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INTERNATIONAL
SECURITY AFFAIRS

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

25 APR 1974

In reply refer to:
1-3807/74

MEMORANDUM FOR THE DEPUTY ASSISTANT SECRETARY OF DEFENSE,
INSTALLATIONS & LOGISTICS (INSTALLATIONS & HOUSING)

SUBJECT: Negotiating Instructions for Leasing Roi-Namur

As indicated in earlier correspondence to the Navy Department on this subject, detailed negotiating instructions would be provided because of the increasingly unstable political and financial situation in the Micronesian area. Attached are two draft memoranda intended to satisfy this requirement. The first is a brief, unclassified letter of authorization should the US negotiator consider it necessary to present his credentials to the Roi-Namur landowners or their representatives. A classified letter of instructions which provides detailed guidance to the US negotiator also is forwarded. The latter document has the concurrence of the Department of the Army and has been coordinated with the offices of the General Counsel and Foreign Military Rights Affairs. The early promulgation of these two letters by your office is requested.

(Signed) Dennis J. Dealin
Deputy Assistant Secretary

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23 Apr 74/rbg

10- 431135

MEMORANDUM FOR THE ASSISTANT SECRETARY OF THE NAVY (I&L)

SUBJECT: Negotiating Instructions for Roi-Namur, Marshall Islands

In conformance to guidance received from higher authority, the Department of the Navy is requested and authorized to represent the US Government in negotiations with the Roi-Namur landowners.

The US negotiator is to arrange legally valid and adequately compensated leases for the island of Roi-Namur, Marshall Islands District, Trust Territory of the Pacific Islands.

Achievement of an early and just settlement of the rates to be paid for the use and occupancy of Roi-Namur is in the best interests of both parties.

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MEMORANDUM FOR THE ASSISTANT SECRETARY OF THE NAVY (I&L)

SUBJECT: Guidance for Renegotiating Leases with the Landowners for
Roi-Namur, Marshall Islands (U)

(C) As indicated in my letter of 11 March 1974, guidance is provided herein for the negotiations to secure valid, fully enforceable and adequately compensated leases for the island of Roi-Namur, Marshall Islands District, Trust Territory of the Pacific Islands. Previous instructions contained in my letter of 14 August 1973 are cancelled.

(C) The Department of the Navy is authorized to represent the US Government in these negotiations, and is requested to initiate as soon as possible this spring, negotiations with the duly authorized representatives of the Roi-Namur landowners. The desirability of achieving an early settlement of the rental rates to be paid for the use and occupancy of Roi-Namur is in the best interests of both parties. If it is determined that a reasonable and just settlement is not possible this spring, adjudication should be initiated in an appropriate tribunal, after a brief but reasonable notification period has elapsed. The adjudication process should be pursued vigorously with the objective of obtaining a final decision and settling the matter no later than this fall.

(C) Although the negotiator is vested with broad authority to exercise his best judgment in reaching agreement, he must be guided by applicable political developments, and full consideration of local conditions, rental practices in the area, attitude of the landowners, terms and conditions of other existing leases, and alternative actions of the United States (and their effect) if negotiations reach an impasse. Therefore, no specific monetary limitations are placed on the negotiator at this time, but he will observe the following guidelines.

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a. The objective of the lease agreement is to insure continued use and occupancy for the US of Roi-Namur for 25 years from 1 January 1974, with a renewable option in favor of the US Government for the longest period which can be reasonably negotiated with the landowners. The lease agreement should be effective from the legal date of taking by the US.

b. Recently compiled land valuation data should be acquired from the TT Government, and an appraisal should be promptly obtained from a qualified appraiser to estimate the rental consideration, under the terms of the proposed lease, in accordance with rental practices and procedures.

c. In seeking a fair and equitable rental the negotiator should consider, to the greatest extent practicable, the appraised rental value, rentals being paid under existing leaseholds, and current negotiations involving other properties, particularly on Guam, on Tinian and in the Palaus, so that any agreement involving Roi-Namur should not create an undesirable precedent involving past and future leasing arrangements. He should also consider alternatives available to the Government if the Roi-Namur lease negotiations are unsuccessful.

d. A lump sum payment for the initial term plus renewal terms of the lease agreement should be sought in order to conform to the terms of existing leases and the necessity for the Department of the Army to budget for and seek appropriations from the Congress for payment of the rental specified in the lease.

e. The landowners should be informed that any rental agreement reached will depend on the appropriation of funds by the Congress.

f. The negotiator should keep the Department of the Army and the Assistant Secretary of Defense (ISA) fully informed of significant events

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in the negotiations. The ASD (ISA) in turn will keep the Office of Micronesian Status Negotiations informed. Furthermore, the negotiator will obtain final approval from this office before announcing that the US is resorting to adjudication to settle the issue.

g. Upon request of the negotiator, Department of the Army representatives will be available for consultation and assistance during the negotiations.

h. Every effort will be made to avoid actions which would adversely affect good relationships between the United States Government and the Micronesian people.

(U) Attached is an unclassified letter of authorization which may be used should the US negotiator feel constrained to present his credentials to the duly authorized representatives of the Roi-Namur landowners.

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