1. DOC contains economic development programs which are needed in the Pacific Basin such as:
 - a. Economic Development Administration
 - b. Export Administration
 - c. International Trade Administration
 - d. Minority Business Development Agency
 - e. National Oceanic and Atmospheric Administration
 - f. National Telecommunications and Information Administration
 - g. U.S. Travel and Tourism Administration
2. If the major goal is to build the economies of the islands to a higher level of self-sufficiency the DOC program responsibility is a more natural fit;
3. DOC might be more service oriented than DOI;
4. Technical assistance requests dealing with DOC issues may be funded and monitored more readily;
5. It would allow for the implementation of the recommendations made subsequent to the September 13-18, 1987 Department of Commerce economic development mission.

Disadvantages:

1. Territorial responsibilities might become lost;
2. DOC has not historically dealt with indigenous groups;
3. DOC has not historically been an advocate for specific areas of the United States (with the exception of the Appalachian Regional Commission);
4. DOC has a decentralized service delivery and decision making system.

B. Transfer to Department of Defense

Advantages:

1. DOD historically has had a great deal of influence with its constituents;
2. Territories and Commonwealths are strategically important, and would be given high priority in DOD;
3. DOD has a strong, positive image from the viewpoint of many Pacific islanders;
4. DOD has a large budget;
5. There may be a greater accountability by DOD employees than that found in other Agencies;
6. DOD has a history of activity in the Pacific Islands;
7. DOD has an infrastructure in the Pacific Islands and in Washington D.C. that could readily support the Territorial functions:
 - a. Office of International Security Affairs
 - b. Foreign Military Rights Affairs
 - c. Corps of Engineers
 - d. Office of Economic Adjustment

Disadvantages:

1. May bring a negative response from the international community;
2. DOD may not be as responsive to existing Congressional oversight mechanisms;
3. Land utilization under DOD has historically taken precedence over social and economic needs;
4. Territory and Commonwealth interests may be insignificant compared to other active DOD interests;
5. There may not be a strong track record of domestic program delivery.

C. Transfer to Department of State

Advantages:

1. Office of Freely Associated State Affairs is functioning well and could be expanded to handle Territory and Commonwealth functions;
2. DOS has historically had a great deal of influence among its constituents;
3. Historically, DOS has had adequate funding to conduct its mission;
4. DOS could draw upon a number of career officers with economic, development and social service background;
5. Many development programs within DOS could mirror domestic development programs;
6. DOS has a close working relationship with USAID, the primary foreign development assistance arm of the U.S. Government.

Disadvantages:

1. DOS is responsible for formulating and executing U.S. foreign policy and therefore has not been involved in domestic activities;
2. DOS may not be as responsive to existing Congressional oversight mechanisms;
3. DOS because of its mission has not been involved in domestic Federal agency activities;
4. It would be difficult to justify an Assistant Secretary or equivalent position to coordinate Territory and Commonwealth responsibilities at DOS;
5. The domestic identity of American Flag Pacific Islands would be clouded;
6. United Nations response to the claim that Freely Associated States are sovereign would be weakened by having DOS administer Territory and Commonwealth affairs;
7. The self-determined desires of the American Flag Pacific Islands to be domestic entities would be eroded;

**OPTION THREE--ESTABLISH AN INDEPENDENT AGENCY WITHIN THE
EXECUTIVE BRANCH**

Advantages:

1. Would consolidate responsibility for all U.S. Territories, Commonwealths and Possessions;
2. Would elevate the program responsibility a level higher than the current Assistant Secretary status;
3. Would allow greater flexibility in obtaining expertise from other Federal Agencies;
4. Would decrease competition for appropriations within an existing Department;
5. Would provide an opportunity for new and innovative approaches to program development, oversight and administration;
6. Clearly signal a new attitude toward Territories, Commonwealths and Possessions;
7. Would generate an independent focus on issues of major concern.

Disadvantages:

1. Support assistance (budget, legal, policy analysis, etc.) currently available through the Department of Interior may be more difficult to obtain;
2. Budget authorizations and appropriations may be more difficult to justify and obtain;
3. Would lose cabinet level advocate;
4. Long-term survivability of Independent Agencies cannot be assured;
5. Cost of establishing independent offices and support may be high;
6. Establishment of inter-agency relationships may be difficult and time consuming; as may relationships between a new Independent Agency and the affected Governments;
7. It may not resolve the inter-agency conflict existing between DOS and DOI relating to the Freely Associated States.

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2. Would elevate the program responsibility a level higher than the current Assistant Secretary status;
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5. Would provide an opportunity for new and innovative approaches to program development, oversight and administration;
6. Clearly signal a new attitude toward Territories, Commonwealths and Possessions;
7. Would generate an independent focus on issues of major concern.

Disadvantages:

1. Support assistance (budget, legal, policy analysis, etc.) currently available through the Department of Interior may be more difficult to obtain;
2. Budget authorizations and appropriations may be more difficult to justify and obtain;
3. Would lose cabinet level advocate;
4. Long-term survivability of Independent Agencies cannot be assured;
5. Cost of establishing independent offices and support may be high;
6. Establishment of inter-agency relationships may be difficult and time consuming; as may relationships between a new Independent Agency and the affected Governments;
7. It may not resolve the inter-agency conflict existing between DOS and DOI relating to the Freely Associated States.

**OPTION FOUR--VEST TERRITORIAL RESPONSIBILITY WITHIN THE
EXECUTIVE OFFICE OF THE PRESIDENT**

Advantages:

1. Would raise Territory and Commonwealth issues to the highest level;
2. Would increase leverage with other Federal Departments and Agencies;
3. Would allow greater flexibility in obtaining expertise from other Federal Agencies;
4. Would decrease competition for appropriations within an existing Department;
5. Would provide an opportunity for new and innovative approaches to program development, oversight and administration;
6. Clearly signal a new attitude toward U.S. Territories, Commonwealths and Possessions;
7. Would generate an independent focus on issues of major concern.

Disadvantages:

1. Support assistance (budget, legal, policy analysis, etc.) currently available through the Department of Interior may be more difficult to obtain;
2. Long-term survivability is not assured;
3. May have difficulties with executive privilege issue;
4. May lose responsiveness to Congressional oversight;
5. May lose some responsiveness to constituents;
6. Cost of establishing offices and support may be high;
7. Establishment of inter-agency relationships may be difficult and time consuming; as may relationships between the new entity and the affected Governments;
8. It would be burdensome to the President, for it would increase his immediate span of control.

**OPTION FIVE--ESTABLISH A REGIONAL COMMISSION FOR
TERRITORY AND COMMONWEALTH AFFAIRS (Similar to
Appalachian Regional Commission)**

Advantages:

1. Would forge a unique partnership between Federal and affected Governments and between public and private sectors;
2. Would focus all programs of the Federal Government on the Pacific area;
3. Would help build public participation in developmental activities;
4. Would transfer staff closer to the geographic center of activity;
5. Technical assistance could be focused on immediate needs;
6. Decision making would be shared by those directly involved.

Disadvantages:

1. Authorization and appropriations for administration and programs might be more difficult to obtain;
2. Regional commissions have not enjoyed Executive Branch support in recent years;
3. Support services found within major Departments may not be available;
4. A Regional Commission adds another layer of government;
5. Long-term survivability is not assured;
6. Membership changes resulting from local and national elections would cause lack of continuity in policy;
7. Cost of establishing offices and support may be high;
8. Establishment of inter-agency relationships may be difficult and time consuming; as may relationships between a the new entity and the affected governments;
9. Local financial support may be difficult to obtain.

BRIEFING PAPER

IMPACT OF THE COMPACT OF FREE ASSOCIATION

OVERVIEW

The Compact of Free Association Act of 1985, P.L. 99-239, sec. 104(e), stipulates that the President shall report to the Congress with respect to the impact of the Compact on the United States territories and commonwealths and on the State of Hawaii. The purpose of the reports is to identify any adverse consequences resulting from the Compact and to make recommendations for corrective action.

This section was added in response to concerns of the U.S. Pacific representatives that certain provisions in the Compact could adversely affect them. We support the self-determined political status of the freely associated states, while at the same time, we cannot overlook the potential social and economic consequences.

The compact exempts citizens of the freely associated states from passport, visa, and work permit requirements, and enables unrestricted entry, residence, employment, and school attendance at schools in the United States. As a result of this immigration, Guam's educational resources, job market, health care delivery system, and infrastructure could be heavily taxed in providing essential services for the arriving individuals.

Guam's first year impact report discussed several potential issues warranting further exploration. First, the Department of Education saw an increase in the number of Micronesian students in Guam's public school system. Second, the number of arrests of Micronesians was far in excess of the estimated increase in the number residing on Guam. Third, the Guam Memorial Hospital showed a large outstanding debt incurred by FAS citizens.

Congress maintains that it will "act sympathetically and expeditiously to redress the adverse consequences identified" by the President's yearly impact report. Funds may be appropriated for fiscal years beginning after September 30, 1985, to cover the costs, educational and social services by immigrants from the Marshall Islands and the Federated States of Micronesia.

RECOMMENDATIONS

1. The Department of Interior should explain the reason it has not yet responded to the impact reports it received earlier this year.

2. The Department of Interior should state its reaction to the reports submitted by the island governments and by PBDC. DOI should also state the position it submitted to Congress.

3. PBDC should determine from the Department of Interior the possibility of the islands ever receiving impact aid based on these reports; the exact type of documentation Congress requires in order to consider appropriating impact aid; and whether impact aid can be made retroactive to 1985.

4. The Department of Interior should justify reasons Guam and the other areas should continue preparing yearly impact reports in light of the necessary expenditure of local government resources to complete these reports. If the reports can be justified, the Department of Interior should assist with developing a system for monitoring the arrival and departure of FAS citizens into Guam, and into the other territories, commonwealths, and the State of Hawaii, if the need exists in those areas.

REPORT ON WGA & NGA MEETINGS

The reason for this item was to ask governor Waihee to brief Pacific Basin Development Council members on these meetings based upon the assumption that Governor Waihee attended these meetings. However, he did not. Governor Ada may want to note that WGA adopted a policy statement in support of Guam's Commonwealth Act. As of July 22, 1988, we understand that NGA has accepted a proposed change to the NGA adopted resolution (1985) for review.



SPONSOR: Governor Ada
SUBJECT: Commonwealth Status for Guam

A. BACKGROUND

1. The people of Guam have endured occupation by outside forces for the past four hundred and fifty years, including hundreds of years of occupation by the Spanish and occupation by the Japanese Imperial Forces during the Second World War.
2. The people of Guam became subjects of America as a result of the Spanish-American War, and for almost fifty-one years, the people of Guam were ruled by an American Naval Government. In 1950 the United States Congress established an organic Act for the Territory of Guam, granting citizenship to her people and establishing a limited form of self-government for the Territory.
3. The people of Guam have for generations been loyal subjects and then citizens of this country, having the largest number of military retirees per capita, as well as having suffered the greatest number of casualties per capita in defense of our nation during the War in Southeast Asia. The people of Guam desire a closer relationship with the United States of America, as well as a degree of self-government more similar to that enjoyed by their fellow American citizens who live in the fifty states.
4. The people of Guam desire to be free from the federal constraints uniquely imposed upon them, which prevent the Territory from developing economic self-sufficiency and realizing its fullest economic potential. After almost eighty-nine years of association with American, and thirty-eight years of citizenship, the people of Guam have learned well the lessons promulgated by the United States of America and stand ready for the rights and responsibilities inherent in the promise of democracy implicitly made to this Territory, and all territories by the United States of America.
5. The people of Guam have expressed these aspirations through a strong positive vote in a recent local plebiscite held on the draft Commonwealth Act for Guam, the first form of Government that the people of Guam have had any role in designing. This Commonwealth legislation has been presented to the United States Congress for its consideration.

B. GOVERNORS' POLICY STATEMENT

1. The Western Governors' Association supports in spirit the quest of the people Guam for a closer relationship with the United States of America and a greater degree of self-government through the establishment of a COMMONWEALTH OF GUAM.
2. WGA supports the further development of Guam as America's western most bastion of democracy and free enterprise; a shining example of the benefits attainable through our American system....an example of American accomplishment and pride on the doorstep of the Asian continent.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. WGA is to transmit this resolution to members of the western delegation, appropriate House and Senate committee chairmen and the Secretary of State.

DISPOSITION:

Approved: Mofford (AZ), Deukmejian (CA), Romer (CO), Andrus (ID), Schwinden (MT), Carruthers (NM), Sinner (ND), Goldschmidt (OR), Mickelson (SD), Bangerter (UT), Gardner (WA), Sullivan (WY).

Not Present: Cowper (AK), Waihee (HI), Orr (NE), Brvan (NV), Lutali (A.S.), Ada (Guam), Tenorio (NMI).

RESOLUTION

COMMONWEALTH STATUS FOR GUAM

NGA REAFFIRMS ITS SUPPORT OF COMMONWEALTH STATUS FOR GUAM WITH THE UNITED STATES AND RECOGNIZES TWO RECENT PLEBISCITES IN WHICH THE CITIZENS HAVE CALLED FOR THIS CHANGE.

REGIONAL INTELLIGENCE INFORMATION SYSTEM

Overview:

At present, the Pacific Basin Region does not have a regional law enforcement intelligence information system or a network which identifies known drug traffickers within the Pacific region. In addition, most of the U.S. Intelligence Information systems which are available to the Pacific Region focus upon known U.S. drug traffickers within the continental U.S. Thus, with the possible exception of Hawaii, most of the intelligence information that are available through these networks are of limited use to the Insular areas.

While a small amount of marijuana is cultivated on Guam, most of the drugs available on Guam are imported. With the exception of cocaine and some marijuana which enters Guam from Hawaii, most of the drugs which enter Guam are from surrounding Micronesian Islands. Of primary concern to Guam is the flow of heroin from the Republic of Belau. During calendar year 1987 there were 63 drug seizures at Guam's ports of entry. The following are the number of drug seizures by origin:

<u>Origin</u>	<u>No. of Seizures</u>
CMNI	11
Honolulu	3
FSM	4
Belau	40
Philippines	5

Because most of the drugs found in Guam are imported from the Pacific Region, the territory of Guam requires the ability to link into the intelligence information systems of the Commonwealth of the Northern Marianas, American Samoa, Hawaii, the U.S. Customs Service and other U.S. intelligence information systems in order to identify and interdict drug traffickers. Guam also requires the ability to obtain intelligence information from the former US trust territories which are now freely associated with the U.S.

The view that there exists a growing need to establish an intelligence

information Network for the Pacific Region does not appear to be held solely by Guam. Representatives from the PBDC member governments at various law enforcement conferences and meetings have informally met to discuss the need for establishing a regional intelligence information network for the Pacific Basin and the problems with using the Western Regional Intelligence Support System, a system which is currently being funded by Department of Justice discretionary funds and state membership fees.

Under the State and Local Assistance for Narcotics Control Grant program Guam has the ability to acquire some of the computer hardware required to link into a Pacific Basin Intelligence Network, should one be established. Guam, however, lacks the technical expertise to establish and implement a Network and with the possible exception of Hawaii, it is doubtful that the required expertise exists within the Pacific Basin.

It should be noted that during a South Pacific Chiefs of Police Conference held during April 1988 in American Samoa a South Pacific Islands Criminal Intelligence Network was created. The Network is to service 17 Pacific Island Nations. While the Guam Police Department attended the conference, to its knowledge the Network has not been established and is still nothing more than a desire.

Recommendation:

In order to establish a regionally appropriate Intelligence Information Network for the Pacific Basin Region, the Governor of Guam should pursue the following actions:

- Obtain the active support of the other Governors to establish the Network. In doing so, each of the Governors should identify appropriate contact persons within their respective government structures.
- Identify a location for the Network Center. As Hawaii does have an extensive criminal justice automated information system, it may be a logical location for the Network Center.
- The PBDC staff should explore the costs of establishing and maintaining the Network as well as apply to the Department of Justice on the behalf of PBDC for discretionary funds to establish and fund the operations of the Network. Technical

assistance should also be sought in order to:

- Determine appropriate software to be used, to modify it to meet the Region's needs and to ensure that the Network can link into other established networks;
 - Determine appropriate computer hardware requirements to ensure that PBDC members can link into the Network; and
 - Train member governments on how to use the system (inputting, retrieving and analyzing the intelligence information).
- The PBDC should seek the support and inclusion of the former U.S. trust territories which are now freely associated with the U.S. in the Network.

AUTOMATED FINGERPRINT IDENTIFICATION SYSTEM

Overview:

During the Summer 1987 PBDC meeting held in Saipan, Commonwealth of the Northern Marianas, Governor Waihee from Hawaii mentioned that Hawaii is bringing on line a state of the art, Automated Fingerprint Identification System (AFIS). Governor Waihee also mentioned that when the system comes on line, Guam and the other PBDC members may want to consider using it.

The AFIS uses computers to scan fingerprints, extract identifying characteristics, translate the fingerprints into binary numbers, and compare those numbers with similar numbers in files of innumerable other prints. The computers can process up to 600 print numbers per second. Print comparisons resulting in a close match between a file print and a crime scene print are verified by a specialist for final identification. The accuracy of the AFIS in searching and matching fingerprints is as high as 98 to 100 percent, and has enabled fingerprint matches to be made that were otherwise not possible. The AFIS is an extremely expensive system and as such only a few states and metropolitan areas have it and many share their systems on a regional or cooperative basis. The AFIS in Hawaii is costing the state approximately \$ 1 million to bring it on line.

Guam cannot afford to establish its own AFIS, nor would the establishment of the AFIS on Guam be cost effective at this time. However, the ability to access Hawaii's AFIS would significantly enhance the investigative efforts of the Guam Police Department. Because manually matching fingerprints is an extremely time consuming process, many of GPD's cases are still open and cannot be cleared. The Attorney General's prosecution activities would be significantly enhanced if fingerprint matches could be made on its cases. The identification and prosecution of narcotics dealers from prints lifted from containers storing drugs would also be significantly enhanced. As there is considerable migration between Guam and Hawaii, Hawaii's law enforcement efforts would be enhanced as it would have access to additional fingerprint files from Guam.

At present the Guam Police Department is receiving a significant amount of computer equipment under the Narcotics Control grant. With the equipment GPD will have the necessary computer hardware to transmit and receive fingerprint information from Hawaii. In addition, the optic fiber

cable currently being layed will further facilitate the transmission of fingerprints and information. As GPD has not yet acquired its computer equipment, equipment which is compatible with Hawaii's AFIS can be still be acquired.

Recommendation:

The Governor should meet with the Governor Waihee to discuss the establishment of a formal agreement between Guam and Hawaii which will enable Guam to access and use Hawaii's AFIS. The Governor may also want to include the Governors of CMNI and American Samoa in the discussions as they may also have a strong desire to access Hawaii's AFIS. Appropriate contact persons should be identified from each of the political entities who would be responsible for:

- Developing the formal agreement and negotiating user fees;
- Identifying the appropriate computer hardware and software and other technology which will be required in order for Guam to interface with Hawaii's AFIS; and
- Identifying appropriate training which Guam's Police Department personnel must undergo in order to have the skills necessary to access the AFIS and make fingerprint matches .

REGIONAL AQUACULTURE CENTER & PACIFIC HEALTH INITIATIVE

The purpose of these agenda items is for PBDC staff (or Hawaii) to briefly discuss the status of these activities. Guam should pay particular attention to the financial and technical assistance that could be provided to Guam. Monies have been provided to the hatchery facility in Fadian but these monies will soon be exhausted with no commitment for future funding. An application has been submitted for funding under the Pacific Health Initiative to the US HHS by Guam but we are not aware of any funding decision. No supporting documents are attached to this briefing paper.

EXCLUSIVE ECONOMIC ZONE

In the past several years, activity in developing policy regarding the EEZ has been undertaken at the local (state or territory) level, inter-state organization (PBDC, WGA, NGA, CSO) level, but very little has been accomplished at the federal level.

The Executive Director of PBDC is currently managing a second, Section 309 grant from Office of Ocean and Coastal Resource Management (OCRM), on behalf of the four, island coastal zone management programs. The first grant funded a conference in Hawaii in 1987, for the purpose of exploring all aspects of EEZ management (federal, local and private). The second grant, currently being managed, is being used to gather all local authorities within the ocean (for the four island governments), and analyzing those authorities within the context of federal authorities and local opportunities. In that regard, Mr. Robert Knecht and (Ret.) Admiral Bruce Harlow have been contracted, and they will be performing on-site visits to Guam and CNMI in mid-September for that purpose.

In June of 1988, the Western Governor's Association held a meeting in Hawaii to explore state-territory opportunities in the EEZ. The two main topics of discussion at that meeting included:

1. Analysis of the new legal regime governing America's marine resources.
2. Analysis of the similarities in the western states' experience in development of minerals under onshore federal mineral laws and the opportunities facing states, territories and the commonwealth looking to develop their EEZ mineral resources.

As a result of the meeting, three, general proposals for further action were advanced:

1. Develop a comprehensive statement of what the term "full partner" actually means when the states, territories and commonwealth call for it regarding EEZ development.
2. Apply the "full partner" terminology directly to the EEZ minerals development situation.
3. Develop draft legislation incorporating the "full partner" terminology for consideration by the new Congress and Administration.

Locally, Guam will be undertaking a series of actions in order to develop local policy, rules and regulations for the whole variety of issues and opportunities associated with Guam's EEZ. These include:

1. Designation of the local, lead agency for EEZ. (Guam Coastal Management Program).
2. Amending local laws to advance local interests in the 200nm EEZ.
3. Developing, through a task force, comprehensive ocean resource management plans for Guam's EEZ.

SUGGESTED ACTION:

Executive Director of PBDC should continue applying for and managing Section 309 grants on this subject, on behalf of the four island CZM programs. Future grants should focus on legal rights of Hawaii, Guam, CNMI and American Samoa, and the development of regional policy.



OFFICE OF STATE PLANNING

Office of the Governor

JOHN WAIHEE, Governor

STATE CAPITOL, HONOLULU, HAWAII 96813 TELEPHONE : (808) 548 5893

July 7, 1988

MEMORANDUM

TO: WGA EEZ Workshop Participants and Invitees

FROM: Murray E. Towill (HI) *ME T*
Phil Shimer (WGA) *P.S.*

SUBJECT: June 13-14 EEZ Workshop Results

Attached for your use and information is a workshop agenda, attendance list, and copies of all materials distributed at the workshop.

In general, our meeting was very successful. All sessions were well attended which is indicative of the quality of the presentations and follow-up discussions as well as the level of interest in the subject matter. Of particular importance was a general consensus which emerged reflecting not only how much all WGA coastal states share in common, but also how much they differ (especially the mainland coastal states and the American Flag Pacific Islands) in terms of unique problems, issues, and opportunities.

As to where we go from here, three separate though related courses of action and concomitant work products emerged which seem most reasonable given the workshop discussion results. The first work product is described in Attachment "A" and involves the preparation by WGA of a detailed policy position regarding EEZ minerals, to include the development of draft minerals mining legislation, as appropriate, for consideration by the new Congress and Administration.

A second work product concerns the preparation of a policy piece regarding those individual State EEZ actions which might be undertaken by coastal states in becoming a "full partner." This will be prepared by Bruce Harlow and Hawaii and will include detailed suggestions regarding the use of coastal state executive orders and administrative directives in asserting EEZ principles, rights, and authorities.

Memorandum
July 7, 1988
Page Two

A final work product will deal with those steps needed to further the broader agenda of coastal states (beyond EEZ minerals) to include a review of the National Ocean Policy Commission (NOPC) legislation now pending in Congress. This work will be undertaken by Bob Knecht and Hawaii and will contain recommendations for amendments to the NOPC legislation, as needed, to align the legislation with the full range of coastal state EEZ-related needs and concerns.

Thank you very much for your continuing support and assistance in this important matter of mutual concern.

Enclosures

Background

The WGA EEZ work program was begun last year. It has been primarily informational but is becoming more directed at preparing the governors to participate in legislative efforts which are likely to get underway in the next Congress. These efforts will be to draft implementing legislation reflecting the President's 1983 proclamation designating a 200 mile EEZ off the nation's shores and to develop legislation dealing with non-energy minerals mining within the EEZ. Consequently this program is managed out of the WGA office in Washington, D.C. Much of last year was spent working to increase the awareness of governors, key federal and state policymakers, and ultimately the public, of the tremendous potential for economic development that exists within the EEZ and its adjacent coastal areas. Other coalition building and informational efforts have been aimed at defining the legitimate state role in management of the EEZ. As awareness and understanding grows, the support for congressional action will also increase.

Pursuant to WGA Policy Resolution 87-001 and the work program adopted at last summer's annual meeting, WGA has been working to build support for the concept of a joint state/federal management framework for the EEZ. WGA worked in developing EEZ policy for consideration at NGA during last February's winter meeting. Governor Waihee serves as the lead governor on the EEZ for both WGA and NGA. The NGA resolution, adopted unanimously, put the nation's governors on record for the first time in favor of a full state/federal partnership for managing the EEZ. The resolution also expressed the governors' strong support for establishment of a National Oceans Policy Commission (NOPC) charged with developing legislative recommendations on the EEZ. Governors would be members of NOPC in legislation that has passed the House. If similar legislation makes it through the Senate, which seems unlikely this year, it is anticipated that at least one western governor would be named to the commission.

In June a WGA working group of 35 people met in Honolulu to begin the process of developing policy recommendations to western governors. Reports on several major EEZ issues were reviewed at that meeting. Topics covered include:

1. Analysis of the new legal regime governing America's marine resources. Issuance of the EEZ proclamation fundamentally altered the legal character of the marine resources within the EEZ by removing them from the international domain. The international community now regards resource management in the U.S. EEZ as a purely domestic matter. Although the proclamation does not grant any authority to states, territories or commonwealth, by altering the legal nature of the EEZ resources it does offer an opportunity to all of them to become full partners with the federal government for EEZ resource management. In addition, the different legal status of the territories and commonwealth provides even further opportunities to them to actually control the EEZ resources.
2. Analysis of the similarities in the western states' experience in development of minerals under onshore federal mineral laws and the opportunities facing states, territories and the commonwealth looking to develop their EEZ mineral resources. The western states' onshore experience is analogous to the circumstances confronting states in regard to mineral development offshore. While mineral development in the EEZ has greater uncertainties and may require greater financial risk for the developer there are also many similarities (e.g., impacts, environmental tradeoff, and the availability of revenue sharing to assist in mitigating them.) Overall the issue presents an opportunity for the

states to work together toward the resolution of existing mineral issues onshore and new issues arising from potential development within the offshore EEZ.

Proposed Program

As a result of the Honolulu working group meeting it was decided that WGA should focus its effort in the next program year in three areas, all of which are related to filling the void that currently exists in the area of EEZ minerals. These will be:

1. Develop a comprehensive statement of what the term "full partner" actually means when the states, territories, and commonwealth call for it regarding EEZ development. It has been suggested that this include the kind of participation in the EEZ program that the states already enjoy in the federal coal program including: policy, planning, pre-lease, impact analysis, lease sale, management, and program management.
2. Apply the "full partner" terminology directly to the EEZ minerals development situation. The working group discussed using a specific development project, perhaps the Johnston Island proposal for mining cobalt manganese crusts, as a way of determining the appropriate state role in each phase of development.
3. Develop draft legislation incorporating the "full partner" terminology for consideration by the new Congress and Administration. The Honolulu meeting participants directed that WGA consider developing a legislative vehicle that could either be used as a stand-alone bill or that could be adapted to form a series of amendments on deep sea hard rock minerals mining legislation considered in the current Congress.

Budget

Hewlett Foundation	\$15,000
Unrestricted	<u>10,000</u>
	\$25,000



SETBISION MAMPLANEHA
GOVERNMENT OF GUAM
AGANA GUAM 96910

AUG 02 1988



Memorandum

To: The Governor

From: Director, Bureau of Planning

Subject: Suggested Actions Relating to Exclusive Economic Zone

Through various conferences and workshops, relating to the 200 nautical mile Exclusive Economic Zone (EEZ) attended by staff of Bureau of Planning, several points have become evident:

1. The Federal Government is not yet prepared to initiate comprehensive rule making on EEZ issues;
2. The coastal States and Territories are, to varying degrees, prepared to initiate their own actions, (to force a federal partnership by the States, and to exert exclusive authority by some of the Territories);
3. Guam has begun the process of exerting authority through statute, Draft Commonwealth Act and Legislative Resolution; and,
4. Private interest and ability to exploit resources within the EEZ are either already in place, or are rapidly expanding.

The Bureau believes the time has come for Guam to take strong actions in developing EEZ legislation, rules and regulations, permits, and exploitation programs. Legal support for our position (apart from a positive federal agreement to the Commonwealth Act) lies in two realities:

1. President Reagan's EEZ Proclamation (5030) effectively took the EEZ out of "international domain". The international community now regards resource management in the U.S. EEZ as a purely domestic matter, (except for defense and freedom of innocent passage issues); and,
2. Department of Interior (Mineral Mining Service) reports state that Territories without full participation in the National government should be the beneficiaries of resource exploitation within their EEZ's.

The Bureau recommends the following actions be initiated by the Government of Guam.

LOCAL:

1. Public Law 15-114 be amended to read "200 Nautical Miles", rather than the 200 Geographical miles as currently written. This action will increase Guam's claim by approximately 30 geographical miles distance, and would correspond to the international norm.
2. Designate, through Executive Order, the lead agency for EEZ matters. This is necessary in order to effectively create a program which can equally address all of the issues in a manner which will produce the greatest benefit with the least conflict. We suggest the Bureau of Planning, and in particular the Guam Coastal Management Program, be designated. This would result in a natural extension of current Bureau of Planning authority, rather than a totally new area of responsibility.
3. *Through E.O. [Signature]*
~~Draft legislation~~ creating a multi-disciplinary task force, directing such task force to complete a comprehensive Guam Ocean Resources Management Plan. The task force would develop policy, guidelines, and necessary draft legislation for research, exploration, exploitation and management of all living and non-living natural resources within Guam's EEZ. An example of such legislation (Oregon Senate Bill 630) is attached.

NATIONAL:

1. Request Congressman Blaz to pursue a change to Public Law 93-435;88 Stat:1210 (48 USC 1705), to delete Sections (b)(ii) and (iii). These sections retain United States jurisdiction over resources found within the submerged lands adjacent to federal property. This provision applies only to the Territories, and no such claim is made to any State of the Union.
2. Request, from the President, a new Presidential Proclamation, reverting those submerged properties as claimed in Presidential Proclamation 4347 (February 4, 1975, 40 F.R. 5129) to the Government of Guam.
3. Request the House Subcommittee on Interior and Insular Affairs to amend H.R. 1260 (Marine Mineral Mining Bill) to delete Guam, or to define Guam as "Freely Associated State" rather than "Coastal State". This change would afford Guam more choices and is in the correct definition in order not to prejudice the Commonwealth Act.

All of these suggested actions will require a concerted effort. It is also essential that, because of the scope of the responsibilities inherent in such an effort, additional personnel will be required by the designated lead agency. This new responsibility will require a working knowledge of fisheries,

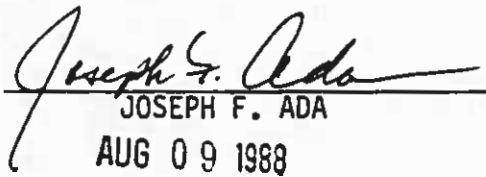
minerals, energy, recreation, water quality, salvaging, mariculture and the ability to deal with esoteric and as yet undefined areas of opportunity, as well as the on-shore impacts and needs associated with those activities.

Should you agree with the concepts and suggests outlined in this memorandum, I am at your disposal to discuss an implementation schedule.


PETER P. LEON GUERRERO

Attachments

AGREE ☒ DISAGREE ☐


JOSEPH F. ADA
AUG 09 1988



BROWN TREE SNAKE

The Brown Tree Snake Task Force was formed in March of 1987. The Task Force's objective is to coordinate the research, management and control activities of all agencies concerned with the eventual eradication of the Brown Tree Snake on Guam and its containment to Guam in the interim.

As PBDC is well aware by now, the brown tree snake is primarily responsible for the near-eradication of Guam's native birds. As a result, containment of the tree snake and its eventual eradication is a major issue. The tree snake may also be viewed as being responsible for increasing Guam's susceptibility to the establishment of exotic insect pests through the near eradication of Guam's population of both native and exotic birds.

ISSUES:

I. Containment

The need for containment and exclusion of the tree snake has created new responsibilities for agencies involved in the transportation of goods and cargo.

1. On August 11th, 1988, Dr. Thomas H. Fritts of the U.S. FISH And WILDLIFE SERVICES met with Military Customs Inspectors, cargo supervisors and other representatives involved in the military transportation system as well as local representatives of the Brown Tree Snake Task Force (BTSTF) and discussed memorandum of understanding between the various services to control the snake problem and prevent its spread to outer Islands in the Pacific.

2. Through the Department of Interior and military funding of \$100,000 (\$50,000 from the U.S. Navy and \$50,000 from the U.S. AIR FORCE), efforts will be concentrated on the development of some type of fumigant to fumigate and seal the cargo to insure that such cargo is snake free. A video tape on the tree snake was prepared by U.S. Fish And Wildlife and provided to the Navy's representative on the task force - Lt. Fyre, who in turn will make copies of the video and disseminate the tape to the various military units. Lt. Fyre also made the tape available to members of the BTSTF.

3. Mr. Tom Hertletts, chairman of the Guam chamber of Commerce's Maritime committee, is responsible for the participation of the chamber in an effort to minimize the possibility of the tree snake stowing away in cargo destined for other areas in the Pacific.

4. Mr. M.T. Riveira of Black Micro Corporation (BMC), their duly appointed quarantine officer, is involved thru the BTSTF in inspecting equipment in which the parent company, Black Construction Company, (BCC), as well as its subsidiary, Black Micro Corporation, shall be inspected and treated to insure snake free cargo prior to movement to the port of Guam for export. Mr. Riveira has also designed several snake traps that are currently being tested for their effectiveness. In addition, Mr. Riveira has prepared an in-depth report entitle "Implementation Plan To Prevent Importation Of Harmful Insects, Rodents And Especially Brown Tree Snake", as well as a verification checklist to be used in all actions taken to prevent the infestation of our high risk cargo and equipment, from the tree snake. This checklist was prepared due to the non-existence of government documentation providing guidelines for a snake export prevention plan. This declaration applies to all high risk cargo originating on Guam destined for one or all of the following areas: CNMI, FSM, Republic of Belau, and the Republic of the Marshall Islands.

These actions/steps were taken as a result of the need for containment and exclusion of the tree snake to Guam, which in turn created new responsibilities for agencies involved in the transportation of goods and cargo. The containment and exclusion committee, formed as a result of the need to contain the tree snake, is currently working on developing protocol recommendations. The cooperation of Government of Guam agencies and private sector entities, such as BCC and BMC, in implementing containment protocols as they are established can be assured through Executive Order, Legislative action, and regulatory mechanisms. The military is also involved due to the enormous shipping activity associated with the military.

II. Request for assistance from the U.S. Department of Agriculture's Animal Damage Control research program.

As a result of the denial of Governor Ada's initial request to have the tree snake declared an Agricultural pest by USDA, a second letter was prepared and forwarded to the Secretary of Agriculture, Mr. Richard E. Lyng, requesting that USDA reconsider its position and declare the tree snake as an agricultural pest on Guam. In support of this second request/appeal for reconsideration, letters from PBDC, The Armed Forces Pest Management Board, and the Office of the Assistant Secretary of Defense were prepared and made a part of the request for reconsideration. To date Guam has not been succesful in having the tree snake officially declared as a pest. In association with this effort Guam's Department of Agriculture is currently working with the University of Guam's College of Art and Life Sciences and the U.S. Soil Conservation in conducting a pilot survey among farmers for

gathering data on the impact of the tree snake on the poultry industry. The survey questionnaire, once tested and amended, will entail gathering the data over a period of one year and will then be analyzed. The findings will be presented to USDA to substantiate Guam's request for the declaration of the tree snake as an agricultural pest.

Pacific Basin Development Council

Suite 325 • 567 South King Street • Honolulu, Hawaii 96813-3036

Telephone (808) 523-9325 Facsimile (808) 533-6336

Governor Joseph F. Ada
Guam
President

Governor John Waihee
Hawaii
Vice President

Governor A.P. Lutali
American Samoa
Secretary

Governor Pedro P. Tenorio
Commonwealth of the
Northern Mariana Islands
Treasurer

April 4, 1988

COL. ROBERT W. CLEGERN
Executive Director
Armed Forces Pest Management Board
U.S. Department of Defense
Forest Glen Section WRAMC
Washington, DC 20307

Dear Bert:

We are quite pleased to know that the military customs inspection program has increased its precautionary measures. Because of the growing military use of Tinian in the Northern Marianas, these preventive actions are vital.

On my recent field visit to Saipan, I had discussions with Mr. Nicolas M. Leon Guerrero, CNMI Director of Natural Resources, and Arnold Palacios, Mr. Guerrero's Chief of Fish and Wildlife Resources, regarding the inspection of in-bound military cargo on Tinian. I would like to share the information I obtained with you and your colleagues.

As you may be aware, the CNMI Customs program has a cooperative agreement for joint arrival inspections with the Department of Natural Resources quarantine program which enables more efficient utilization of limited CNMI manpower resources. With limited Customs/quarantine personnel on Tinian Island, it is nearly impossible to achieve 100% visual inspections especially on shipments which arrive at non-business hours or bulk cargo transfers. Therefore, both Mssrs. Guerrero and Palacios would strongly encourage exercise of the military debarkation measures on Tinian cargo.

Jerry B. Norris

COL. ROBERT W. CLEGERN

April 4, 1980

Page 2

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203-772-1808 (808) 252-252 (858) 252-252

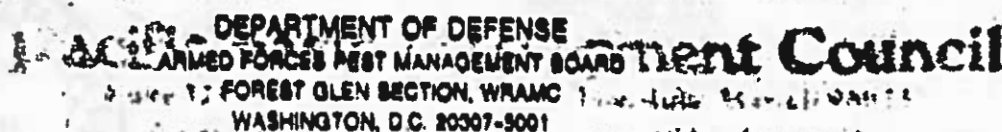
Your reactions to this recommendation would be welcomed.

With aloha,

CKI

CAROLYN K. IMAMURA
Director of Planning
and Programs

cc: Mr. Nicolas M. Leon Guerrero, CNMI/DNR
Mr. Arnold Palacios, CNMI/DNR-FWD
Mr. Harry T. Kami, G/Ag-AWR
Mr. Albert Lam, HI/DOA-AQ
Mr. Ernest Kosaka, DOI/FWS-Hnl
Dr. Thomas Fritts, DOI/FWS-Nm



Honorable Joseph F. Ada
President, Pacific Basin Development Council
Suite 325, 567 South King Street
Honolulu, Hawaii 96813-3036

Thank you for your letter of February 24 and Mr. Norris' letter of March 1 concerning the brown tree snake. This response provides an answer to your latest inquiry on the subject.

The voting members of the Armed Forces Pest Management Board and the Board staff support your Council's position in seeking U.S. Department of Agriculture (USDA) designation of the brown tree snake as an agricultural pest. We feel that such a designation is important for both research and quarantine purposes.

I discussed our Board position on the snake with Mr. Jerry Barron, USDA Director of Intergovernmental Affairs, when he called this office prior to the upcoming visit of USDA officials to your area. I hope your meetings with the USDA personnel are fruitful on this and other subjects.

Our Board will continue to play a positive role in the control and quarantine of the brown tree snake and other pest organisms. Please notify me if we can be of further assistance.

Robert W. Clyn

ROBERT W. CLEGERN
Col, BSC, USAF
Executive Director

cc: ODASD (Environment)
Mr. C. Spencer, Chairman, AFBMB
Mr. E. Crooks, USDA/APHIS/PPQ rep. to AFBMB
Mr. L. Shotton, Chairman, AFBMB Natural Resources Comm.
LtCol J. Lang, Chairman, AFBMB ad hoc Quarantine Comm.

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APR 11 1989

AFRICAN DEVELOPMENT COUNCIL

DIVISION OF AQUATIC & WILDLIFE RESOURCES
DEPARTMENT OF AGRICULTURE
P.O. Box 2950
Agana, Guam 96910



June 10, 1988

Jerry Norris
Pacific Basin Development Council
567 South King St.
Suite 325
Honolulu, Hawaii 96813

Dear Jerry:

Thank you for the copy of yours to Governor Ada regarding data needs to have the Brown Tree Snake declared as an agricultural pest.

Based on a previous discussion with my Director, I was under the impression that the College of Agriculture and Life Sciences at UOG will be gathering the information on the impact of the snake on poultry. However, since receiving your letter to the Governor, I inquired at CALS and was told that they had no specific data gathering project. They had submitted a report primarily of anecdotal and incidental reports of snake related damages, which Joan Perry had sent you.

When I inquired at UOG about this matter, I was told that the 4-H'ers will be conducting some kind of project related to snake and live stock damages.

Because the information provided you are anecdotal and incidental, I have prepared a questionnaire, copy enclosed, to obtain data which would provide some means of determining economic impact of the snake on poultry and other livestock this summer.

Yesterday, I met with Joan and Pete Melyan, an UOG Extension Agent working with the 4-H'ers, to asked for their assistance in distributing and collecting this questionnaire. Although it will be awhile before the information from these questionnaires would become meaningful, I believe it would be worthwhile to collect them.

I am including additional information on snake related damages on fowl collected by my staff during the initial investigation to determine whether snakes were impacting the birds on Guam. Again, the information was gleaned from an overall census on snake impact, so it is an overview type of information.

I will discuss this matter with Carolyn next week.

I hope the present information will suffice to have the snake declared as an agricultural pest.

Aloha,

HARRY T. KAMI

HARRY T. KAMI
Chief, Aquatic & Wildlife Resources

Information from A&WR Questionnaire

The results are based on 334 questionnaires returned to the Division.

1. Question: Have you raised or are raising birds? (pets, chickens, pigeons, etc.)

Answer: Yes 51.2%
No 48.8%

2. Question: Were the birds preyed upon?

Answer: Yes 74.9%
No 25.1%

3. Question: What were the predators?

Answer: Snake 50.7%
Rat 12.1%
Monitor Lizard 10.1%
Dog 9.0%
Cat 18.1%

DRAFT

Washington, D.C.
February 24, 1988

THE HONORABLE RICHARD E. LYNG
Secretary
U.S. Department of Agriculture
14th & Independence Avenue, SW
Washington, DC 20250

Dear Secretary Lyng:

On September 1, 1987, Governor Joseph F. Ada of Guam wrote to you requesting assistance from the USDA Animal Damage Control (ADC) program in dealing with the brown tree (Boiga irregularis) snake problem. Governor Ada specifically requested reconsideration of the USDA position that the brown tree snake is not an agricultural pest.

The brown tree snake is a serious problem for Guam and it poses a significant threat to us as well. Accidental introduction of this species outside of Guam has already occurred and is documented.

We strongly support Governor Ada's request for USDA assistance and respectfully urge your reconsideration of the previous decision against agricultural pest designation.

If you or your staff have any questions, please feel free to contact Mr. Jerry B. Norris, PBDC Executive Director, at (808) 523-9325.

We look forward to your reply.

Respectfully,

JOHN WAIHEE
Vice President and
Governor of Hawaii





DEPARTMENT OF DEFENSE
ARMED FORCES PEST MANAGEMENT BOARD
FOREST GLEN SECTION WRAMC
WASHINGTON D.C. 20307-5001

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MAR 2 1988

PACIFIC BASIN DEVELOPMENT COUNCIL

February 29, 1988

Mr. Jerry B. Norris
Executive Director
Pacific Basin Development Council
Suite 325, 567 South King Street
Honolulu, Hawaii 96813

Dear Mr. Norris:

I am formally responding to your request for written confirmation of the Department of Defense's point of contact (POC) for information concerning the Brown Tree Snake in the Pacific region. As you were informed by Mr. Robert Wardwell of my staff on February 24, 1988, RADM T.J. Johnson, COMNAVMARIANAS, has been designated as the POC. He is the USCINCPAC representative on Guam and he currently has individuals on his staff, specifically CDR Michael M. Dodge, who are knowledgeable about the snake and are prepared to assist the PBDC in matters relating to this reptile.

The Armed Forces Pest Management Board is prepared to provide technical expertise and support to DoD and other governmental agencies concerning the Brown Tree Snake. We will also continue to work with USDA personnel and Mr. Amos Street, Manager of the Military Customs Inspection Program. I believe that through mutual efforts, including the civilian sector, progress can be made not only in reducing the spread of the snake in the Pacific region, but also in the control of existing populations. I may be contacted at (301) 427-5191, if you have any questions concerning this issue. I look forward to working with the Pacific Basin Development Council on this important matter in the future.

Sincerely,

ROBERT W. CLEGERN
Col, BSC, USAF
Executive Director

cc: RADM T.J. Johnson, COMNAVMARIANAS
Mr. Amos Street, Jr., DALO-TSP-CI



THE OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301-6000

RECEIVED
SEP 11 1987

PRODUCTION AND
LOGISTICS

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PACIFIC BASIN DEVELOPMENT COUNCIL

SEP 21

Mr. Jerry B. Norris
Executive Director
Pacific Basin Development Council
567 South King Street, Suite 325
Honolulu, Hawaii 96813

Dear Mr. Norris:

This is written in reply to your letter of September 2 concerning the brown tree snake.

I agree that the snake is a problem on Guam and poses a threat to other Pacific islands. The Armed Forces Pest Management Board (AFPMB) specifically pointed out the snake as a quarantine issue in a March 9 letter to the Commander of the Military Traffic Management Command. Additionally, the Natural Resources professionals of the Navy and Air Force have initiated funding for a research program to develop control methodologies for the snake.

The attached AFPMB letter was written to establish the Department of Defense (DoD) point of contact which you are seeking on this issue. We have requested that your office be contacted directly in order to minimize delays. I am sure that DoD personnel on Hawaii and Guam will be pleased to work with their civilian counterparts to control the snake and prevent its spread.

I appreciate your concern about the brown tree snake, and I invite your office to contact the AFPMB directly for further coordination or information on this problem.

Sincerely,

Carl J. Schafer, Jr.
Deputy Assistant Secretary of Defense
(Environment)

Attachment
As stated

DEPARTMENT OF DEFENSE
ARMED FORCES PEST MANAGEMENT BOARD
FOREST GLEN SECTION, WRAMC
WASHINGTON, D.C. 20307-5001

11 SEP 1987
PACIFIC BASIN DEVELOPMENT COUNCIL

September 23, 1987

MEMORANDUM FOR HEADQUARTERS, DEPARTMENT OF THE ARMY
ATTENTION: DALO-TSP-C1 (MR. AMOS STREET, JR.)

Subject: The Brown Tree Snake in the Pacific Basin

Pursuant to your recent conversation with Mr. Bob Wardwell of our Board, I am providing you with correspondence from the Pacific Basin Development Council concerning the brown tree snake on Guam. As indicated in the attached letter, the Executive Committee of that organization is requesting a permanently designated Department of Defense contact for quarantine inspection efforts relating to the subject snake on Guam and elsewhere in the Pacific region. I am requesting that you contact USCINCPAC, Office J111, Honolulu, Hawaii in regards to their willingness to designate a point of contact (POC). Please ask that the designated PACOM office directly contact Mr. Norris, the Executive Director of the Council, in order to minimize delays in responding to their request.

The PACOM POC should use information resources available within the Pacific area for literature, data and other guidance concerning the snake. However, this Board, in cooperation with the United States Fish and Wildlife Service, will gladly provide additional biological and control information upon request.

Your prompt attention to this matter will help DoD's effort to assist in halting the spread of this ecologically destructive reptile to other islands in the Pacific Basin. Please contact either Mr. Wardwell at (202) 427-5365 or myself at (202) 427-5191 for any additional information or further clarification of this matter.

1 Attachment
As stated

Robert W. Clegern
ROBERT W. CLEGERN
Col, BSC, USAF
Executive Director

cc:
ODASD (Environment)
Mr. L. Shotton, NAVFACENGCOM Natural Resources
Dr. L. Clark, HQ USAF/LEEVN
Mr. D. Bandel, HQ, DA, (DAEN-ZCF-B)

DRAFT

Washington, D.C.
February 24, 1988

COL. ROBERT W. CLEGERN
Executive Director
Armed Forces Pest Management Board
U.S. Department of Defense
Forest Glen Section, WRAMC
Washington, DC 20307

Dear Col. Clegern:

We would, first of all, like to thank you and your staff for your assistance on the brown tree snake issue. Each new confirmed sighting or accidental introduction of the species makes efforts to develop controls even more critical.

We have gone on record supporting Guam's request to the U.S. Department of Agriculture (USDA) for designation of the brown tree snake as an agricultural pest. May we request that your Board consider support of our position. Enclosed please find copies of Governor Ada's and our letters to USDA.

If you, your Board, or your staff have any questions, please feel free to call Mr. Jerry Norris, PBDC Executive Director, at (808) 523-9325.

We look forward to your reply.

Respectfully,

JOSEPH F. ADA
President and
Governor of Guam

COL. ROBERT W. CLEGERN
February 24, 1988
Page 2

DRAFT

WITNESSETH:

Jerry B. Norris
Executive Director

Carolyn K. Imamura
Director of Planning
and Programs

JOHN WAIHEE
Vice President and
Governor of Hawaii

A.P. LUTALI
Secretary and
Governor of American Samoa

PEDRO P. TENORIO
Treasurer and Governor of
N. Mariana Islands

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SEP - 1987

PACIFIC BASIN DEVELOPMENT COUNCIL

SEP 01 1987

C
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The Honorable
Richard E. Lyng
Secretary of Agriculture
Department of Agriculture
14th St. & Independence Avenue SW
Washington, D.C. 20250

Dear Mr. Secretary:

I am writing in response to a letter dated July 31, 1987 from Ms. Karen K. Darling of your staff regarding my June 15, 1987 request for assistance from the USDA Animal Damage Control (ADC) program in developing effective control measures for the brown tree snake. According to Ms. Darling, the brown tree snake is not considered to be an agricultural pest and consequently the USDA ADC program will not be able to actively participate in brown tree snake control research. She did however offer technical advice and access to available technical information.

I respectfully request that you reconsider this position, as I firmly believe that the brown tree snake is an agricultural pest on Guam and a serious threat to the agricultural economies of other islands in the Pacific Basin. Although Guam does not have a large commercial poultry industry, there is some commercial egg production and a great deal of subsistence-type poultry and other livestock production. On Guam, brown tree snakes are a significant problem, particularly for the subsistence-level producers, as they eat eggs and chicks and kill chickens, ducks, rabbits, baby goats, piglets, and even puppies. Some persons have even had to abandon raising pigeons because of snake depredation. Subsistence-level poultry and livestock production is an even more important part of the economies of other islands in the Pacific Basin, and the introduction of the brown tree snake into these areas could have disastrous consequences.

There is a significant threat to the export of agricultural products from Guam because of the presence of the brown tree snake here. Because of the great risk of this snake being accidentally introduced to other insular areas, it is conceivable that other island groups could embargo or quarantine shipments of agricultural commodities and other goods from Guam unless expensive measures are taken on Guam to ensure that such shipments are snake-free. Hawaii State Senate Resolution No. 82, S.D.-1, a copy of which is enclosed, is an example of the great concern expressed by other island groups regarding the threat of accidental introduction of the brown tree snake. If effective control measures are not forthcoming, it is very possible that the next step could be to impose special quarantine measures if not an outright embargo on Guam products. Should the snake become established on other islands, similar export constraints could threaten their agricultural economies as well.

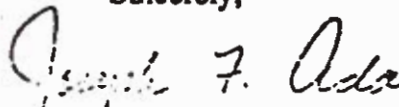
The brown tree snake may also be viewed as being responsible for increasing Guam's susceptibility to the establishment of exotic insect pests through the near eradication of

Guam's populations of both native and exotic birds. Because of the elimination of insectivorous birds, it may be much easier for exotic insect pests that are accidentally introduced to become established. Guam already suffers greatly from a number of insect pests of agriculture that perhaps may not have become established on Guam had we a normal population of insectivorous birds.

I am enclosing a copy of a "white paper" entitled "The Ecological and economic Impact of the Brown Tree Snake on Guam and its Threat to Other Islands" and some other material for your information. Review of this material should make clear the significant impact this pest has had on all aspects of Guam's economies as well as on our native fauna.

Because of the extensive experience and expertise of the USDA's ADC research staff, their active participation in brown tree snake control research will be invaluable. Although we do have direct assistance of the Department of the Interior's Fish and Wildlife Service, it would be most helpful if the staff and facilities of your ADC research program could be made fully available in a cooperative effort to combat this threat to the agricultural economies of the entire Pacific Basin. Your reconsideration of this matter will be appreciated.

Sincerely,


JOSEPH F. ADA
Governor

Enclosures

cc: Congressman Ben Blaz
Secretary of the Interior
Pacific Basin Development Council
Governor Pedro P. Tenorio - CNMI
Governor John Waihee - Hawaii
Governor A.P. Lutali- American Samoa

C
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AIR SERVICE PROBLEMS

Pacific Region Policy on Aviation

As we understand, this policy has been adopted by all PBDC Governors. A copy of the policy with all signatures is needed for our files. More importantly, there is a need to discuss and agree upon a strategy to ensure that the policy is embraced by the federal government. The policy covers three areas:

1. Bilateral Agreements - asking that U.S. negotiators utilize island representatives as resources in the process of negotiating agreements with foreign governments.
2. Visitor Processing - ensuring ease in travel through removal of non-tariff barriers to travel, increased staffing for immigration and customs, flexible scheduling of aircraft.
3. Essential Air Service - encouraging participation in development of EAS regulations (including cargo) and requesting timely notification of reduced airline services.

In addition, the Bureau of Planning feels that advance notification on upcoming bilaterals should be provided to PBDC member governments by the appropriate federal agency. This will assure that we have an opportunity to express our views prior to the actual negotiations.

business environment conducive to the Region's ability to compete fairly in the international market place to generate a larger number of visitors into the Region.

One example of such potential would be the opportunity to increase tourism to the Region through the Japanese "10 Million Program" which aims to double the number of Japanese outbound visitors by 1992.

AVIATION

The people of the AFPI communities are heavily dependent upon aviation for a number of reasons which include:

- * Personal Mobility - travel to and from other islands, the U.S. Mainland, and other destination for social, business and medical reasons;
- * Visitor Traffic - travel to and from our islands by domestic and international visitors;
- * Mail, Goods and Cargo - movement of items that must reach our island communities expeditiously.

Aviation is the most critical link in the economic and social lifeline in the Pacific. Unlike the U.S. Mainland, transportation alternatives are severely limited and there are no realistic options to air service. This fact is recognized by Congress in the continuation of the U. S. Department of Transportation's Essential Air Service (EAS) Program.

We encourage local government input in the development of policies that affect negotiation of bilateral air routes; travelers entering and exiting our islands; and changes in aviation standards and regulations. The future of aviation policy in the Pacific region rests on a cooperative effort that should include the AFPI Governors, the Federal government, Foreign governments and the air carriers.

We thus put forward the following key elements of our PACIFIC REGION POLICY ON AVIATION.

Bilateral Agreements

Aviation is the lifeline of the Pacific region. The importance of aviation clearly demonstrates the need for a new direction in bilateral aviation negotiations and agreements. We encourage change in the following areas:

- * the removal of constraints affecting capacity, frequency and market destinations which is crucial to aviation tourism, and economic and social development in the AFPI;

- * local input into the formula to establish the cargo allocation in the EAS Program is critical, as is some local discretion during times of emergency.

CONCLUSION

THE PACIFIC REGION POLICY ON AVIATION is the result of concerted efforts of Governors of the Territories of American Samoa and Guam, the Commonwealth of the Northern Marianas and the State of Hawaii. This policy recognizes that aviation is key to the advancement of AFPI economies; as well as, the lifeline of the Pacific Region. The Essential Air Service program confirms the need for special air service in the Pacific Region.

The benefits from air service can be enhanced by relaxing constraints to the movement of visitors, increasing frequencies and opening up new market designations, and the separation of Pacific Region issues in bilateral air route negotiations and agreements.

The Governors of the AFPI, who also serve as the Board of Directors of the Pacific Basin Development Council (PBDC), are dedicated to furthering aviation and tourism which will improve their local economies and reduce dependence on Federal subsidies.

PACIFIC REGION POLICY ON AVIATION

INTRODUCTION

The Territories of American Samoa and Guam, the Commonwealth of the Northern Marianas and the State of Hawaii (also known as the American Flag Pacific Islands -- AFP1) are unique island communities physically located in the Central-Western and South Pacific.

The AFP1 Governors and citizens recognize and understand that our island communities, surrounded by millions of square miles of ocean, are physically detached from domestic and international markets.

Further, our island environments consist of small land areas and have limited natural resources generally consisting of sand, sea, sunshine and coral. Nonetheless, our islands are rich in scenic beauty, cultural heritage and human talent.

DEVELOPMENT OF OUR ECONOMIES

These characteristics call attention to the unique needs of our island settings and to the limited options presently available for social and economic development. Tourism is one of the major existing economic activities in our communities and offers the greatest potential for our immediate future.

Tourism offers one of the best opportunities to:

- reduce the national trade deficit and increase Federal revenues from the region;
- stimulate the AFP1 economies through job creation, growth in local tax revenues, and increased investment opportunities.

Thus, tourism provides a vital opportunity for greater economic self-sufficiency for the Pacific region, resulting in a lessening of dependence of the AFP1 economies on Federal subsidies. Other benefits of increased tourism include the reduction in local resident out-migration and the preservation of our unique cultural heritages.

In order to realize the economic potential of increased tourism for the Pacific Region, it is necessary to reduce or eliminate unnecessary barriers to travel and to provide a business environment conducive to the Region's ability to compete fairly in the international market place to generate a larger number of visitors into the Region.

One example of such potential would be the opportunity to increase tourism to the Region through the Japanese "10 Million Program" which aims to double the number of Japanese outbound visitors by 1992.

AVIATION

The people of the AFP1 communities are heavily dependent upon aviation for a number of reasons which include:

- * Personal Mobility - travel to and from other islands, the U.S. Mainland, and other destinations for social, business and medical reasons;
- * Visitor Traffic - travel to and from our islands by domestic and international visitors;
- * Mail, Goods and Cargo - movement of items that must reach our island communities expeditiously.

Aviation is the most critical link in the economic and social lifeline in the Pacific. Unlike the U.S. Mainland, transportation alternatives are severely limited and there are no realistic options to air service. This fact is recognized by Congress in the continuation of the U.S. Department of Transportation's Essential Air Service (EAS) Program.

We encourage local government input in the development of policies that affect negotiation of bilateral air routes; travelers entering and exiting our islands; and changes in policy in the Pacific region rests on a cooperative effort that should include the AFP1 Governors, the Federal government, Foreign governments and the air carriers.

We thus put forward the following key elements of our PACIFIC REGION POLICY ON AVIATION.

Bilateral Agreements

Aviation is the lifeline of the Pacific region. The importance of aviation clearly demonstrates the need for a new direction in bilateral aviation negotiations and agreements. We encourage change in the following areas:

- * the removal of constraints affecting capacity, frequency and market destinations which is crucial to aviation tourism, and economic and social development in the AFP1;

- the United States Government should allow each APF (both individually, and, when appropriate, collectively), the opportunity to be available as a resource in aviation bilateral talks/negotiations that affect the APF.

To enhance aviation opportunities in the region, Pacific issues in aviation bilateral negotiations should be considered and resolved apart from issues that do not affect the Pacific Region.

Visitor Processing

The full benefit which may be derived from adequate levels of air service may not be realized if impediments to the flow of visitors remain in place. To ensure ease of travel we advocate:

- the removal of non-tariff barriers such as visas;
- increased permanent and part-time staffing to meet the demand of processing visitors during peak periods whether it be daily or seasonal;
- more flexible scheduling of aircraft from foreign countries to avoid peak periods;
- a special training program that sensitizes personnel to the special spirit of Aloha, Hafa Adai, and Talofa that has been part of our traditional greetings for hundreds of years.

Essential Air Service

Federal recognition of the critical and unique importance of air service on our economic and social development in the Pacific was formalized with the reauthorization of the EAS Program (PL 100-228 of December 28, 1987). To achieve maximum benefit from this program:

- the affected governments should be active participants in the promulgation of rules and regulations, program implementation, and the consideration of any changes to the EAS Program;
- a timely method for notification to the U.S. Department of Transportation of any reduction or termination of air service is crucial because of the time difference between the Pacific Region and Washington, D.C.;

- local input into the formula to establish the cargo allocation in the EAS Program is critical, as is some discretion during times of emergency.

CONCLUSION

THE PACIFIC REGION POLICY ON AVIATION is the result of concerted efforts of Governors of the Territories of American Samoa and Guam, the Commonwealth of the Northern Mariana and the State of Hawaii. This policy recognizes that aviation is key to the advancement of APT economies; as well as, the lifeline of the Pacific Region. The Essential Air Service Program confirms the need for special air service in the Pacific Region.

The benefits from air service can be enhanced by relaxing constraints to the movement of visitors, increasing frequencies and opening up new market designations, and the separation of Pacific Region issues in bilateral air route negotiations and agreements.

The Governors of the APT, who also serve as the Board of Directors of the Pacific Basin Development Council (PBDC), are dedicated to furthering aviation and tourism which will improve their local economies and reduce dependence on Federal subsidies.

JOSEPH F. ADA
President of PBDC and
Governor of Guam

JOHN WAHNEE
Vice President of PBDC and
Governor of Hawaii

A. P. Lutali
A. P. LUTALI
Secretary of PBDC and
Governor of American Samoa

PEDRO P. TENORIO
Treasurer of PBDC and Governor,
Commonwealth of the Northern
Mariana Islands

EAS RULEMAKING STATUS

Minutes of PBDC 1987 Winter Meeting

Ms. Imamura, Mr. Scocozza and Mr. Murphy then reviewed the recently approved Essential Air Service Program (EAS) reauthorization. It was noted that many of the EAS issues and concerns discussed by the Board and air service work group, including cargo considerations, have been addressed by the new Act. The new program would go into effect on October 1, 1988, for ten years. Rulemaking would begin this Spring.

ACTION: The Board directed staff to monitor the EAS rulemaking process and to report areas of interest.

The Governors, members of the panel and Deputy Assistant Secretary Mark Hayward entered into a lengthy discussion which covered the air complaint process, problems of poor air service in the Pacific, several of the current bilateral air negotiations that are currently underway, increased noise standards soon coming into existence and air cargo issues.

PBDC staff should provide a status report on the EAS rulemaking process especially as it relates to air cargo. To date, Guam has not received draft rules.



TERRITORY OF GUAM
OFFICE OF THE GOVERNOR
AGAÑA, GUAM 96910
U. S. A.

EXECUTIVE ORDER NO. 88-15
TO CREATE AN AVIATION POLICY TASK FORCE

WHEREAS, The Territory of Guam has grown increasingly dependent upon air transportation; and

WHEREAS, Air transportation is vital for social, business and medical reasons, as well as for the maintenance of a reasonable standard of living for the people of Guam; and

WHEREAS, Air transportation is a critical link in increasing tourism on Guam; and

WHEREAS, Air transportation provides the most expeditious mode for the receipt of essential cargo including mail and emergency items; and

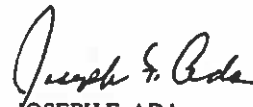
WHEREAS, The Territory of Guam must remain vigilant over aviation issues and opportunities; and

WHEREAS, The Territory of Guam can expect that the importance of air transportation will grow for the remainder of this century and into the twenty-first.

NOW, THEREFORE, I, JOSEPH F. ADA, Governor of Guam, by the authority vested in me by the Organic Act and the laws of Guam, do hereby declare and order as follows:

1. An Aviation Policy Task Force is hereby created to advise the Governor on aviation issues and opportunities.
2. The Governor shall appoint ten representatives of the private and public sectors from aviation, tourism, and related areas as members of the Task Force.
3. The Chairman of the Task Force shall be the Lieutenant Governor of Guam.

SIGNED AND PROMULGATED at Agaña, Guam, this 9th day of May, 1988.


JOSEPH F. ADA
Governor of Guam

COUNTERSIGNED:


FRANK F. BLAS
Lieutenant Governor of Guam

AVIATION POLICY TASK FORCE
Meeting Minutes
July 7, 1988

1. INTRODUCTION OF MEMBERS

A meeting of the Aviation Policy Task Force was held at 9:00 a.m. on Thursday, July 7, 1988, in the Hafa Adai Lounge Conference Room on the third floor of the Guam International Air Terminal. The following members were in attendance:

The Honorable Frank F. Blas, Lt. Governor of Guam
Sen. Frank Santos, 19th Guam Legislature
Mr. Dick Williams, representing Sen. Franklin Gutierrez,
19th Guam Legislature
Mr. Leo Slotnick, Chairman, Guam Airport Authority
Mr. David Tuncap, Chairman, Guam Visitors Bureau
Ms. Jackie Victoriano, representing Mr. Gerard Guedon,
Guam Hotel & Restaurant Association
Mr. Guy Schroeder, representing Mr. Dan Purse, Vice-President/General Manager, Continental/Air Micronesia
Mr. Robert Ryan, Station Manager, Hawaiian Airlines
Mr. Masahiro Kase, Regional Manager, All Nippon Airways
Mr. Jiro Yasunaga, representing Mr. Yoshikazu Yamaguchi,
Regional Manager, Japan Air Lines
Mr. Lester Gilbert, Manager, Northwest Airlines
Mr. Takashi Tashiro, Japan-Guam Travel Association
Mr. Mike Cruz, representing Mr. Peter Leon Guerrero,
Director, Bureau of Planning

Also present were:

Mr. Jess Torres, Executive Manager, Guam Airport Authority
Mr. Frank Mullen, Public Information Officer, Guam Airport Authority
Mr. Tom Jones, Administrative Consultant, Guam Airport Authority
Mr. Jess Rojas, Manager Airport Service, Continental/Air Micronesia
Mr. Larry Pinkerton, USINS
Mr. Ed Tharp, USINS

2. ADMINISTRATIVE ITEMS

a) Appointment of Vice-Chairman

Lt. Governor Blas informed the members that he was appointed Chairman of the Aviation Policy Task Force by means of an Executive Order from the Governor. He went on to state that during last month's informal meeting of the Task Force, members agreed that Senator Frank Santos should serve as Vice-Chairman. He asked that the Task Force members formalize this selection during today's meeting. Mr. Slotnick then made a motion to appoint Sen. Santos as the Vice-Chairman of the Task Force. His motion was seconded by Mr. Tuncap and passed unanimously.

2. ADMINISTRATIVE ITEMS

b) Adoption of Rules to Govern Meetings

Lt. Governor Blas suggested that the Task Force adopt the Robert's Rules of Order to govern the conduct of the Task Force meetings. Mr. Tuncap then made a motion that the Task Force conduct its meetings in accordance with Robert's Rules of Order. His motion was seconded by Sen. Santos and passed unanimously.

c) Regular Meeting Dates/Time

Task Force members agreed that regular meetings will be held at 9:00 a.m. on the first Thursday of each month, with other meetings being scheduled on an as-needed basis. It was further agreed that meetings will be held in the Hafa Adai Lounge Conference Room on the third floor of the Airport.

3. BRIEFING ON VISA WAIVER PROGRAMS

Lt. Governor Blas stated that the Task Force invited representatives from the U.S. Immigration and Naturalization Service to this meeting to brief the members on a very important issue affecting Guam's future visitor industry, that being Visa Waiver Programs. He then introduced Mr. Larry Pinkerton and Mr. Ed Tharp, who are in charge of INS' Airport Services, to the members present.

Mr. Tharp presented a graph to the Task Force members delineating the number of passengers passing through the USINS inspection station at GIAT during 1987 and during the first six months of 1988 (see copy attached). The graph showed that there has been a large increase in the number of passengers traveling to Guam during the first six months of 1988 as compared to the same period in 1987. Due to this fact, as well as the onset of the impending Guam Visa Waiver Program, USINS is expanding its facilities at GIAT, with the assistance of the Guam Airport Authority. To provide expanded services to Guam, USINS also has an additional 15 inspectors coming onboard, 11 of whom will be local-hire. The remaining four positions will be filled by experienced INS personnel who will train or assist in the training of the 11 local-hires.

3. BRIEFING ON VISA WAIVER PROGRAMS (cont.)

Mr. Tharp went on to state that USINS is developing Visa Waiver Programs for visitors from countries which present the least amount of potential fraud or harm to the United States. In the Visa Waiver pilot program, the first country to be identified was Great Britain. Effective July 1, 1988, visitors from Great Britain must possess only a valid Passport to apply for entry to the United States for a period of up to 90 days. At the present time, Great Britain is the only country on the 90-day Visa Waiver Program; however, other countries will quickly be added to this Program as the State Department negotiates reciprocal agreements with these countries.

Public Law #99-363 sets up the Guam Visa Waiver Program (GWVP). The GWVP, which will begin on October 1, 1988, is open only to visitors from Japan at the present time, and allows these visitors a maximum stay on Guam of 15 days.

Mr. Tharp then passed out to the Task Force members copies of the Guam Visa Waiver application (see copy attached). When granting Visa Waivers in Guam, USINS will be functioning as part of the U.S. State Department Consular Corps. Persons admitted to the U.S. under the GWVP will be admitted under one of two categories, these being GB (Guam Business) or GT (Guam Tourist). In both cases, the maximum stay in Guam will be 15 days from the date they come in. Should visitors who come into Guam under the GWVP violate the terms of their admission, they will be subject to deportation from Guam.

In order to be able to implement the GWVP, Guam's USINS office has computerized its facility at GIAT, which allows for more efficient processing of Guam visitors. The computer contains two basic systems to assist INS personnel in identifying undesirables seeking entry into the U.S. - the old Service Lookout Book, and the Automated Visa Lookout System from the U.S. State Department. Mr. Tharp stated that in increasing the number of visitors coming into Guam, USINS is looking at the possibility or likelihood of an increase in the number of undesirable visitors seeking entry, such as members of the Yakuza, or other criminal elements.

One other factor necessary for the implementation of the GWVP is departure control because USINS will have to pre-inspect flights departing from Guam to the U.S. Persons from foreign countries who are applying for entry to the U.S. through Guam will have their names run through two systems in the computer.

3. BRIEFING ON VISA WAIVER PROGRAMS (cont.)

Questions and Answers:

Following Mr. Tharp's presentation, Task Force members raised the following questions:

:Which countries are participating in the Guam Visa Waiver Program? Mr. Tharp stated that the agreement has already been signed with Japan, but that agreements are also being negotiated with Korea, and the Republic of China (Taiwan).

:To what extent will Guam get involved in spot checks of departing passengers? It will not be a spot check, it will be an in-place procedure for persons from foreign countries gaining access to the United States through Guam.

:Do persons from Hong Kong with British Passports qualify under the Visa Waiver Program for Great Britain? Only if they are British citizens who can live in England, Scotland, Wales, and the Isle of Mann. Hong Kong per se is not included, however, there are a certain number of people living in Hong Kong whose Passports indicate "may reside permanently in England, etc.". Only persons carrying such Passports are subject to the Visa Waiver Program.

How is this determined prior to departure of the aircraft? That is the airlines' responsibility.

:In the Guam Visa Waiver Application, a question is asked regarding whether the applicant has ever applied for an immigrant or nonimmigrant U.S. Visa before. Is this a guide or tool for Immigrations in determining under what category the applicant will be entered? It is incumbent upon the individual seeking entry to establish the reason for his entry into Guam, whether it be for business or for pleasure. A person who does not enter for business purposes cannot carry on business during his stay in Guam. However, the business visa encompasses a stay for pleasure as well as business.

4. GIAT EXPANSION PLANS

Mr. Leo Slotnick, Board Chairman for the Guam Airport Authority, passed out to the members copies of the GIAT Master Plan Update Phase I Report which was prepared by Parsons Hawaii, the Master Plan consultant.

4. GIAT EXPANSION PLANS (cont.)

Mr. Slotnick went on to state that the Report predicts large increases in the numbers of passengers utilizing GIAT in the coming years, and recommends expansion/renovation of existing facilities to accommodate these increases. However, GAA does not currently have funds to handle the projects recommended, and it is senseless to plan for large expansion/renovation projects when there is no funding identified to pay for them.

Mr. Slotnick then passed out a letter dated April 13, 1988 which he wrote to the GAA Board Members regarding "GIAT Expansion". In this letter, he cited a provision of the Duty Free Concessionaire Agreement with GAA which states that should GAA expand the Terminal facilities, Duty Free will be given a proportionate increase in their space at no additional increase in rent. Mr. Slotnick raised a question regarding who will fund such expansion if the funding for it, or at least a portion thereof, does not come from the tenants?

Mr. Slotnick went on to explain that GAA is planning some renovations to the present structure, such as providing more counter space, moving GAA offices to the Arcade area to provide more office space on the ticket counter level for GIAT tenants, assisting INS in expanding their current facilities, and upgrading the Customs area and baggage facilities. GAA does have funds for these smaller improvement projects.

Mr. Slotnick then informed the Task Force members that in addition to the above-mentioned projects, GAA is planning to implement measures which would allow for better utilization of present facilities. He stated that flight activity at GIAT is concentrated during a couple of peak periods. During these peak times, GIAT facilities sometimes become overcrowded. Should the airlines spread their flight activity out more evenly, this overcrowding can be avoided.

Another situation which causes overcrowding of GIAT facilities is the practice of tour bus operators bringing tour groups to the Terminal 3-4 hours prior to their flight departure time, and herding them into the Departure/Transit Lounge, which is one area which experiences overcrowding. Should travelers not be allowed into the Departure/Transit Lounge until a specified time before their flight departure, they would then utilize other areas of the Terminal and alleviate the crowding in the Departure/Transit Lounge.

4. GIAT EXPANSION PLANS (cont.)

In conclusion, Mr. Slotnick directed the Task Force members' attention to pages 5-3 and 5-4 of the Parsons Report, which predicts Duty Free's requirements for additional space in the Terminal in future years. He stated that such expansions will not be provided unless funded by the users. He further stated that the airlines must have a financial stake in GIAT expansions, as he has seen too many airlines come and go out of Guam in past years. Mr. Schroeder of CO/AM replied that the airlines have a substantial stake in the Terminal, and that improvements to the Terminal should be funded by the increases in tenant fees which have been levied by GAA on the tenants in past years. Mr. Slotnick stated that GAA does have some funds available for Terminal improvements, but not enough to fund the types of projects recommended by Parsons. Mr. Schroeder then stated that CO/AM and the other airlines are planning expanded services into and out of Guam.

Sen. Santos raised a question regarding how the airlines/GAA could alleviate the long lines of passengers trying to check in for their flights at the ticket counter. Mr. Gilbert of Northwest stated that the airlines created a problem when they became computerized, as this necessitated designated ticket counter space. Airlines at GIAT are therefore not able to practice the cross-use of ticket counter space, such as is done at other Airports. Mr. Schroeder of CO/AM stated that his airline is looking at redesigning their computer software and equipment so that the airlines can emulate each other's computer systems and therefore practice common use of ticket counter space.

Sen. Santos then asked whether the airlines are geared for accommodating an influx of passengers under the GVWP. Airline representatives stated that the GVWP will require that the airlines check passenger documentation, which they are already doing, and that the only problem may be with the departure control procedure, which will have to be worked out with GAA and Immigrations.

5. ITEMS FROM MEMBERS

Lt. Governor Blas asked the airline representatives present whether they would be willing to make presentations at subsequent Task Force meetings regarding their future plans for Guam. Mr. Schroeder of CO/AM suggested that the airline representatives give an update on their airline's activities at each monthly meeting. It was agreed that airline briefings would be a part of next month's agenda.

5. ITEMS FROM MEMBERS (cont.)

Lt. Governor Blas also suggested that at future meetings, other members of the Task Force give briefings on their areas of expertise, e.g., the future of aviation support facilities on Guam (Dave Tuncap), the future of the hotel and restaurant industry on Guam (Gerard Guedon), etc.

Mr. Tuncap expressed his feeling that it is essential that this Task Force be afforded the opportunity of being briefed by a representative from the Department of Transportation regarding bilateral agreements between the U.S. and other countries. Secondly, he mentioned that in the past, GAA and the airlines had a negotiating committee to discuss mutual problems, such as what was brought up in today's Task Force meeting. In the absence of this committee, he suggested that this Task Force have a continuing discussion of the problems being faced by the airlines and the Guam Airport Authority.

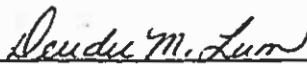
Mr. Tuncap then raised a question regarding the role of this Task Force within the Government of Guam and how this Task Force ties in with the CAB for the Pacific region. Lt. Governor Blas stated that basically, this Task Force should be Guam's spokesman (spokescommittee) for aviation policy on Guam. Further, the Pacific CAB is in the process of being formed by the Association of Pacific Island Legislators. Mr. Gilbert suggested that perhaps this Task Force could serve as an advisory group to Guam's representative to the Pacific CAB.

Lt. Governor then asked the Task Force members to suggest agenda items for future meetings.

6. ADJOURNMENT

There being no further business to discuss, Sen. Santos made a motion to adjourn the meeting at 11:16 a.m. The motion was seconded by Mr. David Tuncap and passed unanimously. The next meeting of the Task Force will be held on Thursday, August 4, 1988, at 9:00 a.m.

Respectfully submitted:



DEIRDRE M. LUM

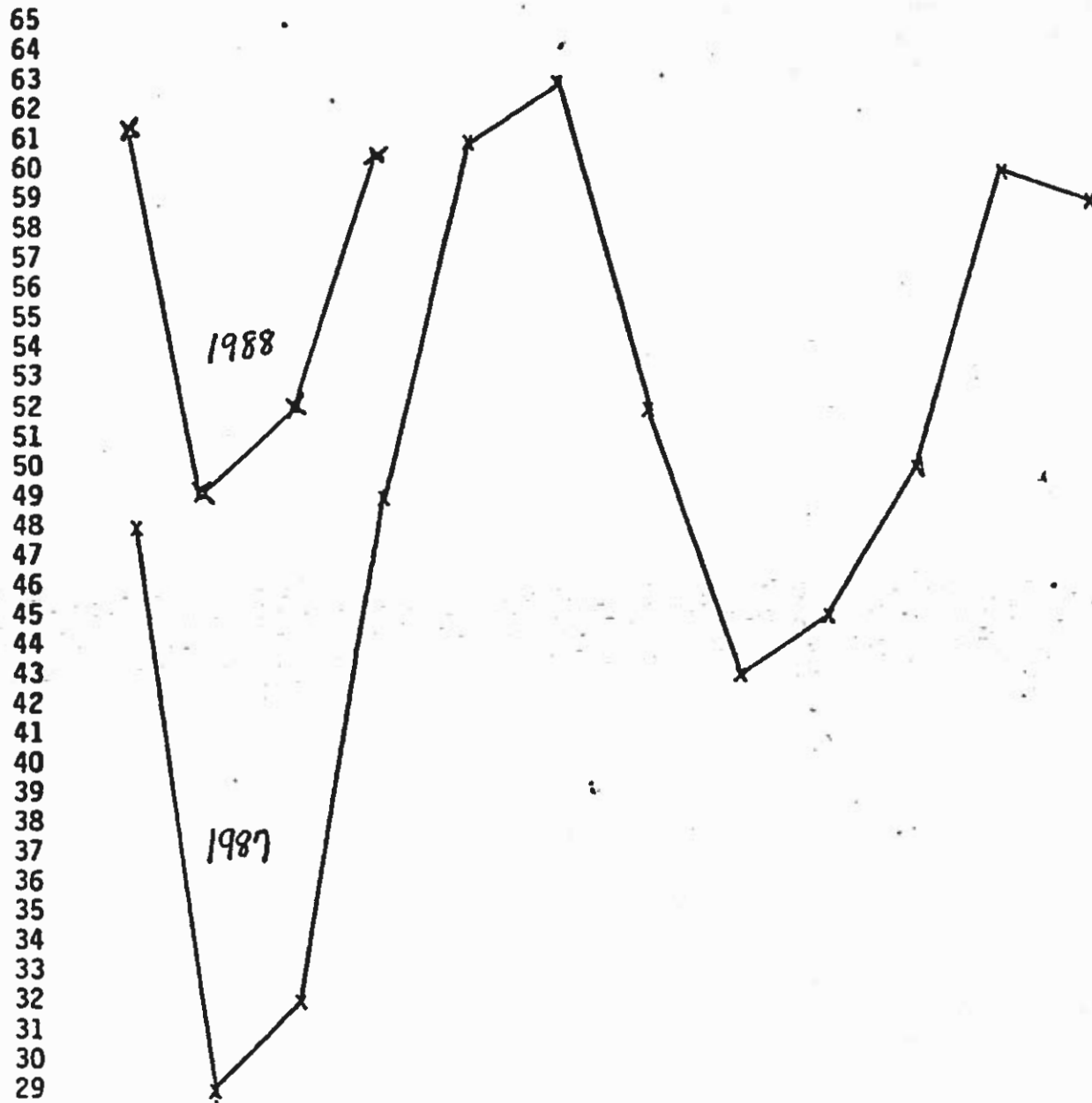
GAA Board Secretary

APPROVED:

 FRANK F. BLAS, Lieutenant Governor
Chairman

U.S. Immigration & Naturalization Service
Guam International Air Terminal
Agana, GUAM

MAR 87	APR 87	MAY 87	JUN 87	JUL 87	AUG 87	SEP 87	OCT 87	NOV 87	DEC 87	JAN 88	FEB 88
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Passengers
by
Thousands

x — 1988 — x
x — 1987 — x

AVIATION POLICY TASK FORCE
Meeting Minutes
August 4, 1988

1. CALL TO ORDER AND ATTENDANCE

A meeting of the Aviation Policy Task Force was held at 9:00 a.m. on Thursday, August 4, 1988, in the Hafa Adai Lounge Conference Room on the third floor of the Guam International Air Terminal. The meeting was called to order by Acting Chairman Sen. Frank Santos, with the following members in attendance:

Sen. Frank Santos, 19th Guam Legislature (Acting Chairman)
Sen. Franklin Gutierrez, 19th Guam Legislature (Chairman,
Committee on Tourism, Transportation & Communications)
Mr. Leo Slotnick, Chairman, Guam Airport Authority
Mr. David Tuncap, Chairman, Guam Visitors Bureau
Mr. Gerard Guedon, President, Guam Hotel & Restaurant
Association
Mr. Guy Schroeder, representing Mr. Dan Purse, Vice-President/General Manager, Continental/Air Micronesia
Mr. Robert Ryan, Station Manager, Hawaiian Airlines
Mr. Masahiro Kase, Regional Manager, All Nippon Airways
Mr. Yoshikazu Yamaguchi, Regional Manager, Japan Air Lines
Mr. Ray Duenas, representing Mr. Lester Gilbert, Manager,
Northwest Airlines
Mr. Takashi Tashiro, Japan-Guam Travel Association
Mr. Peter Leon Guerrero, Director, Bureau of Planning

Also present were:

Mr. Jess Torres, Executive Manager, Guam Airport Authority
Mr. Duane Siguenza, Deputy Executive Manager, Guam Airport
Authority
Mr. Tom Jones, Administrative Consultant, Guam Airport
Authority
Mr. John Mishan, Airport Industrial Park Consultant, Guam
Airport Authority
Mr. Jess Rojas, Manager Airport Service, Continental/Air
Micronesia
Ms. Rose Onedera, Lt. Governor's Office

2. APPROVAL OF JULY 7, 1988 MINUTES

Mr. Leo Slotnick made a motion to approve the minutes of the Aviation Policy Task Force meeting minutes of July 7, 1988, subject to corrections. His motion was seconded by Mr. David Tuncap and passed unanimously.

Aviation Policy Task Force Meeting Minutes
August 4, 1988
Page 2

Prior to going on to the next agenda item, the Chairman asked Mr. Leo Slotnick to relate to the members his experiences with Guam Customs on his return from a trip to the mainland U.S. Mr. Slotnick informed the members that upon his return from the States this morning, his baggage underwent an extensive search by Guam Customs. Mr. Slotnick questioned the legality of Guam Customs searching his baggage when he was traveling from one place in the United States to another. Mr. Williams stated that this issue was taken to Court in the past by a Guam resident, however, the Courts upheld Guam Customs' right to inspect incoming baggage at GIAT. Task Force members agreed that this would be made an agenda item at next month's meeting, and that the Director of Commerce, Mr. Peter Barcinas, as well as a representative from U.S. Customs and from the U.S. Department of Agriculture would be invited to attend the meeting.

3. AIRLINE INDUSTRY PLANS

Mr. Yamaguchi, Regional Manager for Japan Air Lines, read aloud a statement outlining JAL's current flight schedule and planned schedule until 1991 (see copy attached). At the conclusion of his statement, Mr. Yamaguchi emphasized the necessity for Guam to increase its hotel room capacity. Mr. Tashiro of the Japan-Guam Travel Association agreed with Mr. Yamaguchi's statement regarding the necessity for the development of more hotel rooms on Guam, and added that this is a major concern of the Japan-Guam Travel Association. Mr. Leon Guerrero, Director of the Government of Guam's Bureau of Planning, stated that his agency could compile information regarding pending hotel development projects, and present this information at next month's meeting. Mr. Tuncap added that he would also ask the General Manager of the Guam Visitors Bureau to attend next month's meeting to relate information which GVB has compiled relative to the development of additional hotel rooms on Guam.

A short discussion then took place regarding whether the airlines could or should increase their flight schedules prior to the development of more hotel rooms. Mr. Williams of the 19th Guam Legislature expressed his feeling that Guam should go full force with the development of tourism, stating that hotel rooms would materialize if there is a demand for them. Airline representatives, however, stated that they could not increase their flight schedules when there are no hotel rooms to accommodate the increase of arriving tourists.

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3. AIRLINE INDUSTRY PLANS (cont.)

Mr. Schroeder of Continental/Air Micronesia informed the Task Force members that he just left a scheduling meeting, which made the briefing which he prepared yesterday for this meeting totally outdated. He then informed the Task Force members that Continental Airlines is not looking at Guam as an ultimate destination, although it does plan to increase the number of passengers coming into Guam. Basically, Continental is planning for Guam to be a transit point for passengers coming in from the States and heading for other parts of the Pacific Rim. Using Guam as a "hub" will also benefit the Territory, as passengers will likely stop over for a day or two before heading for their ultimate destinations. Mr. Schroeder then stated that he will provide a more detailed briefing at next month's meeting.

Mr. Ryan of Hawaiian Airlines stated that his airline plays a small but important role in Guam's air travel industry, serving a market quite different from Guam's tourism package, that market being Guam-originating passengers. Hawaiian Airlines provides only 3,000 seats a month, however, it does offer the element of competition on the Guam-Honolulu run. This element improves the market, and also offers Continental a form of back-up should they experience problems, such as cancelled flights, etc. Mr. Ryan went on to say that Hawaiian does have its own niche in Guam which is stable for the time being, and the airline will continue to operate status quo. Senator Santos requested Mr. Ryan to put his report in writing, for the record.

Mr. Ray Duenas, representing Mr. Gilbert of Northwest Airlines, next gave a brief report on Northwest's operations in Guam. He stated that Northwest currently offers daily service into Guam, providing 12,400 seats per month. Northwest has no immediate plans for expanding its flight schedule due to the hotel situation. Mr. Duenas went on to say that Northwest has plans for direct service to Seoul, Korea, dependent on the outcome of the Visa Waiver negotiations. Again, Senator Santos requested that this report be put in writing, for the record.

Mr. Kase of All Nippon Airways informed the Task Force members that All Nippon currently has one flight daily into Guam from Japan, and that this schedule will continue for the next several years. Senator Santos requested that this report be put in writing for the next meeting.

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3. AIRLINE INDUSTRY PLANS (cont.)

Senator Santos requested that Mr. Schroeder brief the Task Force members on the current bilateral talks between the United States and the Philippines regarding Continental Airlines' service into the Philippines. Mr. Schroeder stated that basically, the route 1 and route 2 cases are not in jeopardy at this point in time. Continental Airlines continues to receive 60-90 day extensions from the Philippines CAB. Further, no final decision has been made between the two governments regarding whether Continental will continue to operate the route on a permanent basis; the discussions appear to be political in nature rather than related to the area of airline operations.

4. GIAT INDUSTRIAL PARK

Mr. Slotnick stated that the Airport Industrial Park (AIP) project is underway, with the project currently out for bid. Bid closing date is August 22, 1988. Mr. Slotnick then introduced Mr. John Mishan, GAA's AIP Consultant, who briefed the Task Force members on the Park project.

Mr. Mishan passed around a sketch depicting what GAA hopes the Industrial Park will look like in approximately two years. He also passed around the GIAT Master Plan Executive Summary of 1977, showing the planned development of the current AIP area. Finally, Mr. Mishan passed around a map showing the AIP area, consisting of approximately one million square feet of land.

Mr. Mishan went on to state that basically, the AIP is an Airport land lease area. The property will be leased out at market value, which will probably be between 48-50 cents per square foot per year.

The Lockheed Fuel Farm, owned by GAA and operated by Lockheed Air Terminals, Inc., is part of the AIP. The Airport Access Road is the second development in the Park. Future developments in the Park will include warehouses, office buildings, etc. constructed primarily by Airport or airline-related businesses. Businesses which have expressed interest in building in the Park area include Duty Free Shoppers, Dairy Farm, Esso Eastern, Pacific Trucking, Mid-Pac Industries, PacAir, Micronesian-7, Triple J Enterprises, Fashco, and two companies interested in developing a hotel. Some interest has also been expressed by Hertz, TRMS, Pacific Island Imports, Tropic Bird, Big Eye Helicopters, etc.

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4. GIAT INDUSTRIAL PARK (cont.)

Mr. Slotnick went on to say that as soon if the Authority receives definite information regarding the cost for the Park development and decides to go ahead with the project, it will be advertised so that all interested parties may have an opportunity to apply for lease lots. Further, Task Force members were informed that as of the current time, only Duty Free has been approved as a Park tenant by the GAA Board of Directors.

In answer to a question from Mr. Tuncap regarding the possibility of developing an aircraft maintenance hangar in the Park, Mr. Mishan informed the members that the GIAT Master Plan Update Phase II will address the development of a hangar and possible expansion of the Terminal.

Regarding financing the AIP, a portion of the funding may come from GAA, and possibly the lease agreements may be used as collateral for bank financing. The bond issue may come into play in the future expansion of Terminal facilities.

5. GENERAL AVIATION MASTER PLAN

Mr. Tom Jones, Administrative Consultant for Guam Airport Authority, passed out to the Task Force members a "General Aviation Narrative" (see copy attached) which he then read aloud. Senator Gutierrez raised a question regarding whether a private enterprise could open up its own airstrip. Mr. Jones stated that this is allowable, if approved by FAA. Mr. Williams stated that a private enterprise could also apply for FAA funding. Mr. Slotnick expressed his feeling that GAA should only become involved in the development of a general aviation airport if the private community is unable to provide one.

Mr. Williams raised a point that the site selected for the general aviation airport by the Site Selection Advisory Committee is on land currently owned by the Department of Defense. Further, Congressman Blaz is attempting to have this land reverted to the original owners. Mr. Williams then stated that he believes GAA is obligated to provide a general aviation airport under the FAA grant covenants.

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5. GENERAL AVIATION MASTER PLAN (cont.)

Mr. Leon Guerrero asked whether the Navy was ever involved in the site selection process for the general aviation airport. Mr. Jones responded that they were asked to comment on the site selected. Mr. Leon Guerrero then mentioned that in meetings between Governor Ada and NAS Commanding Officer Capt. Cassiman, Capt. Cassiman raised concerns regarding the site selected for the general aviation airport. Mr. Jones stated that Capt. Cassiman did express a concern relative to a conflict in airspace, however, this was mitigated by information given by the FAA.

6. ITEMS FROM MEMBERS

At this time, Senator Santos requested Mr. Gerard Guedon of the Guam Hotel and Restaurant Association to give a report on the activities of this Association. Mr. Guedon stated that the occupancy rates of Guam hotels is very high at present, this being summer time. The GHRA is waiting to see what the Guam market share of outbound traffic from Japan will be three months from now, to compare it to the previous year.

Mr. Guedon went on to state that in the past, hotels have always had problems with charter flights because hotels usually overbook themselves, however, there is a very low ratio of no-shows from Japan on charter flights. If the hotels are aware well in advance of the arrival of charter flights, they can plan for this more efficiently.

Mr. Tashiro of the Japan-Guam Travel Association stated that there are many charter flights scheduled during the months of July and August. Further, there appears to be a "mismatching" of the number of passengers brought in on charter flights by the airlines and the number of hotel rooms available on Guam. He went on to state that overflow passengers are sometimes sent to hotels on Cocos Island, Saipan, Rota, and even Honolulu.

Mr. Schroeder of Continental Airlines stated that his airline overbook flights as a policy because of no-shows, just as the hotels do. However, during the months of June, July and August, his airline cuts down on this overbooking. He suggested that airline personnel meet with hotel and tour representatives to discuss this matter to avoid overbooking as much as possible. Mr. Guedon stated that this would be beneficial, however, it would also be desirable for the airlines to relay information regarding scheduled charter flights to an organization such as GVB so that concerned organizations can tap this information for planning purposes.

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6. ITEMS FROM MEMBERS (cont.)

Mr. Tuncap stated that it stands to reason that it is the tour and travel agencies which must ensure that hotel rooms are available for their passengers. The airlines only carry the travelers from one point to another, but are not responsible for ensuring that passengers have hotel reservations. He suggested that the GHRA, the JGTA, and the airlines get together to resolve the overbooking problem, to ensure a pleasant stay for arriving passengers so that they will want to come back to Guam again. Mr. Schroeder agreed that a meeting to discuss this matter would be beneficial, so that all parties concerned can plan to maximize their services and facilities without inconveniencing visitors to Guam.

Senator Santos then stated that this matter will be placed on the agenda for the next meeting. In addition, another agenda item will be a plan to attract repeat visitors to Guam.

Mr. Jess Torres, Executive Manager for the Guam Airport Authority, invited all present to the dedication and ribbon-cutting ceremony for the new INS computer system and facilities developed for the implementation of the Guam Visa Waiver Program. The ceremony will take place on Friday, August 5th, at 11:00 a.m. in the INS area.

6. ADJOURNMENT

There being no further business to discuss, Mr. Slotnick made a motion to adjourn the meeting at 10:43 a.m. His motion was seconded by Mr. Tuncap and passed unanimously.

Respectfully submitted:

DEIRDRE M. LUM
GAA Board Secretary

APPROVED:

SENATOR FRANK SANTOS
Acting Chairman

JAPAN AIR LINES FUTURE FLIGHT OPERATION PLAN

Until the end of March 1988, Japan Air Lines operated to

TOKYO, 7 flights weekly,	3 flights direct and
	4 flights via SAIPAN and to
OSAKA, 4 flights weekly,	2 flights direct and
	2 flights via SAIPAN

with a total of 11 flights per week to Japan.

In response to last year's strong tourist demand between Japan and Guam, JAL operated all the flights between GUAM and TOKYO as direct flights effective from April 1988.

We maintain, on a weekly basis;	2,600 seats for TOKYO
	1,700 seats for OSAKA

Therefore, we have a total of 4,300 seats.

Our plan is to continue with this present schedule until 1991. We firmly propose to meet extra demands by providing additional flights as needed. In regards to the BOEING 767 60-Minute Rule, JAL is aiming, with the authorization and approval by FAA, the extension of the minimum to 120 or 180 Minutes. With such a leverage, we will be able to consider the operation of flights to destinations such as NAGOYA and FUKUOKA. Similarly, we would like to operate charter flights to other local cities. But, with the existing hotel situation, if all the carriers servicing Guam, were to operate with a 72 percent load-factor for a 4-days travel pattern, we perceive a maximum hotel occupancy.

It is imperative that the hotel situation be amended for the positive growth of the tourist industry. The hotel's room capacity must be increased. Without immediate corrective actions, the market and demand will shift to other destinations.

Therefore, we must realize the urgency of our existing hotel problems and strive to rectify them as aggressively as we can.

Flight and Hotel in GUAM

04UAG 1988

AA...How many passengers can visit GUAM on each day

AL	FLT #	SHIP	From	SUN	MON	TUE	WED	THU	FRI	SAT	TOT
JL	941	B744	TYO	376	376	376	376	376	376	376	2,632
JL	943	B747	OSA	528					528		1,056
JL	945	B747	OSA		320			320			640
NW	060	B747	TYO	400	400	400	400	400	400	400	2,800
NH	011	L1011	TYO	320	320	320	320	320	320	320	2,240
CO	962	B727	TYO	120	120	120	120	120	120	120	840
CO	1893	B727	TYO	120	120	120	120	120	120	120	840(22JUL-12NOV)
CO	960	DC10	TYO	280	280	280	280	280	280	280	1,960
CO	972	---	NGO	80	80	80	80	80	80	80	560
CO	1891	B727	NGO	120	120			120	120		480(22JUL-28NOV)
CO	970	B727	NGO	160	160	160	160	160	160	160	1,120
CO	974	B727	FUK	80	80	80	80	80	80	80	560
CO	006	B727	OKA	80		80			80		240

Toatal Pax	2,664	2,016	2,376	1,936	15,968
	2,376	1,936	2,664		

Total Hotel Rooms requird on the day (Total pax + 2)	1,332	1,008	1,138	928
	1,188	928	1,332	

BB...How many rooms required on each day (Pax stay 4 nights case)

	SUN	MON	TUE	WED	THU	FRI	SAT
	1,332	1,332	1,332	1,332			
		1,188	1,188	1,188	1,188		
			1,008	1,008	1,008	1,008	
				928	928	928	928
	1,138				1,138	1,138	1,138
	1,332	1,332				1,332	1,332
	928	928	928				928

Total required Hotel rooms	4,730	4,780	4,456	4,456	4,262	4,406	4,326
----------------------------------	-------	-------	-------	-------	-------	-------	-------

NBR of Hotel rooms	3,400	3,400	3,400	3,400	3,400	3,400	3,400
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****	1,330	1,380	1,056	1,056	862	1,006	926
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**** Difference number of rooms required/hotel rooms.

HARBOR MAINTENANCE TAX EXEMPTION

Minutes of PBDC 1987 Winter Meeting

Ms. Imamura reported that the proposed amendments to exempt the Pacific Islands and Alaska from the harbor maintenance tax on intra-regional cargo and ocean passengers had been temporarily stalled. Senator Daniel Inouye had introduced an amendment for exemption of certain ocean passenger charges last year; however, due to the Budget Summit agreements which precluded non-revenue tax amendments (on the Senate floor) without a 60-vote waiver, these technical amendments were withdrawn after Senator Inouye had obtained assurances that they would be included in this year's bill.

ACTION: The Governors directed that a letter be sent to Senator Inouye thanking him for his efforts regarding exemption from the harbor maintenance tax and reconfirming support for exemptions (Attachment D).



Pacific Basin Development Council

Suite 325 • 567 South King Street • Honolulu, Hawaii 96813-3036

Telephone (808) 523-9325 Facsimile (808) 533-6336

(ATTACHMENT - D)

Governor Joseph F. Ada
Guam
President

Governor John Waihee
Hawaii
Vice President

Governor A. P. Lutali
American Samoa
Secretary

Governor Pedro P. Tenorio
Commonwealth of the
Northern Mariana Islands
Treasurer

Washington, D.C.
February 24, 1988

THE HONORABLE DANIEL K. INOUE
United States Senate
722 Hart Senate Office Building
Washington, DC 20510

Dear Senator Inouye:

We would like to thank you for your efforts on our behalf to obtain exemptions from the harbor maintenance tax (P.L. 99-662, Title XIV.). We are extremely grateful for your floor amendments introductions. We fully understand the difficulty of achieving a 60-vote waiver in view of the budget summit agreements and your action to withdraw your amendments. We are heartened by the assurances you were given to include those intra-regional and ocean passenger provisions in a tax technical corrections bill for this year.

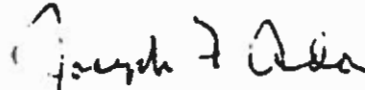
We would like to reconfirm and re-emphasize our support for this effort to exempt our Islands from the intra-regional and ocean passenger tax.

Additionally, we would recommend inclusion of a refund provision because of the retroactive application of your proposed amendments and due to the almost one year period from the tax's implementation date. We feel that the administrative remedies will not be available to most shippers who have paid the harbor tax since April 1, 1987.

If you or your staff have any questions, please feel free to call Mr. Jerry Norris, PBDC Executive Director, at (808) 523-9325. We would be most pleased to provide technical guidance on this matter.

Jerry B. Norris
Executive Director

Respectfully,

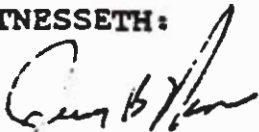


JOSEPH F. ADA
President and
Governor of Guam



JOHN WAIHEE
Vice President and
Governor of Hawaii

WITNESSETH:



Jerry B. Norris
Executive Director



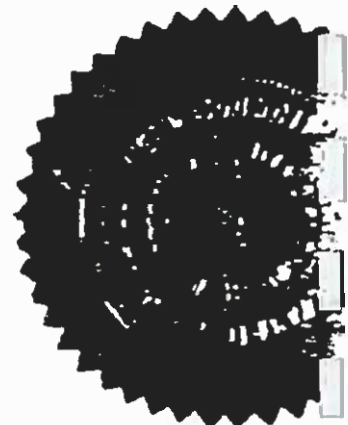
A.P. LUTALI
Secretary and
Governor of American Samoa



Carolyn K. Imamura
Director of Planning
and Programs



PEDRO P. TENORIO
Treasurer and Governor of
N. Mariana Islands



RURAL DEVELOPMENT INITIATIVES (RDI)

Rural Development Initiatives (RDI) were established to assist the development and improve the economic health of small towns which were losing economic opportunities, or developing at a slower rate than their metropolitan counterparts.

The USDA rural development initiatives are designed to facilitate the exchange of information at all levels so that each good idea, each available resource and each successful project can be shared and used by other rural areas. The RDI helps provide a range of options and opportunities available to America's small towns searching for economic relief. The RDI although not complete, does provide a list of rural development resources available. Under the direction of the Deputy secretary and the Office of the Under Secretary for Small Community and Rural Development, the Department (USDA) launched its Six-Point Rural Regeneration Initiative for FY 87-88.

Although Guam is in complete agreement and supports the Department's six point rural regeneration initiative plan, Guam is not a Rural Community, and probably can not benefit from this program. Unlike the Hawaiian Islands which has a total land mass of approximately 6,424 square miles and distinct urban and rural areas, Guam is a small community (212 square miles) with a combination of both urban and rural type activities and development. The Commonwealth of the Northern Mariana Islands is similar to Hawaii in that it also has distinct rural and urban areas, with Saipan acting as the urban area and the other islands of the CNMI acting as rural areas, isolated from the urban.

Guam develops its own special initiatives in order to promote rural type economic development and to meet other special needs of rural type areas. These are handled through master plans, community design plans, and/or legislation, which provides for the development and upgrade of infrastructure for the island as a whole. There is no separation of urban-rural areas by distance or geographical barriers (ocean, etc.). Rural activities can be found in both small scale (i.e. backyard garden plots), and large scale commercial type farming ventures (greater than one acre), throughout the island of Guam, and the access to urban opportunities is unhindered.

Briefing Notes: Guam Department of Commerce
Date: August 19, 1988

Briefing Notes

1. Fisheries.

--Coordination. Better coordination is required amongst the different fisheries organizations particularly the Pacific Fisheries Development Foundation and the Western Pacific Regional Fisheries Management Council. The current PFDF structure has certain limitations which include the technical capability and the problem of continued decreases in the funding of fishery projects.

--Proposed licensing requirements. NOAA is proposing a licensing requirement that will mandate all vessels fishing within territorial waters to be dually licensed to fish within a 3-12 mile zone whichever is applicable and those fishing within the 200 mile zone have a separate license. This issue was introduced during the 62ND WESPAC Council meetings and was received with great reservations. This requires additional research and review. A position should not be taken by either the council or the respective governments until additional clarification and concerns are resolved.

Recommendations:

a. Develop a technical coordination program with the two organizations or adopt the current technical review program currently vested in WESTPAC with the PFDF process. A system should be established to allow for proper review and application of viable, realistic fishery programs.

b. The issue of representation should also be addressed for those Pacific Island states represented in PFDF and those in WESTPAC. As in the case of PFDF representation, the Marshalls, FSM and Palau are recognized as voting entities. With the inclusion of these islands, the funding levels have not correspondingly increased to accommodate the new member states. This should be addressed as a regional issue.

*

2. Westpac Council Meeting.

In summary, the issues raised and discussed were productive as a whole. The emphasis in most of the discussion focused on the need for stronger data coordination amongst the program areas with regard to data generated with the respective fishery resource. The issue of a observer program was discussed at some length which incorporates a national policy for fisheries, to allow for a domestic observer program for data gathering activities.

Several concerns were raised as to the funding aspect and liability of this program. Who should be burdened with this responsibility was left unanswered and should be clarified soon by the council as to what position would be appropriate to support. It is evident that this is a needed activity but the cost and liability should be clarified in the interim. In the meantime, the position supported would be based on identifying the data needs and data requirements the observer would be required to gather and based on that expressed need be the determination if an observer on board is required.

Guam's report and involvement was well received. Active participation in most meetings resulted in Guam being included in a Data Collection committee.

3. Tuna Concerns.

Tuna legislation is currently undergoing a review process and is up for reauthorization in congress which is expected to bring on major changes in the current legislation. This review process is being done by NOAA. This study will identify the key principles and situational factors that affect the industry and those areas that decisionmakers must deal with.

For Guam:

- A comprehensive review should also be undertaken to review the concerns of the proposed Commonwealth and the intended changes in the tuna legislation.
- A profile of the needed changes that affect Guam's fishery programs should be done to review the impact and the recommended solutions to these problems. (Reference should be made to Department of Commerce Briefing Series).

4. Funds for S-k projects.

The National Marine Fisheries Service received 45 proposals which will tap into an anticipated total funding of about \$500,000 for proposals.

5. Regional Enforcement Issue. There is an expressed need to monitor the licensed fishery vessels in the area. this should be developed as a regional issue to incorporate the various Pacific Island States monitoring needs. Addressing the current resource available will show that there is a potential problem that should be addressed by the respective governments.

USTR INTERGOVERNMENTAL POLICY ADVISORY COMMITTEE

PBDC staff suggests that Governor Ada present a report on his June 15, 1988 meeting with the above committee. Attached is the meeting minutes prepared by USTR staff.

Generally, the IGPAC will focus (via its Midterm Review Report) on four negotiating issues:

1. Investment - how should the USTR approach the issue of TRIMS - Trade Related Investment Measures (e.g., local content requirements, export requirements, licensing requirements etc.) that tend to distort an open investment climate and are imposed in conjunction with investment incentives. An example on Guam would be the approval of a GEDA qualifying certificate if investors hire 10% local employees.
2. Services - the USTR desires input on the specific service industries that warrant sector specific agreements under the Generalized Agreement on Tariff and Trade. GATT currently applies only to trade in goods not services.
3. Agriculture - Input is needed on how should the USTR deal with the provision of agricultural assistance and subsidy programs by federal, state, and foreign governments that inhibit market competition and distort trade flows.
4. Market access - USTR is requesting input on foreign trade barriers (both tariff and non-tariff).

The next IGPAC meeting is scheduled for November 21, 1988.



OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON
20506

July 15, 1988

MEMORANDUM FOR: Members of the Intergovernmental Policy
Advisory Committee

SUBJECT: Minutes of the Intergovernmental Policy Advisory
Committee (IGPAC) Orientation and Meeting,
June 15, 1988

ORIENTATION SESSION

The IGPAC met Wednesday June 15, 1988. Since the meeting was the first since the group's rechartering in March 1988, the day started with a 2 1/2 hour orientation session. Members received briefings on the following topics: the mission and history of the USTR; the functioning of the Advisory Committee system; trade policy development; trade law and legislation; the GATT; the Uruguay Round; bilateral trade talks; industry; services; investment; and agriculture. USTR Senior Staff members responsible for each of these areas made presentations and commented on recent events affecting their particular areas of trade policy.

Following the morning orientation session the group broke for lunch. At the luncheon, which was hosted by the Port Authorities of New York/New Jersey, Miami and Long Beach, the group was joined by Ambassador Yeutter.

IGPAC MEETING

The formal meeting began with Ambassador Yeutter swearing in each of the members and calling for the election of a Chairman. Governor Carroll Campbell (SC) nominated Lt. Governor George Ryan (IL). The nomination was seconded and passed unanimously.

Opening Remarks

Ambassador Yeutter opened the meeting with remarks concerning current trade policy issues. He voiced his regrets that the Omnibus Trade Bill was put into such a position that it had to be vetoed. Yeutter concluded that it was unfortunate that the bill ever included the plant closing provision and expressed his expectation that a new trade bill will be passed in 1988.

Ambassador Yeutter made further opening comments regarding the U.S.-Canada FTA and the European Community's Internal Market Exercise, as well as other bilateral trade issues. He also expressed his satisfaction with the progress of negotiations with Japan on beef and citrus, pointing out that the potential for full market liberalization could increase U.S. exports by more than \$1 billion per year. [An agreement on beef and citrus was reached on June 20, and signed by Japanese Ambassador Matsunaga and Ambassador Yeutter on July 5.]

U.S.-Canada FTA: Implementation Issues

Chip Roh reported on the progress of the U.S.-Canada Free Trade Agreement (FTA), highlighting the important role that the implementing legislation assigns to the IGPAC concerning State and Provincial Compliance. Despite a number of individual concerns (such as uranium, textiles, banking and other financial services, timber, tourism, liquor, lobsters and territorial applications of the agreement), members were strongly supportive of the FTA. The need to initiate follow-up negotiations on subsidies was a focus of the ensuing discussion. Ambassador Yeutter closed the discussion on the FTA by suggesting the creation of a working group of IGPAC members to continue dialogue on implementation issues that relate to state compliance.

Agriculture

Suzy Early addressed the members with regard to agriculture, pointing out the weakness of rules regarding agriculture in the GATT. A major issue is the prevalence of agricultural assistance and export subsidy programs that inhibit market competition and distort trade flows. Suzy briefly described U.S. efforts to reach an agreement in the Uruguay Round for the elimination of such programs, pointing out that many countries, especially the European Community (EC), are averse to these efforts. However, some groups such as the CAIRNS group, which is comprised of 13 free trading countries, have tabled proposals very similar to ours. IGPAC members were generally supportive of the U.S. position, noting that in a fully liberalized world market, U.S. farmers would be very successful.

Services

Bruce Wilson explained that GATT rules apply only to trade in goods, not services. The United States has initiated negotiations for a set of rules to cover services as well. Progress has been difficult, he explained, due to the fact that there is no common definition for what falls under the umbrella of services. Recognizing this, our negotiating strategy has been to focus on a general framework of rules which would apply to specific sectors as individual member countries agree (via codes) to have these sectors covered. In the meantime, however, we are also considering a series of sector-specific agreements.

Bruce pointed out that it would be helpful to get the input of IGPAC members with regard to specific service industries that they believe to be of greatest priority for sector-specific agreements. He pointed out that it was USTR's desire to work cooperatively with state and local governments, who have regulatory authority over many services industries.

Investment

Bruce Wilson opened the discussion on investment by highlighting the open investment climate of the U.S. and pointing out that, with the exception of a few national security restrictions, we have no Federal constraints on investment flows. In the Uruguay Round our greatest concern regarding international investment flows is the widespread use of trade-distorting Trade Related Investment Measures (TRIMs). A few examples of TRIMs are: local content requirements, export requirements, manufacturing requirements, local equity requirements and licensing requirements.

Frequently, TRIMs are imposed in conjunction with incentives, which presents a tough policy problem for USTR. Bruce asked for the IGPAC's views on how we should approach the issue of incentives in relation to trade distorting measures that are imposed on investors.

Governor Campbell (SC) asked what type of incentives might be impacted by such negotiations and expressed concern regarding the possible effect that these negotiations might have on state tax and economic development policy. Bruce expressed USTR's desire to avoid this circumstance but pointed out that it is difficult to formulate a policy separating incentives from TRIMs. Ambassador Yeutter pointed out that we must be willing to stop practices that we are asking our trading partners to stop as well.

Port Authority Director Stephen Berger (NY/NJ) voiced his concern regarding negotiations which might restrict the use of local content requirements and the possible effect of these negotiations on some U.S. industrial development efforts. Ambassador Yeutter explained that local content requirements abroad probably hurt us as much as any other distortion-causing element in world trade and that any headway that we could make with regard to shutting down these TRIMs would be of great benefit to U.S. industry.

Market Access

Ambassador Yeutter pointed out that although it was popular in the late 70's to say that the manufacturing base of the United States was crumbling and that we were becoming a service-driven economy, this assessment has proven to be incorrect. The manufacturing sector has recovered with a vengeance. With the weakening of the dollar in international currency markets, the increase in foreign demand, higher product quality, and relatively stable labor costs, the American manufacturing sector has found an era

of increased competitiveness. As U.S. exports increase, the burden of foreign trade barriers escalates and market access for American products grows to be an increasingly more significant factor in U.S. trade policy.

Identifying barriers is an area where state and local governments, through the IGPAC, have the potential to be of great help to the United States. Ambassador Yeutter pointed out that, as regional trade promoters, the members of the committee have come in contact with tariff and non-tariff barriers by region as well as by sector, giving members a broad base of market access information.

Midterm Review Report

It was resolved that the IGPAC would focus its contribution to the advisory committees' Midterm Review Report on four negotiating topics: Investment, Services, Agriculture and Market Access. It was concluded that a task force would be set up to draft a report and that the task force would be broken into four sections -- one covering each major subject area. Members were asked to express their interests with regard to task force membership during the "pulse taking" session to follow.

DISCUSSION

Chairman Ryan started off the "pulse taking" discussion by voicing his concern regarding small and middle sized business's difficulty entering international markets. Financing was the major hurdle to these aspiring companies, he stated, pointing out that 80% of this countries exports are produced by only 250 companies. It was Ryan's opinion that small local banks won't touch export propositions by small companies fearing increased risk and that larger central banks are not interested in them due to the fact that they are too small. Making financing available to these smaller companies would be a crucial role that the states must play in the future, he concluded.

Governor Campbell (SC) expressed his concern that these small businesses were not able to deal with non-tariff measures as well as the larger exporting companies were. The Governor also voiced concern regarding discussions presently taking place regarding a proposed long term integration of textiles and apparel into the GATT. He was concerned that this meant the elimination of the Multi-Fiber Arrangement Regarding International Trade in Textiles (MFA) in the process. The MFA allows countries to impose quantitative restrictions on textile imports when the importing country considers them necessary to prevent market disruption -- restrictions that would otherwise be contrary to GATT provisions. Governor Campbell requested discussion on the topic before the U.S. gave serious thought to any possibilities within that realm.

Governor Ada (Guam) expressed the frustration of the territories regarding impediments imposed by both foreign trading partners as

well as the United States. He pointed out how difficult it was to stay competitive when being hit from both sides. Ada concluded, however, that he was confident that something would be worked out.

Concern was voiced by State Representative Chuck Hardwick (NJ) regarding the possible lack of continuity in trade policy between this administration and the next. Ambassador Yeutter explained to the group that we plan to start consulting with each of the presidential campaign organizations, keeping them both fully advised as to the current direction of trade policy. Ambassador Yeutter pointed out that we would continue to "call our own shots" but that we would try to avoid doing something that would cause substantial problems to an incoming administration. This will be done in order to give continuity to our trade reforms agenda and keep the liberalization of international trade markets on a steady track.

State Senator George (HI) and State Representative Hardwick (NJ) both expressed a desire to see an expansion in foreign market access for agricultural products. They also pointed out that without exporting, the agricultural strength of this country would dissolve. Applauding present efforts in our agricultural negotiations, they urged for a continuation in U.S. efforts to liberalize world agricultural markets.

In closing, Ambassador Yeutter thanked the members for their participation in the meeting and stated his confidence in the IGPAC's ability to advise him on trade policy issues and the effect of these policies on state and local economies.

The next meeting of the IGPAC will take place in Washington on November 21, 1988, in the afternoon.

BRIEFING PAPER

1990 DECENNIAL CENSUS OF POPULATION AND HOUSING

OVERVIEW

A census of persons and housing units will be funded by the U.S. Census Bureau under Title 13, U.S. Code, in April 1990. Under this law, Guam, American Samoa, CNMI, Puerto Rico, and the Virgin Islands are unique from the 50 States in that the Census Bureau may use data collected by the Governor of each of these areas if the information is collected in accordance with plans prescribed or approved by the Secretary of Commerce.

Questionnaire Content:

Each of the areas needs data which are both unique to the rest of the United States and unique to each other. This may be problematic as the Census Bureau is recommending that the three Pacific areas share one questionnaire.

In order to develop a single questionnaire for the three areas, the Census Bureau has recently completed a series of meetings in Guam, CNMI, and American Samoa. The Census Bureau intends to develop a final questionnaire based on the written recommendations to be received from each area.

In addition to Census Bureau approval, it is expected that the Office of Management and Budget will review the questionnaire to ensure compliance with the intent of the Paperwork Reduction Act of 1980.

Tabulations

In the 50 States and the District of Columbia, a decennial census is mandated to determine apportionment to the House of Representatives. In addition to a count of persons, the collection of social and economic data is required of the census by certain federal laws requiring census data to be used as the official data for reporting purposes.

This collection of data is extremely costly. Guam is estimating a minimum of \$750,000 to conduct its census. That cost does not include development and printing of the questionnaire, or processing, tabulating, and publishing the data. However, the Census Bureau has already stated that the data to be released for the outlying areas will be strictly limited by budgetary constraints within the Census Bureau. It would appear to be counter-productive to spend hundreds of thousands of dollars to collect data, and then limit its utility and distribution.

Timely Release of Data

After the 1980 census, it was a full 6 years before all of the data for the outlying areas were published. The Census Bureau has acknowledged that it would like to avoid a similar delay in data release after the 1990 census. To deal with this issue, the outlying areas are being removed from the regular stateside data processing procedures, and will undergo a microcomputer based system of data entry and tabulation. While it is encouraging that the Census Bureau is willing to make this concession, the Census Bureau is not promising an earlier release of data, nor is it promising that the data released will be comparable to data released in the States.

RECOMMENDATIONS

Questionnaire Content

1. Guam, American Samoa, CNMI should work together to present a mutually acceptable set of questionnaire recommendations to the Census Bureau. A meeting of representatives knowledgeable about the issues should be held to develop a set of modifications to be presented to the Census Bureau. If the data needs of each of the areas are too different to be resolved into one questionnaire, the islands could consider requesting separate questionnaires for each area.
2. Final recommendations should be submitted to the Census Bureau through Pacific Basin Development Council resolution, as well as by each Governor.
3. The Memoranda of Agreement to conduct each census should not be signed until each island Governor has approved the Census Bureau's final version of the census questionnaire.
4. The outlying areas (CNMI, American Samoa, and Guam) should be prepared to lobby with OMB to retain the questions in the format identified by the islands' governors as best suited to their needs.

Tabulations

1. The Memorandum of Agreement between the Census Bureau and each Governor should not be signed until an acceptable plan for the tabulation of the data has been approved by the Governors.
2. The outlying areas should require the Census Bureau to provide a copy of their respective raw data files or completed questionnaires so that the islands can compile data for special studies when needed.

Timely Release of Data

1. The Memoranda of Agreement should include a clause that requires the Census Bureau to release the data identified in the tabulation plan within a reasonable length of time, possibly 2 years.