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July 11, 1973

MEMORANDUM FOR CAPTAIN GORDON SCHULLER, ISA/EA&PR

SUBJECT: Trust Territories of the Pacific - Compact - Survivability of Lease Provisions.

1. It is our understanding that the present leases with the private landowners on the Trust Territories have dates of termination, and that the future leases may and probably will have dates of termination as well. It is proposed that the provisions - the terms and conditions of the leases - notwithstanding any termination dates in the leases themselves are to continue either for the duration set forth in the leases, or for the duration of the compact, whichever is longer.

I confirm my opinion to you that this understanding should be set out as a provision in each of the leases (and after the acquisition of the existing leases by the Government of Micronesia, a similar provision to this effect should be added.)

2. A similar provision might be added in the Compact (but this will depend upon our negotiating stance). If added to the Compact, the provision might be included in Section 206 (State draft) or the corresponding Section of the DoD draft.

Rewrite the last sentence of Section 206:


"The rights specified in this Section and the provisions set forth in the agreements specified in Annex A of this Compact, or in any agreements negotiated in the future with respect to the use of land or facilities or both in Micronesia, shall, notwithstanding the dates specified therein, extend for the term of the Compact, provided, however, that agreements of longer duration than the Compact shall extend in full force and effect to the termination date set forth in the agreement."

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3. Section 1002 is the Termination provision of the Compact. It is recommended that the above provision (and any other provisions for survival of obligations set forth in the Compact) be repeated in Section 1002 by reference. The reference may be added to Section 1002 (3).

Signed

Harry H. Almond, Jr.
Office of Assistant General Counsel
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