

Briefing Papers
for
PACIFIC BASIN DEVELOPMENT COUNCIL
Technical Advisory Committee
(PBDC TAC)

Meeting of June 16, 1989
Honolulu, Hawaii

Bureau of Planning

Bureau of Planning
Socio-Economic Division

June 14, 1989

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PBDC MEMBERSHIP FOR ALASKA

PBDC membership for the State of Alaska is a scheduled agenda item and an important issue. Guam favors the inclusion of Alaska into the PBDC because Alaska, and its voting Congressmen, can be expected to support Guam's goals of achieving special treatment from the federal government related to its remoteness from the U.S. mainland. It can also be expected to support Guam's determination to upgrade its political relationship with the federal government. It is also seen as something of a counter weight to Hawaii's tendency to control the PBDC.

Attached are excerpts from a briefing paper entitled, "Possible Discussion with Alaska's Governor, Steve Cowper" which was not dated but included letters dated December, 1987. It delineates the various issues which Guam and Alaska have in common and provides a brief discussion of each issue.

Possible Discussion With Alaska's Governor, Steve Cowper

Alaska and Guam are both U.S. noncontiguous areas in the Pacific. While they are separated by the Pacific Ocean and are dissimilar in their land mass, terrain, and climate, they share similar problems because of their noncontiguity.

Governor Ada may want to seek out Governor Cowper at NGA and discuss common problems and concerns. While this is a perfect opportunity for our Governor to establish rapport with other Governors, it will be particularly advantageous for Governor Ada to establish rapport with Governor Cowper since Alaska and Guam share similar problems in their relationship with the federal government. Because Alaska was one of the last incorporated territories to become a state, it is familiar with the process that Guam is going through in its effort to change its political status. Moreover, Alaska has voting power in the House and Senate and will be able to assist in making the concerns and interests of the noncontiguous areas of the Pacific known in Congress. By establishing rapport with other Governors and particularly Governor Cowper, Guam may be able to gain additional support in the House and Senate.

Issues to Discuss

- Air Service

Both Guam and Alaska are negatively impacted by the Cabotage Law and other FAA regulations which limit air routes and air service to and from noncontiguous areas in the Pacific. Bilateral aviation agreements between U.S. and foreign countries often restrict the number of carriers having landing rights on noncontiguous areas in the Pacific. These agreements fail to consider the positive impacts that additional air routes and air services with foreign countries have on the economies of noncontiguous areas.

- Maritime Issues

Both Guam and Alaska are negatively impacted by the Shipping Act of 1916 and the Intercoastal Shipping Act of 1933 (Coastwise Laws). The laws which support the domestic maritime industry negatively impact on the economies of the noncontiguous areas. For instance, Alaska, Hawaii and the territories incur higher shipping costs for goods shipped from foreign countries. While the laws were intended to protect the U.S. shipping industry, the volume of trade between U.S. ports and particularly the territories is minimal. Allowing foreign vessels to enter U.S. trade in ports of noncontiguous Pacific areas would not be detrimental to the U.S. maritime industry. Hawaii, Alaska and the noncontiguous territories should be freed from restrictions imposed by the Coastwise Laws. They should be declared "Open Ports" so that all legitimate shipping companies can offer their services at the most reasonable cost and appropriate time schedules.

Ad Valorem Tax:

The intent of the Port User Fee or Ad Valorem Tax is to generate revenues for off-shore and on-shore infrastructure improvements by taxing cargo. While the law makes exemption for domestic cargo shipped from the U.S. Mainland to Hawaii, Alaska and the noncontiguous territories, the law does not make exemptions for intra-regional movements. Cargo shipped among the noncontiguous areas are still taxed. The tariff hinders trade/cargo movements among noncontiguous areas and has a negative impact on their economies.

Alaska, Hawaii and the noncontiguous territories should seek exemption from the law in order to promote regional trade and reduce shipping cost.

- Federal Lands

Presently, the federal government controls 88 percent of Alaska's land. While Alaska is a state rich in natural resources, these resources are usually on lands held by the federal government. Subsequently, the state does not have access to resources that can be used to further develop Alaska's economy and which may be needed by the State. Because the Departments of Interior and Defense usually control these lands, Alaska is faced with a long drawn out battle to obtain control of needed resources or surplus lands.

Alaska, Hawaii and the noncontiguous territories all share similar problems as the federal government owns large portions of land. These noncontiguous areas should join efforts to obtain some control over their resources. In addition, the noncontiguous areas should express their concern to Congress about the long drawn out process of transferring surplus federal lands to the local government and the barriers that DOD and DOI have erected in the process of transferring land.

- Nuclear Plutonium Issue

The state of Alaska has filed suit against the federal government to stop a Reagan Administration plan permitting Japan to transport highly toxic nuclear waste by air through Alaska. The suit asks that the shipments be stopped until an environmental impact statement is made on the potentially hazardous activities.

Governor Ada can express his support for Alaska in its effort to prevent Japan from transporting nuclear waste through the State. Like Alaska, Guam is concerned about Japan's efforts to dispose of its nuclear waste. Japan has attempted to dump its nuclear waste in the Pacific Ocean; presently, however, there is a moratorium on nuclear dumping in the Pacific. Just as Alaska would like to stop the transshipment of nuclear waste through their State, Guam and the Pacific Rim nations would like to prevent Japan from dumping nuclear waste in the Pacific.

The noncontiguous areas should join efforts and express their concern to the federal government in keeping the area nuclear free.

- Pacific Basin Development Council (PBDC) Membership

Alaska was asked to submit comments for the Pacific Policies Report as mandated by P.L. 99-239; however it is not a member of the Pacific Basin Development Council (PBDC). While Alaska is not an island nation, it is a noncontiguous area of the United States. The Governors should discuss the possibility of including Alaska in PBDC because it shares similar problems with the island nations. For example: many of the protectionist legislation that negatively impact

Alaska are the same ones that constrain the development of PBDC nations. In addition, the nations of PBDC and Alaska share similar problems in their relationship with the federal government with regard to indigenous rights and the role of the Department of Defense.

The noncontiguous areas of the Pacific need to work together in making their concerns, goals, and problems known to the federal government. All too often, little consideration is given to the negative impact that certain laws have. Thus, including Alaska in PBDC will improve rapport among the policy makers of the U.S. noncontiguous areas in the Pacific. In addition, Alaska can provide additional support in the House and Senate for issues impacting the territories.

Attached is Alaska's response for the Pacific Policies Report.

MEMORANDUM

State of Alaska

TO DISTRIBUTION

DATE December 4, 1987

FILE NO 88A-57

TELEPHONE NO 465-3568

FROM Gregg Erickson
Senior Economist
Division of Policy
Office of the Governor

SUBJECT Pacific Area Policy

Your comments are solicited on the attached draft letter (CTS# 87261HDC0015). Also attached is the letter from the Department of the Interior, to which the draft responds.

On several of your copies I have highlighted paragraphs that may be of particular interest. Comments, if any, should be to me By Monday, 14 December.

Attachments as noted.

GE/dmc/88A-57

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John Williams, Deputy Commissioner
Department of Commerce and Economic Development

Brian Rogers, University of Alaska
Fairbanks, AK

Ms. Kittie Baier
Principal Deputy Assistant Secretary
United States Department of the Interior
Washington, DC 20240

Dear Ms. Baier:

Thank you for your letter of 10 September regarding the Pacific Policy Report being prepared by the Secretary of the Interior in accordance with section 302 of Public Law 99-239.

It is appropriate that Alaska should play a substantive role in the development of federal policy toward this vast region. We share with other Pacific Basin jurisdictions unique problems of non-contiguity. We have populations dispersed in scattered clusters separated by great distances, dependent on maritime and air transportation. Far more than the rest of the nation, the non-contiguous Pacific jurisdictions -- including Alaska -- have come to increasingly gravitate toward economic and cultural interdependence with the nations on the eastern rim of the Pacific.

It is not at all surprising that these common differences and trends have sometimes created common frustrations with federal policy. My staff has prepared a provisional listing of these frustrations as seen from the Alaska perspective. I have enclosed a copy, and directed that it be circulated to other governments in the region. We anticipate that these issues will be discussed in the report prepared by the staff of the Pacific Basin Development Council under contract to the Department of the Interior. Although Alaska is not a member of the Council, I intend for Alaska to fully participate, as Congress intended, in the review of the Department's report. We look forward to the opportunity for consultation among the governments of the region, regarding federal policy generally and the section 302 report in particular.

Sincerely,

Steve Cowper
Governor

Enclosure

SC/GE/dmc/88A-57

Provisional Listing

Federal Policy Issues Concerning Alaska Possibly Common To Other Non-contiguous Pacific Jurisdictions

1. Jones Act. The government of Alaska is required by law to work for elimination of cabotage laws that unfairly impose on Alaska the costs of achieving national objectives. Alaska consumers pay \$50 million or more annually to support a "domestic" maritime industry, and Alaska's natural resource revenues are reduced by as much as \$200 million annually for the same reason. If national defense requires subsidies to the maritime industry, the burden should be shared by the entire nation. Alaska notes that this unfairness is particularly onerous when it is imposed on an economically underdeveloped area such as Alaska or Guam, and especially egregious when -- like Guam -- the region has no voting representation in Congress. Alaska supports on principle the extension of Jones Act exemptions such as that granted the Virgin Islands to other offshore U.S. jurisdictions.
2. Export Limitations. Alaska believes federal law unfairly discriminates against Alaska with regard to the export of Alaska resources to other nations.
3. Domestic Aviation. Many Alaska communities depend entirely on air transportation. This fact has found federal recognition with respect to the Airports and Airway Improvement Program, but most of these small communities cannot compete adequately under the standard federal aviation formula.
4. International Aviation. Alaska believes that the goal of developing its commerce with other nations and its economy generally is not been adequately recognized in the process that governs negotiation of bilateral aviation agreements.
5. Domestic Mail Service. Alaska has sought and obtained its own bulk mailing rules and carrier routing systems that reflect its special circumstances. Alaska would support the provision of similar arrangements to other non-contiguous areas.
6. International Mail. Antiquated routings between Alaska and foreign destinations sometimes inhibit the development of the state's international commerce.

7. Military Construction Contracts. Having to go outside the state to work on federal projects has sometimes been a problem. Last year Alaska and Hawaii enjoyed special local hire provisions in the military construction appropriations bill.

8. Military Food Contracts. Military procurement is sometimes predicated on conditions that can only be met by out-of-state contractors.

9. International Fisheries Issues. In recent years the federal government has been more responsive to state concerns in the management of international Pacific fisheries. Alaska would be interested in joining with other non-contiguous U.S. governments to see that this progress continues.

10. Technical Assistance. Alaska and Alaskans have on occasion been able to provide specialized technical assistance to governments of the Pacific region, especially in the areas of education service delivery, law enforcement, and justice administration. Alaska encourages federal programs to facilitate this kind of regional "self-help."

11. Foreign Trade. Alaska, like most of the other jurisdictions in the Pacific Basin, is more dependent on foreign trade than most other states. And unlike most other states, or the U.S. generally, Alaska is a net exporter on the merchandise balance. This gives Alaska a substantially different perspective on foreign trade. Alaska believes that the U.S. should offer to negotiate bilateral free trade pacts with other Pacific Rim nations, much as it has with Canada. Alaska supports expansion, extension, and liberalization of current U.S. laws providing for free trade zones.

PBDC MEMBERSHIP FOR THE FREELY ASSOCIATED STATES

Guam does not favor the inclusion of the FSM or the RMI into the PBDC at this time. The additional funding which would be derived from their inclusion would be limited primarily from their membership dues. The underdeveloped economies of these areas would likely require a disproportionate amount of time and effort on the part of the present PBDC members relative to the benefit of their inclusion. Unlike Alaska, they have no representation in the U.S. Congress to lobby for projects and funding to advance the goals of the PBDC members.

Attached are copies of letters to Governors Ada and Waihee from Orson G. Swindle, III, Assistant Secretary for Economic Development (EDA), U.S. Department of Commerce, which address the economic implications of PBDC membership for the Freely Associated States. He emphasizes that his suggestion that the FSM and the RMI be considered for membership in the PBDC should not be construed to mean EDA will provide more funding should they be included. He further states that "EDA funding now being provided the PBDC is as high as it can and ought to be. It can easily be argued that the current level is too high" (Original underlining). Later, in reference to university center technical assistance, he says: "Even Guam, with its university, probably will not be able to qualify in the near future."

He disclaims, however, any truth to the rumor that EDA was threatening of cut off funding for the PBDC and encourages the PBDC to compete for individual grant assistance on special efforts or projects under a condition of "accountability". He says he finds it hard to believe that anyone knowledgeable in the efforts he has put forth could question his commitment to help "our Pacific friends" given the "disproportionate amount of funding that we have committed there since I became Assistant Secretary" and attaches a list of funding activities since he became Assistant Secretary.

-89-1957



UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Economic Development
Washington, D.C. 20230

24 March 1989



Honorable Joseph Ada
Governor of Guam
Agana, Guam 96910

Dear Governor Ada:

It was good to see you earlier this month here in Washington at the PBDC reception and meeting.

I received an inquiry from Jerry Norris recently concerning a request from you and Governor Waihee for a copy of my comments before the PBDC membership at your meeting. The enclosed letter is my response to the request. As I point out in the letter, I was speaking from some notes that I threw away afterwards. I hope I have elaborated on the two issues Jerry identified as being of specific interest you.

If you have further questions, please do not hesitate to call on me. I wish the Governor and Guam the very best.

Sincerely,


Orson G. Swindle, III
Assistant Secretary
for Economic Development

Enclosure



UNITED STATES DEPARTMENT OF COMMERCE
The Assistant Secretary for Economic Development
Washington, D.C. 20230

24 March 1989

Honorable John Waihee
Governor of Hawaii
Honolulu, Hawaii 96813

Dear Governor Waihee:

It was good to visit with you, Governor Ada and Governor Tenorio at the recent Pacific Basin Development Council (PBDC) meeting here in Washington earlier this month. I regret that Governor Coleman was unable to attend, but through Fred Radewagen's efforts, I was later able to discuss with the governor the meeting and some matters of interest to American Samoa. I appreciate the hospitality and friendship extended to me at your meeting and during meetings of the past.

I received a message from Jerry Norris of the PBDC asking for a copy of my remarks to the governors. Jerry indicated that two governors had asked for copies. Unfortunately, I was speaking from some notes and did not save them. However, I spoke with Jerry recently to identify just exactly which subjects were of interest. He said that you and Governor Ada were interested in my comments about the PBDC being a forum for the Freely Associated States (the FSM and the RMI) and, secondly, my comments about the PBDC and the University of Hawaii's Pacific Business Center Program (the Center) working together in a cooperative way. I do not recall the exact words I used, but will try to elaborate on the two topics.

As I have said on previous occasions, such as the PBDC meeting this past summer when representatives from The Federated States of Micronesia and the Republic of the Marshall Islands were present, I think there is a broad range of issues of common interest to all of the island states and territories. By including the FSM and the RMI in the PBDC organization, it would periodically bring all together for discussions of vital mutual interest. In addition, I speculated that the FSM and RMI could benefit greatly from the association and could learn from the years of experience of the current PBDC membership in its quest for economic and community development.

I am well aware that funding is a sensitive issue with Jerry and perhaps the PBDC in general regarding EDA participation. We had a good discussion of this last summer in the Governor's office as I recall. I would like to address the subject of funding in detail.

My suggestion that the FSM and the RMI be considered for membership in the PBDC should not be construed to mean EDA will provide more funding should they be included. First of all, I can not envision two additional members having a substantial

effect on the costs of the PBDC operation. Secondly, EDA simply does not have the extra money in its Planning Programs budget line item allocation. You might find it interesting to know that in the Planning Program (301 Program), EDA provides funding to over 350 entities. Typically, the recipients are economic planning and development districts. With the exception of one state, a few regions within states, and Indian tribal recipients who receive aggregate sums for several (for example, 6 to 12) subordinate organizations which then receive funding through suballocation, only one grant recipient in the 301 Program receives more money from EDA than does the PBDC. Typically, the funding provided each planning district is between \$40,000 and \$60,000 annually. PBDC's current funding is \$86,000 (copy of the Agreement is attached). The one grant of a larger amount (\$96,000) is currently being considered as to whether it is appropriate and may be reduced in the near future. So, the PBDC is essentially number two out of about 340 similar recipients.

Add to this the fact that two (2) of those 340 similar recipients are Guam (\$40,000) and American Samoa (\$40,000), you can readily see my concerns for redundant or inappropriately excessive funding. To allow this situation to exist is in itself questionable and subject to future review. Would the governors of Guam and American Samoa give up their funding in order to increase the PBDC's funding?

I know little of the funding provided the PBDC by the four members. I seem to recall something on the order of \$50,000 each. This, I assume, amounts to over \$285,000 a year in annual funding provided the PBDC by the members and EDA to carry out its planning and development functions. (I admit to not being familiar with how the member funding is used. The use of EDA funding is specified in the attached Agreement.) This does not include the total of \$80,000 provided to Guam and American Samoa for similar purposes by EDA.

We have had some difficulty identifying what the PBDC has been using EDA funding for in its past operations. I believe I mentioned this to the Governor earlier. EDA Regional Director John Woodward and his staff in Seattle worked with Jerry before the current funding was approved and arrived at an acceptable understanding of how EDA funds were to be used. That understanding is represented by the attached copy of the Special Terms and Conditions of the current grant. Based upon these facts and comparisons, I believe the EDA funding now being provided the PBDC is as high as it can and ought to be. It could easily be argued that the current level is too high.

I find it hard to believe that anyone knowledgeable in the efforts I have put forth could question my commitment to help our Pacific friends given the disproportionate amount of funding that we have committed there since I became Assistant

Secretary. EDA's activities in the Pacific under my tenure have increased enormously. I am attaching a list of our funding activities since I became Assistant Secretary for your information.

I have heard from a number of sources that the PBDC staff believes that the funds obtained by reductions in funding to the PBDC were given to the Pacific Business Center Program at the University of Hawaii. Such rumors really concern me. Let me assure the Governor that nothing could be further from the truth. The two programs are funded from different line items in our budget (the Center is funded from a line item specifically identified for university centers) and cannot be arbitrarily switched or intermingled.

Neither the FSM nor the RMI have a university; therefore, they are not eligible to receive university center technical assistance from EDA. Even Guam, with its university, probably will not be able to qualify in the near future. The only way these remote islands can receive low cost technical assistance is for your University of Hawaii to provide it.

I am pleased with the Governor's Pacific vision and the efforts of your staff to reach out to your island neighbors in the South Pacific and Micronesia. I enjoyed talking with Lee Afuvai in early February about your initiatives to fulfill your vision for Hawaii and the Pacific. I was most impressed.

It pleases me that so many highly qualified professors of the University are willing to work in the islands at reduced consulting rates, many I understand work weeks at a time free. You have indeed instilled in the faculty of the University a true spirit of aloha and sharing of resources. The Center and the increased support the State is going to provide it are indicative of your strong commitment to the "Pacific" part of the Asia-Pacific Region. I believe you recognize that I share with you a deep concern that no one forget the "Pacific" part of that scenario!!

Likewise, the island leaders appear to recognize their need for technical assistance and information from the University of Hawaii. They have embraced the Center by providing 100% matching funds to the EDA money I offered on my trip in the summer of 1987. I must admit I was surprised, as was our Regional Director, that all five governments accepted my offer so quickly and with such enthusiasm. Obviously, they feel strongly about the capabilities of the Center and the University of Hawaii to give them much needed assistance.

The additional money the Center receives in FY 88 and FY 89 from EDA for the FSM states and the RMI plus their equal matching share (a total of \$150,000) is used to pay for the salaries, activities, travel and overhead for the services provided by the Center's newest field representatives, Jim Moikeha, Ray Cruz and Milton Staackman. The direct work they

do demands extensive travel to the islands for extended periods several times a year. Their effort is a lot of people to people, person to person work. Those in governments and the private sector who use the services of University of Hawaii faculty and students often pay a fee for the work done. By the clients paying for these services, the Center is able to keep its costs to EDA and the islands quite low. EDA and all concerned are getting quite a lot for our investment, and I like that!

This effort is totally in keeping with the congressional mandate for EDA involvement in the Compact Agreements regarding the Freely Associated States. My decision and commitment to provide this assistance (if the individual governments wanted it and agreed to joint fund it) was made in July of 1987 while on my first visit to Micronesia. Again, I would emphasize it is totally unrelated to the PBDC, contrary to what the Governor might have heard.

Because I have detected a certain degree of discomfort and insecurity on the part of the director and staff of the PBDC with the expanded program and growing visability of the Center over the past two years, I encouraged greater cooperation. This discomfort is not only regrettable, but totally unnecessary for several reasons.

First, EDA funds both organizations and does not consider either to be in competition with the other nor a substitute for the other. Again, that would be the essence of duplication, and I have clearly stated that EDA does not want that. Secondly, EDA provides only partial funding for both organizations. It is highly unlikely that EDA could promote competition (even if it wanted to) between the two by using its funding as a lever of influence. Finally, it would seem to me that Jerry and his staff should be very proud of the development of the Center program and its successes. According to Angie Williams, Jerry was instrumental in its development and, over the years, has been most helpful to her and the Center's staff.

The Center, as with other university centers in the EDA program, has a rather broad scope of work. It is the intended and logical interface for state and local governments and the private sector business community with the University of Hawaii and the tremendous resources there. In fact, the Center seems to me to be the obvious interface for the PBDC with the University.

Other rumors apparently exist to the effect that EDA was threatening to cut off funding for the PBDC. This is absolutely untrue! I have emphatically stated to Jerry that, in addition to the current level of funding, the PBDC could compete for individual grant assistance on special efforts or

projects that may develop from time to time. This is what other similar grant recipients are permitted to do. This competition is based on well identified needs, scope of work, and end results. I insist upon accountability. I want to know why the money is needed, how the money is used, and what did we get for the investment. If the concern is that this is not "assured funding" for PBDC, there is little help I can give to those concerned. We cannot favor one organization inordinately over others. Incidentally, the Center could also compete for this type of assistance.

Governor Waihee, this letter is one I have personally written, and it is grossly too long. However, I wanted to clear up some apparent misconceptions. I hope you can take the time to read it in its entirety. Likely, it will be my last opportunity to convey some personal thoughts to you and the other governors. I appreciate your inquiry through Jerry which has given me this opportunity to pass my thoughts along to you.

Rumors and half-truths are divisive and destructive especially when so very misleading. We all need to work together to accomplish great things in the Pacific. Getting the job done in the Pacific is difficult enough due to geography, culture, past mistakes of the bureaucracy, tradition, etc. Having to cope with the seemingly never ending stream of misinformation holds us all back! I don't know how I could be more clear than I have tried to be with Jerry.

You, sir, are a real gentleman. I have truly enjoyed working with you and the other governors. It has been a pleasure knowing you all, and I look forward to future relationships. I had hoped that I might be directly involved as the Assistant Secretary for Territorial and International Affairs at Interior, however, that appears not to be. As I have proven, I could have made a lot of good and important things happen. Once again, thank you for your hospitality. If you have further questions, please let me know.

Sincerely,

~~Signed~~/Orson G. Swindle, III

Orson G. Swindle, III
Assistant Secretary
for Economic Development

Enclosures

cc Governors of the PBDC
Jerry Norris

EDA GRANT FUNDS TO TERRITORIES
(FY 1986 TO PRESENT)
MARCH 23, 1989

PRG	FY	APPLICANT NAME	PROJECT #	OBLGTD	PROJECT DESCRIPTION
AMERICAN SAMOA					
PW	86	AMERICAN SAMOA GOVERNMENT	070102965	650000	INDUSTRIAL PARK EXPANSION
	88	GOVT OF AMERICAN SAMOA	070103073	400000	PAGO PAGO BAY SEWER IMPV
PL	86	GOVERNMENT OF AM SAMOA	07051500962	40607	AREA CONT PLANNING GRANT
	87	GOVERNMENT OF AM SAMOA	07051500965	40000	AREA CONT PLANNING GRANT
	88	GOVERNMENT OF AM SAMOA	07051500966	40000	AREA CONT PLANNING GRANT
	89	GOVERNMENT OF AM SAMOA	07051500968	40000	AREA CONT PLANNING GRANT
TA	86	AMERICAN SAMOA GOVT	07060294940	16000	MKT/S INDUSTRIAL MKT PRG
IX	87	PACIFIC BASIN DEV COUNCI	071903014	75000	NBR ONSITE T.A. & GUIDAN
FEDERATED STATES OF MICRONESIA					
IX	89	U MUNICIPALITY	073903003	75000	DEV/S WATERPLAN
GUAM					
PL	86	GUAM, GOVERNMENT OF	07250166962	40000	STATE CONT PLNG GRANT
	88	GOVT OF GUAM	07051507566	40000	AREA PLANNING GRANT
	89	GOVT OF GUAM	07051507568	44000	AREA PLANNING GRANT
IX	89	GOVERNMENT OF GUAM	071903069	75000	NAT. DISASTER IMPLEMENT
HAWAII					
PL	86	PACIFIC BASIN DEV COUNCL	07051508262	125000	AREA CONT PLANNING GRT
	87	PACIFIC BASIN DEV COUNCL	07051508265	125000	AREA CONT PLANNING GRT
	88	PACIFIC BASIN DEV COUNCL	07051508266	86000	AREA CONT PLANNING GRT
	86	STATE OF HAWAII	07250165362	38715	STATE CONT PLNG GRANT
	87	STATE OF HAWAII	07250165365	50000	STATE CONT PLNG GRANT
	88	STATE OF HAWAII	07250165366	7000	STATE CONT PLNG GRANT
TA	86	UNIVERSITY OF HAWAII	070602907	100000	UV CTR HONOLULU
	86	UNIVERSITY OF HAWAII	070602959	43000	AFPI MANAGEMENT ASST
	87	UNIVERSITY OF HAWAII	07060290701	100000	UV CTR HONOLULU
	87	UNIVERSITY OF HAWAII	07060295901	48000	UV CTR HAWAII
	88	UNIVERSITY OF HAWAII	07060290702	100000	UV CTR HONOLULU
	88	UNIVERSITY OF HAWAII	07060295902	26250	MGT/S AFPI
	88	UNIVERSITY OF HAWAII	070603054	17000	MGT/S INCUBATOR
	88	UNIVERSITY OF HAWAII	070603058	75000	MGT/S COMPACT NATIONS.

PPA	FY	APPLICANT NAME	PROJECT #	OBLGTD	PROJECT DESCRIPTION
NORTHERN MARIANAS					
PW	86	COMMONWEALTH N. MARIANAS	07010273741	5358	KAGMAN-AGAG WATERLINE
	88	COMMONWEALTH OF MARIANAS	070103097	1200000	WATER
	89	COMMONWLTH UTILITIES CORP.	070103116	1200000	SAIPAN WATERLINE
	89	NORTHERN MARIANAS COLLEG	070103084	100000	SAIPAN INCUBATOR BLDG
MARSHALL ISLANDS					
PW	88	KADA-KWAJALEIN ATOLL DEV	070103078	1000000	EBEYE DOCK IMPROVEMENTS

PACIFIC BASIN HEALTH SERVICES COUNCIL

Senator Inouye's proposed bill to create a Pacific Basin Health Services Council will benefit the Pacific Basin if it is successful in securing major funding for health problems in the Pacific. The membership of the proposed council is, however, heavily weighted toward Hawaii and does not give adequate representation to other jurisdictions.

The bill, as drafted, would establish a council consisting of "no more than 11 members" and would include five specifically identified health official from the State of Hawaii plus "Additional members that the Governor of the State of Hawaii shall appoint to ensure that the public health expertise of the Pacific Basin is appropriately represented." This does not acknowledge the existence of health expertise outside the State of Hawaii and does not provide for any balance in the membership of the council.

Attached are a copy of the drafted bill as forwarded to the PBDC for review along with comments drafted by Karen Cruz, Chief Public Health Officer, DPHSS.

Comments on Senator Inouye's Bill

The use of funds as described on pages 3-4 covers specific funding for training as well as generalized use of funding, i.e. establish and support health promotion and disease prevention efforts, which could almost be anything. Prioritization of projects to be funded should be tied in with some long-term training plan.

While the beneficiaries are supposedly the various Pacific Basin jurisdictions, as defined on page two under "Definitions", the makeup of the Council membership does not guarantee that the Pacific Basin jurisdictions will have any decision-making authority. Such a legislative action would be an insult to all Pacific Basin jurisdictions.

Even if the six positions, which are appointed by the Governor of Hawaii, represent Pacific Basin jurisdictions, they would have to vote as a block in order to carry the majority on any issue. Furthermore the University of Guam, which serves the residents of Guam and Micronesia and offers training programs in nursing, social work, and public administration, would have no representation on the Council.

Training schools/programs in Micronesia should likewise be represented.

I think the composition of the Council is in serious need of revision unless we are willing to have others decide on such matters for us.

DANIEL K. INOUE
HAWAII

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(202) 224-3934

May 18, 1989

RECEIVED
MAY 22 1989

Mr. Jerry B. Norris
Executive Director
Pacific Basin Development Council
567 South King Street, Suite 620
Honolulu, Hawaii 96813

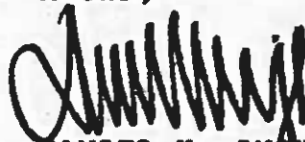
PACIFIC BASIN DEVELOPMENT COUNCIL

Dear Mr. Norris:

I am writing in further reference to my earlier correspondence regarding the possibility of having a significant Pacific Basin health care initiative authorized during the 101st Congress. I have enclosed for your review a copy of draft legislation which I have been discussing with my colleague, Senator Kennedy, Chairman of the Senate Labor and Human Resources Committee, which has jurisdiction over Senate health legislation.

I would appreciate receiving any recommendation that you may have.

Aloha,



DANIEL K. INOUE
United States Senator

DKI/pdw
Enclosure

IN THE SENATE OF THE UNITED STATES

Mr. INOUE introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To create a Pacific Basin Health Services Council to coordinate the expenditure of public health funds provided by the Department of Health and Human Services for the trust territories of the Pacific Islands, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assem-*
3 *bled,*

4 SECTION 1. PACIFIC BASIN HEALTH SERVICES COUNCIL.

5 (a) ESTABLISHMENT.—The Secretary of Health and
6 Human Services (hereinafter referred to as the “Secre-
7 tary”) shall establish a public or private nonprofit entity to
8 be known as the “Pacific Basin Health Services Council”
9 (hereinafter referred to as the “Council”).

1 (b) DEFINITION.—As used in this section the term
2 “Pacific Basin” means the Federated States of Microne-
3 sia, the Republic of Belau, the Republic of the Marshall
4 Islands, the Commonwealth of the Northern Mariana Is-
5 lands, Guam, and American Samoa.

6 (c) DUTIES.—The Council shall—

7 (1) monitor the need for health services and
8 health professions development in the Pacific Basin;
9 and

10 (2) coordinate the expenditure of public health
11 funds provided by the Secretary for the Pacific
12 Basin.

13 (d) MEMBERS.—The Council shall consist of no more
14 than 11 members, and shall include—

15 (1) the deans of the Colleges of Health Sciences
16 and Social Welfare of the University of Hawaii;

17 (2) the Chancellor of the University of Hawaii
18 Community College system;

19 (3) the Director of the Health Department for
20 the State of Hawaii;

21 (4) the President of the Rehabilitation Hospital
22 of the Pacific in the State of Hawaii;

23 (5) additional members that the Governor of the
24 State of Hawaii shall appoint to ensure that the

1 public health expertise of the Pacific Basin is appro-
2 priately represented; and

3 (6) such additional ex officio members as the
4 Secretary determines appropriate.

5 (e) USE OF FUNDS.—

6 (1) FIRST PRIORITY.—The Council shall give first
7 priority in expending the funds referred to in subsec-
8 tion (h) to continuing the Pacific Basin medical offi-
9 cer training program in effect on March 1, 1989, on
10 Pohnpei.

11 (2) ADDITIONAL PROJECTS.—The Council may
12 expend the remaining funds in subsection (h) to—

13 (A) establish nurse practitioner or nurse
14 clinical specialist training programs;

15 (B) provide technical training of new auxil-
16 iary health workers including environmental
17 sanitation aides, social work assistants, commu-
18 nity and hospital nurse assistants, and allied
19 health technicians;

20 (C) upgrade the training of currently em-
21 ployed health personnel in special areas of need,
22 including management, social services, and the
23 establishment of continuing education programs
24 for any of the traditional health professionals;

1 (D) establish and support appropriate
2 health promotion and disease prevention efforts;

3 (E) develop a long-term plan for meeting
4 the health professions needs, and to collect and
5 analyze relevant statistical information on which
6 to develop and regularly update such plan; and

7 (F) provide innovative health professions
8 training initiatives (including scholarships) tar-
9 geted toward ensuring that residents of the Pa-
10 cific Basin attend and graduate from recognized
11 health professional programs in medicine, den-
12 tistry, nursing, optometry, pharmacy, podiatry,
13 public health, psychology, social work, and
14 allied health, that includes—

15 (i) support for upgrading the quality
16 and depth of the preventative health profes-
17 sions educational programs within the Pa-
18 cific Basin; and

19 (ii) residency training in public health,
20 primary care and preventive medicine for
21 National Health Service Corps officers as-
22 signed to the Pacific Basin.

23 (f) AUTHORIZATION TO SUBCONTRACT.—In order to
24 comply with the duties of the Council described subsection
25 (c), the Council may enter into contracts with various edu-

1 cational and service delivery institutions with relevant ex-
2 pertise.

3 (g) REPORT.—The Council, in consultation with the
4 Secretary, shall annually prepare and submit to the appro-
5 priate Committees of Congress a report describing the ex-
6 penditure of the funds authorized to be appropriated under
7 subsection (h) and any programmatic recommendations
8 that the Secretary may have.

9 (h) AUTHORIZATION OF APPROPRIATION.—

10 (1) IN GENERAL.—There is authorized to be ap-
11 propriated to carry out this Act \$20,000,000 for the
12 first fiscal year beginning after the date of enactment
13 of this Act, and \$20,000,000 for each fiscal year
14 thereafter.

15 (2) LIMITATION.—No more than 10 percent of
16 the funds appropriated under this subsection shall be
17 used for administrative expenses of the Council.

COLONEL CHIP WANNER

PBDC is apparently proposing to hire Colonel Wanner using TA funds from DOI. The DOI is suggesting that Colonel Wanner perform the following duties:

1. Assist the Territories and DOI in reviewing priorities for assistance.
2. Resolve small technical problems with funded projects
3. Assist Territories in developing CIP programs
4. Handle management and organization issues
5. Formulate technical assistance requests

While these functions appear necessary, a copy of Colonel Wanner's contract and the TA request to DOI are needed to determine the extent to which the consultant can carry out these functions. In our view, Colonel Wanner might focus on formulating TA requests for DOI funding or for other federal funding (e.g. Congress, ACOE, Bureau of Prisons, Education, etc.). In this way, employing Colonel Wanner will hopefully result in more federal funding for urgently needed CIP's for all territories.

Attached is a letter from David H. Haggstad, Director, Budget and Technical Assistance, Territorial and International Affairs to Jerry Norris which briefly describe the proposed duties of Colonel Wanner.



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Mr. Jerry B. Norris
Executive Director
Pacific Basin Development Council
867 S. King Street
Honolulu, Hawaii 96813-3036

JUN 06 1989

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JUN 06 1989

Dear Jerry:

PACIFIC BASIN DEVELOPMENT COUNCIL

This follows up on our recent conversations regarding duties that might be performed by Col. Wanner, if he were hired by the Council after his military retirement. Listed below are five general duties that would, in my opinion, be of mutual benefit to the Pacific insular areas and the Department of the Interior.

- (1) Operations and Maintenance Initiative - The Department has initiated a long-term program to provide assistance in institutionalizing operations and maintenance practices in the insular areas. The program begins with a baseline evaluation and development of an action plan, and is expected to provide several million dollars in financial assistance for program implementation. Col. Wanner has a great deal of experience in this area and could help both the insular governments and the Department review priorities for assistance, as well as provide technical assistance to the governments. In this regard, his work would be supplementary to technical support being provided by the O&M contractor(s) and the Army engineers.
- (2) Capital Improvement Projects Review and Assistance -- There are more than 50 ongoing construction projects in the insular areas, for which the Department has provided grants. Technical problems often arise on these projects. OTIA has no engineers on its staff to assist the governments (other than Bureau of Reclamation water experts in Guam and the CNMI). There is particular need in the case of small problems that may be resolved with a short visit. Col. Wanner has both the expertise and the credibility with the governments and OTIA to perform this function on a "call" basis.
- (3) Management of Capital Development Programs -- One area of need that has not been addressed sufficiently by the technical assistance program is capital planning and budgeting. Col. Wanner's expertise could be made available to the governments to assist them in these critical local planning and decisionmaking processes.

- (4) **Organizational Issues** -- Col. Wanner has educational background and a wealth of experience in handling management and organization issues. This expertise could be made available upon request to the insular governments.
- (5) **Personnel Issues** -- Col. Wanner not only possesses a great deal of personal expertise, but his career has brought him in contact with a wide array of other individual and institutional experts. These experts work in both the public and private sectors and represent potential new sources of technical assistance. In this capacity, Col. Wanner could work with the governments in formulating specifications for technical assistance requests and in helping develop lists of contractors or Federal assistance that may be available.

I hope this meets your need and helps in your deliberation. If I can be of further assistance, please call me.

Sincerely,



David H. Heggstad
Director, Budget and Technical Assistance
Territorial and International Affairs

MIGRATION TASK FORCE

The Compact of Free Association with the Federated States of Micronesia and the Republic of the Marshall Islands requires an annual assessment of migration into the U.S. insular areas and the State of Hawaii by citizens of the FAS. However, the capacity to measure the total growth of the FAS population in those areas on a timely basis is lacking.

It is recommended that a Migration Task Force be established by the Department of Interior to share ideas and information and to assist with devising methods and implementing systems for data collection. A regional approach will yield the best quality data and more comparable results than if each area were to attempt to conduct its data collection and analysis independently. A Task Force would improve communications and data sharing, and recommendations to remedy any adverse consequences of increased migration from the FAS could be discussed jointly for submission to Congress. Task Force members would include Hawaii, CNMI, American Samoa, Guam, PBDC, the U.S. Census Bureau and the Office of Technical Assistance, DOI.

Attached is a briefing paper prepared by Susan Ham prior to receiving the proposed agenda for the PBDC TAC meeting. The task force is not scheduled for discussion but is indirectly related to the agenda item "Hawaii/Micronesian Employment Issues."

**BRIEFING PAPER: MIGRATION TASK FORCE
PACIFIC BASIN DEVELOPMENT COUNCIL
JUNE 16, 1989 TECHNICAL ADVISORY MEETING**

The Compact of Free Association with the FSM and the RMI requires an annual assessment of migration into the U.S. Insular Areas and the State of Hawaii by citizens of those areas. To be included in the reports are estimates of increased costs for meeting the immigrants' needs for social and education services.

Currently lacking is the capacity to measure the total growth of the FAS population in the AFPI, necessary for appropriate government programs to be developed. An integrated system of data collection and analysis is recommended to define the size and characteristics of the entire FAS population. A Migration Task Force could be set up to assist with devising methods and implementing systems.

Integrated System: An integrated system would involve a three-pronged approach: 1. collection of high quality baseline data (1990 census); periodic migration surveys; and 3. entry/exit monitoring at points of entry.

1. **Census:** The 1990 census will include a large quantity of migration data, which can be compiled in non-usual ways to obtain both basic information about migrants, and more detailed data. The basic items include: ethnicity, birthplace, parents' birthplace, U.S. citizenship status, year of entry, and place of residence in 1985. These data can be cross tabulated by age and sex, language use, education, employment, and income. Additional tabulations can also be obtained as part of the census program to give information to monitor migration flows.

2. **Surveys:** Migration surveys give information on motivations for migration and many other variables excluded by the scope, time, and cost pressures of a census. Beginning 6 months to 1 year after the census, a survey could use the census as a sampling frame and theoretically link the survey and census records at the Census Bureau to analyze change in individuals and households over the time frame

3. **Entry/Exit Records:** Data collection forms could be implemented at all points of entry to collect information on arrivals and departures. These could include age, sex, place of birth, country of citizenship, ethnicity, reason for coming to Guam, length of stay, and so forth.

Implementing a Pacific-wide Migration Task Force: A Task Force would examine Pacific area migration in general, both immigration and emigration, to and from the member entities. The Task Force would encourage the development of migration data and the sharing of that data where appropriate.

Members of the Task Force are proposed to include Guam, CNMI, Hawaii, American Samoa, PBDC, the Department of Interior, and the Census Bureau. The Palau, FSM and RMI governments could also be included as guests or observers, if not members. Migration survey results and exit data developed by those areas are needed to determine the total immigration to be anticipated from those areas.

A possible way of implementing the task force would be for the Department of Interior to be requested to establish it. The Task Force is proposed to meet at least twice a year to discuss migration issues, methodologies, and results. At the first meeting, members could present current migration activities, as a basis for determining a plan for future work in the survey and administrative records areas.

Analysis

Pros:

- 1) A Task Force would enhance communication and would attempt to ensure funding for proposed data collection projects and their analyses.
- 2) A Pacific-Wide Task Force would look at the larger picture of total migration patterns in the Pacific, not limited strictly to Compact migration.
- 3) The PBDC could be used as staff to coordinate meetings and communications.
- 4) Surveys: Guam, the CNMI, the FSM, Palau, the RMI, and Hawaii could come together periodically to discuss methodologies and results, and to think about developing cooperative projects when appropriate. For example, similar questionnaires, followed by similar edit and tab packages, will reduce costs and will produce comparable results.
- 5) Entry/Exit Records: The forms used could be shared and discussed with the other areas, since, with modifications, they could be used in the other areas as well.
- 6) DOI's involvement would ensure funding through Technical Assistance grants for data collection and analysis.
- 7) The involvement of the Census Bureau would provide expertise and resources in conducting censuses and surveys. The commitment of the Census Bureau as a Task Force member would increase access to 1990 census records for special migration reports and increase use of census records to conduct periodic migration surveys.

Cons:

1) Hawaii and American Samoa experience different migration patterns from Guam and CNMI.

2) Members may find their concerns dominated by those of DOI and the Census Bureau, as DOI and the Census Bureau may provide money and resources.

Recommendations:

A regional approach will yield the best quality data and more comparable results than if each area were to attempt to conduct all of its data collection and analysis independently. Communications and data sharing would be improved, and recommendations to remedy any adverse consequences of increased migration from the FAS could be discussed jointly for submission to Congress.

NUCLEAR DUMPING IN THE PACIFIC

Attached are several documents related to nuclear issues in the Pacific:

1. Excerpts from NGA briefing papers (Winter meeting, 1988) relative to:
 - a. The State of Alaska's suit to prevent Japan from transporting nuclear waste by air via Alaska;
 - b. Nuclear Waste storage in the Republic of the Marshall Islands;
 - c. Nuclear dumping in the Pacific Ocean.
2. A Bordallo administration Executive Summary on the issue of International Nuclear Waste Management.
3. A draft of a proposed memorandum to Jerry Norris which questions the accuracy of the "\$100 million per year" figure which has been quoted as the amount that the Republic of the Marshall Islands would be eligible to receive if they were to get into "the nuclear waste business."

BRIEFING PAPERS
NATIONAL GOVERNORS' ASSOCIATION
WINTER MEETING
FEBRUARY 21-23, 1988

Prepared by: Bureau of Planning
February 1988

Guam has been exempted by U.S. EPA from complying. While Guam is not directly impacted by the issue it should support NGA efforts to seek moratoriums for those states that are impacted.

2. Nuclear Waste:

Overview:

The State of Alaska has filed a suit against the federal government to stop a Reagan administration plan to permit Japan to transport highly toxic nuclear waste by air via Alaska. The plan would grant Japanese officials permission to fly toxic nuclear plutonium to Europe with a refueling stop in Alaska. Alaska contends that the federal government violated federal law by failing to take proper safeguards to protect Alaskans and their environment. In its suit, the State asks that shipments of plutonium be stopped until officials have fully complied with laws which require an environmental impact statement on potentially hazardous activities. The law suit was filed after the State attempted to reach a satisfactory arrangement with the State Department and other federal agencies to ensure that Alaskans and their environment would be safe if one of the plutonium-carrying planes goes down.

Recommended Action:

It is not known if Governor Cowper will bring this issue before the NGA. Guam should, however, strongly support Alaska in its efforts to prevent Japan from transporting its nuclear waste through its state. Guam's support of Alaska's effort is consistent with its own effort to prevent Japan from dumping its nuclear waste in the Pacific Ocean.

3. Nuclear Waste Storage in the Republic of the Marshall Islands:

Overview: The President of the Republic of the Marshall Islands has suggested that Bikini Island be used as a repository for nuclear wastes by the United States. This policy position is contrary to efforts to have Bikini decontaminated and cleaned up by the United States. This issue may come up in discussions at NGA.

Recommended Action:

None

4. Nuclear Dumping in the Pacific Ocean:

Overview:

Japan desires to dump its low level nuclear waste in the Pacific Ocean at a site approximately 600 miles north of the Mariana Archipelago. The United States supports Japan's desire to dump its waste in the Pacific Ocean. At the last London Dumping Convention, held in 1985, a moratorium was placed on all plans to dump nuclear waste in the Pacific Ocean. Since the Convention's last meeting there has been no new effort to pursue the dumping of nuclear waste by Japan; however, Japan still desires to dump its waste in the Pacific Ocean and the U.S. federal government is still supporting Japan.

Recommended Action:

Guam should seek NGA's support of Article 3, Section 304, of the draft Commonwealth Act. This article pertains to nuclear waste storage and stipulates that the United States shall not utilize the waters surrounding Guam for dumping or storage of nuclear waste. While the Article does not directly prevent Japan from dumping its nuclear waste, it does prevent the federal government from supporting Japan and its efforts to receive support of its plan at the the next London Convention.



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

RICARDO J. BORDALLO
GOVERNOR

Executive Summary

International Nuclear Waste Management

Background

Since 1975 there have been studies and proposals to dispose of both low and high level nuclear waste in the Pacific by ocean dumping and subseabed emplacement, and to store high level nuclear waste on Pacific islands. These proposals were preceded by actual dumping of low level waste by the U.S. Government in Pacific waters adjacent to the California coast during the period of 1946-1970.

The Government of Guam, along with other island governments including the CNMI and American Samoa, have been actively involved in efforts to halt all such proposals prior to implementation. This involvement has included meetings on Guam with representatives of the Japanese government during which the safety assessment of Japan's proposed dumping program was refuted. Guam and CNMI officials have also appeared at Congressional hearings and before Japan's Science and Technology Agency to express opposition to storage and dumping proposals. In 1982, at the Conference on the Human Environment held in Rarotonga, Guam introduced a resolution which embodied a strategy for regional action toward a prohibition of dumping and which provided for a Regional Seas Convention (Treaty) under the auspices of the London Dumping Convention (LDC). Four meetings of island representatives within the South Pacific Region (members of the South Pacific Commission) have been held for the purpose of drafting a Convention document. A plenipotentiary meeting to adopt the Convention is tentatively scheduled for November of this year. The Government of Guam has also encouraged independent Pacific Island governments to accede to the London Dumping Convention. Action taken by these governments at LDC has resulted in a dumping moratorium. Throughout this period (1975 to the present), there have been numerous resolutions from Pacific entities including PEDC, opposing nuclear waste storage on Pacific islands, and disposal of nuclear wastes in the Pacific Ocean.

Current Situation

There is currently an LDC moratorium on the ocean dumping of low level nuclear waste. The LDC membership is moving toward a political decision to prohibit all nuclear waste dumping including subseabed emplacement of high level waste. Because this decision will be viewed as political as opposed to scientific, it is anticipated that some countries having nuclear technology may withdraw from the LDC and therefore not be bound by LDC decisions. Further, the Pacific regional seas convention, although prohibiting nuclear

Executive Summary
International Nuclear Waste Management
Page 2

waste disposal, is not binding on non-signatory countries and has a very restrictive convention area (the proposed Japanese dump site is outside of the convention area). Although the U.S. Office of Civilian Radioactive Waste Management has recently announced the termination of funding for subseabed disposal research, other countries cooperating in the research effort are being urged to continue. In the U.S., the regional compacts for the management of nuclear waste are beset with problems. Recently, the Department of Energy and the National Oceanographic and Atmospheric Administration have advocated a lifting of the LDC moratorium and once again are suggesting the oceans as the ultimate nuclear waste disposal sites.

International Nuclear Waste Management Concept

The need for international collaboration in developing land-based nuclear waste management programs is recognized but very little attention has been given to this need. Rather, much of the current cooperative research is directed toward ocean disposal, and land disposal schemes are being developed independently. Governor Bordallo is encouraging a partnership of national governments and private industry in the development of a "World Nuclear Waste Repository." He has described his concept in a brochure and has prepared a factual document in support of the concept. It is the Governor's wish to submit a proposed amendment to the Nuclear Energy Policy of the National Governors' Association which if adopted would recommend appropriate Federal action be taken to explore the concept's feasibility. In order for this effort to succeed, the Governor is requesting support from the PBDC, consistent with current PBDC policy which opposes ocean disposal of nuclear wastes and encourages efforts to resolve the nuclear waste situation.

(Proposed Resolution)

International Nuclear Waste Management

The Board of Directors of the Pacific Basin Development Council reiterates its opposition to the dumping of radioactive wastes, including subseabed disposal, in any part of the Pacific, and supports the concept of international nuclear waste management.

Further, the PBDC encourages the Department of Interior and other appropriate Federal agencies to study the feasibility and practicality of a World Nuclear Waste Storage Repository as one alternative to resolve the nuclear waste situation.

The PBDC staff is directed to transmit certified copies of this resolution along with copies of Guam Governor Bordallo's brochure entitled "Concept for a World Nuclear Waste Repository" to the Department of Interior and other appropriate Federal agencies, to the National Governors' Association, and to all State Governors.

Draft

MEMORANDUM:

To: Jerry B. Norris
Executive Director, PBDC

From: Governor Joseph F. Ada
Governor of Guam

SUBJECT: NUCLEAR DUMPING IN THE PACIFIC:

I have reviewed your Briefing Memorandum #12-89 of March 9, 1989 and agree that the issue of nuclear dumping in the Pacific seems to be heating up again in the wake of Interior Secretary Lujan's recent statement that he has no objections "if the people of the Marshalls want to get into the nuclear waste business."

In this regard, a review of the attachments to your 1988 backgrounder on the nuclear issue (#8-88) has brought to light an important point which seems heretofore to have gone unnoticed: There appears to be a major discrepancy between what President Kabua is telling the Nitijela (the Marshallese legislature) regarding the benefits of hosting a nuclear waste repository and what was actually authorized by the Congress in December of 1987.

Attached clippings quote both Kabua and his Washington, D.C. lobbyist, Glen Elkins, as informing the Nitijela in January of 1988 that the Marshalls would be eligible to receive \$100 million per year. Subsequent clippings from Guam and Honolulu newspapers repeat the \$100 million figure and even your cover memo reads:

"Throughout the Act, (SEE ATTACHMENT II), reference is made to substantial amounts of funding--\$50 million to \$100 million per year, virtually forever--that would be provided for either the repository or the MRS."

The actual figures which appear in attachment II (the "Nuclear Waste Policy Amendments Act of 1987") are \$5 million for an agreement to host a temporary MRS (Monitored Retrievable Storage) facility plus \$10 million per year upon receipt of spent fuel--or \$10 million for an agreement to host a permanent facility plus \$20 million per year upon receipt of spent fuel. These figures are repeated in the December 21, 1987 Congressional Record excerpt and are quoted more or less correctly in the clipping from the New York Times as "\$20 million, every year."

The difference of \$80-90 million per year is enormous--especially considering the time span of "virtually forever." While this difference is not a factor affecting the PBDC's stance on nuclear dumping in the Pacific Basin, perhaps an inquiry to lobbyist Glen Elkins as to the origin of the \$100 million figure would help to ensure that the economic advantages of going into "the nuclear waste business" are not being overstated.

A chronology of references to the benefits of storing nuclear waste gleaned from the clippings and documents you have provided is attached for your review.

Your comments, suggestions or additional information on this matter will be greatly appreciated.

Si Yu'us Ma'ase,
JFA

CLB

CHRONOLOGICAL REFERENCES TO BENEFITS:
(as per documents provided)

December 17, 1987

Passage of Nuclear Waste Policy Amendments Act of 1987:

- A. eliminates Washington and Texas as sites for repository study;
- B. provides for the alternative of Monitored Retrievable Storage (MRS);
- C. provides the following:

BENEFITS SCHEDULE:
(Amounts in millions)

<u>Event</u>	<u>MRS</u>	<u>Repository</u>
a) annual payments prior to first spent fuel receipt	\$5	\$10
b) upon first spent fuel receipt	10	20
c) annual payments after first spent fuel receipt until closure of the facility;	10	20

- D. establishes "Nuclear Waste Negotiator" and defines "State" to include commonwealths, territories, possessions and the Republic of the Marshalls.

December 21, 1987

CONGRESSIONAL RECORD:

"(9) DOE is authorized to make payments to Nevada as follows:

- (a) \$10 million per year after signing an agreement until the repository begins accepting nuclear waste; and
- (b) \$20 million per year after beginning to accept nuclear waste until closure of the repository.

DOE also is authorized to make payments to a state or Indian tribe hosting an MRS facility as follows:

- (a) \$5 million per year after signing an agreement until the facility begins accepting nuclear waste; and
- (b) \$10 million per year after beginning to accept nuclear waste until closure of the facility."

January 6, 1988

New York Times:

"Just before Christmas, Congress gave Nevada an expensive present...The gift comes with a special evergreen greeting: \$20 million, every year."

*

*

*

January 19, 1988

MARSHALLS JOURNAL (1/22/88):

At the request of President Kabua, Glen Elkins, head of Pacific Management Services Corporation in a briefing to the Nitijela on the results of his lobbying efforts says: "Substantial compensation in the range of \$100 million a year will be offered for a volunteer state."

January 26, 1988

MARSHALLS JOURNAL (1/29/88):

President Kabua is quoted in discussion with the Nitijela as saying: "Secondly, if it is true that the Marshalls are contaminated and lives are being destroyed we are going to have to move out. There will be no country in this world willing to say here take this \$100 million and go live where it is not contaminated."

January 27, 1988

PACIFIC DAILY NEWS (John Teare):

"Such a qualifying volunteer becomes eligible for sums of \$50 million to \$100 million a year, virtually forever."

January 28, 1988

HONOLULU STAR BULLETIN (John Teare via Gannett News Service):

"Such a qualifying volunteer becomes eligible for sums of \$50 million to \$100 million a year, virtually forever."
(Same as above)