

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

FEB 14 1974

Honorable James R. Schlesinger
Secretary of Defense
Washington, D.C. 20301

Dear Mr. Secretary:

We have letters from Deputy Assistant Secretary Doolin (dated November 7, 1973) and Director of Territorial Affairs Carpenter (dated November 12, 1973), regarding negotiations with the landowner claimants of Roi-Namur Island and the securing of appropriate funding to compensate them for use and occupancy of Roi-Namur Island by the United States Government as a part of the Kwajalein Missile Range in the Marshall Islands. In response to those letters, I would like to provide the following guidance relating to financial and negotiating responsibilities in this matter.

The Department of Defense, as the prime user of the island, should be responsible for funding any claims for fair compensation for the past and continuing future use and occupancy of lands on Roi-Namur. Since the Department of Defense will have the fiscal responsibility, it should also be the responsible, lead agency for representing the United States in the negotiations with the claimants for continued use and occupancy of the island by the United States Government and for the amount of fair compensation to be paid therefor. The Department of the Interior, through the Government of the Trust Territory of the Pacific Islands, should provide, as requested by the Department of Defense, all necessary assistance in this matter.

In view of the expressed intent of the claimants to seek to enjoin the United States from prohibiting their return to the island, and because of the on-going political status negotiations in the Trust Territory, the United States representative should proceed promptly to enter into negotiations to achieve a just and adequate settlement, including fair compensation and a satisfactory use

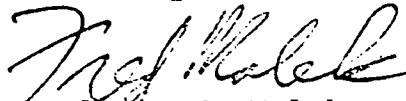
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and occupancy agreement. If negotiations fail, within a reasonable time, to resolve the acquisition of use and occupancy, the United States representative, after securing the concurrence of Ambassador Franklin Haydn Williams, the President's personal representative for negotiating the future political status of the Trust Territory, should arrange to initiate and pursue, in an appropriate tribunal, a final resolution of the differences with respect to the fair value for the use and occupancy of Roi-Namur. In this connection, the Department of the Interior, through the Trust Territory Government, should provide to the Department of Defense all assistance required to secure a final determination of the matter in a court or other appropriate tribunal.

We assume, of course, that the United States representative conducting the Roi-Namur negotiations will keep Ambassador Williams fully and currently informed about his progress.

Sincerely,



Frederic V. Malek
Deputy Director