



DEPARTMENT OF THE ARMY  
OFFICE OF THE JUDGE ADVOCATE GENERAL  
WASHINGTON, D.C. 20310

03  
7

REPLY TO  
ATTENTION OF:

DAJA-IA

17 JUL 1972

TRP

MEMORANDUM FOR: MR. BARRINGER, DIRECTOR, FOREIGN MILITARY RIGHTS  
AFFAIRS, OSD

SUBJECT: Micronesian Negotiations

*Presently ignoring  
the expenses in  
need.*

1. The Army has experienced serious problems at the Kwajalein Missile Range caused by the application of certain Micronesian laws to the conduct of our activities. Presently, the Micronesians are taxing the gross receipts of the DOD contractors at KMR, personal income of all persons (other than military), and sales of specified items in the DOD retail outlets. Furthermore, they insist that certain other laws apply with full force to the KMR, U.S. personnel, and to our activities conducted thereon.

2. Therefore, I suggest that the compact include language which would strictly limit the application of Micronesian law on U.S. military facilities. This can be accomplished by:

a. Inserting the following sentence in 208 (a):

"No Micronesian law, ordinance, statute, or other regulation shall be applicable within the confines of U.S. military facilities or areas, or to activities conducted thereon, or to United States personnel engaged in the performance of official duty, unless the governments shall otherwise agree."

SO-AS

NOTE: It is arguable under this language whether or not the Micronesian laws which are presently in force in KMR shall continue as having been "agreed upon" by the Governments.

b. Include similar language as a "right" in 208 (a) which the U.S. retains.

c. Set forth in detail in an Annex those local laws which the U.S. accepts as applicable within U.S. military facilities.

d. Explanation to the Micronesians that we do not consider ourselves bound by any local laws which restrict our operations but without reference to such in the compact.

*do specifically identify  
tax laws ->*

3413

08 412696

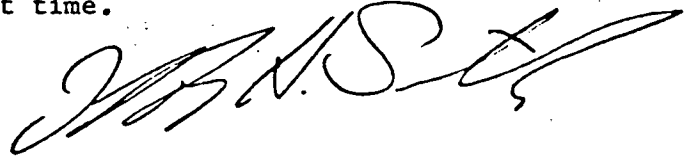
DAJA-IA

SUBJECT: Micronesian Negotiations

17 JUL 1972

3. A danger exists in contradicting the broad language of the fourth sentence of Annex A and its purpose. Therefore, any new language in 208 would have to be very carefully drafted.

4. I recommend that the legal subcommittee meet to consider this problem at the earliest convenient time.



JEFFREY H. SMITH

Captain, JAGC

International Affairs Division