

THE DEPUTY SECRETARY OF DEFENSE WASHINGTON, D. C. 20301

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Honorable Franklin Haydn Williams United States Ambassador Micronesian Status Negotiations Old Executive Office Building Washington, D.C. 20506

Dear Ambassador Williams:

As you prepare for the fifth, and hopefully final, round of the Marianas negotiations, I consider it appropriate to reemphasize a key facet of the land acquisition arrangements.

Among the various alternatives considered in the question of land acquisition in the early planning of the US-Marianas negotiations was the possibility of leasing the land required by Department of Defense in lieu of a fee purchase. At the time the alternatives were being considered the planning for the project was in the very preliminary stages and leasing was recognized as a last resort alternative. The gathering of additional facts and sampling of attitudes on this particular question make it clear that the Defense Department cannet support this alternative and requests that it be discarded as a fallback position.

Recognizing that whatever arrangements are ne otiated must be authorized and funded by an Act of Congress, the history of our land acquisition practices on Guam and in this particular area leads us to a firm conclusio that the majority of Congress expects the United States to receive value for its real estate payments. Considering the fact that fee value was paid for the retention area and that a large portion c^2 the land falls in this category, we could not justify a further paymer: for merely use and occupancy rights which we already possess in the relation areas. While noting that the release of retention lands on Sai an and the use of the area near Tanapag Harbor as a public park should be balanced against the value of what is being acquired, it would be more appropriate to drop the requirements for land on Saipan than to agree $t \neq a$ lease for the land on Tinian.

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As you indicated in our meeting last June, negotiations with the Marianas are most sensitive in terms of money and interest to be acquired. While I fully appreciate the necessity of compromise to reach an acceptable sottlement of the many complex problems relating to these negotiations, we cannot lose sight of U.S. Congressional attitudes and the required ultimate approval by the House and Senate. I am also deeply concerned about the precedential effect of any settlement upon our position with respect to land ownership on Guam and the other U.S. Territories and Possessions.

I trust this issue can be resolved successfully in the negotiations without recourse to further intra-governmental review, and wish you continued success in "Marianas V."

Copy: Under Secretaries Committee

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