CONFIDENTIAL

1 1 MAR 1974

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MEMCAANDUM FOR Assistant Secretary of the Navy (LLL)

SUBJECT: Responsibility for Renegotiating Rei-Harmer Leases (U)

- (U) Attached is a copy of a letter from the Deputy Director, Office of Management and Budget, which assigns to the Department of Defense the responsibility for renegatiating and funding the use and occupancy agreements for the lands of Roi-Hamur. The Department of the Navy, as executive agent for real estate matters in the Pocific area, is requested to proceed as soon as possible with the negatiations for Roi-Hamur Island, Ewajalein atell, Marshall Islands in order to attain in the near suture a satisfactory settlement to this long-standing issue.
- (U) While compensation for these lands should be fair and equitable, the impact of the costs for use and occupancy of Roi-Namur on other negotiations for DeV lands also should be a major consideration. In this regard, the Department of the Army, as the DeV compensation to responsible for fanding the Roi-Namur claims, should be consulted fully in developing the levels of compensation to be negotiated. Further, it is understood that the Trust Territory Government is developing for the counsel of the lundowners data on lease costs for acrosges on other islands throughout the Trust Territory of the Pacific Islands. A copy of these data should be obtained through the Department of the interior.
- (C) Negotiating instructions will be provided shortly in view of the change in authority and responsibility of the Department of Defense negotiator and in consideration of the several sets of sensitive negotiations or agreements which could be affected by the Rei-Hamur situation. The various actions of the negotiator in moving toward a solution to this issue, no well as communication with Ambassador Williams, should be coordinated with the GASD(ISA) and this effice.
- (C) If after a sincere and determined effect, a reasonable negotiated softlement appears unlikely, the Department of the Navy should initiate



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and pursue in an appropriate tribunal, a final resolution of the fair value for the use and occupancy of Roi-Namur. In conformance with the attached correspondence, the concurrence of Ambassador Williams should be obtained through OASD(ESA) before initiating this final procedure.

S. C. Alenier

Edward J. Sheridan

Deputy Assistant Secretary of Defense

(Installations and Housing)

Attachment

cc:

ASD(ISA)

Dept. of the Army/OSCRD

Dept. of the Interior/Mr. Radewagen



Prep: FBRoche/8Mar74

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ISA (See prev. green)

