

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

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Honorable Cecil D. Andrus
Secretary of the Interior
Washington, D. C. 20240

19 DEC 1977

Dear Mr. Secretary:

In response to your letter of September 27, 1977, the Department of Defense is taking the necessary actions to fulfill its obligations under the Northern Mariana Islands Commonwealth Covenant and the President's Proclamation No. 4534 of October 24, 1977. As to the requirement of Section 804(a) of the Covenant, we are currently examining outstanding agreements between the Department and the Trust Territory of the Pacific Islands for the use of real property, and preparing a document that will terminate all such agreements. The termination will be effective, and the Government of the Trust Territory will be notified, prior to the January 9, 1978 date specified in the President's Proclamation.

With regard to Sections 802 and 803 of the Covenant, the availability of the options to lease the described lands for fifty or one-hundred years continues to be a consideration in the Department's planning. Although we have not yet determined our long-term need for the land, we are currently studying the matter. As you know, the Technical Agreement, which elaborates on Sections 802 and 803, does not require immediate action but permits the United States to exercise the first lease option anytime within five years after the effective date of the Covenant provisions. We are aware, of course, that both the Covenant and the Technical Agreement provide that the rental consideration for the lease be adjusted in accordance with fluctuations in the Composite Price Index.

Although existing agreements for land use will be terminated prior to January 9, 1978, the Department of the Navy has a continuing and present need for exclusive use of the island of Farallon de Medinilla for a gunnery range and for intermittent,

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non-exclusive use of some land on Tinian for Marine amphibious training. The Department of the Navy will explore with the new Government of the Northern Marianas the possibility of a short-term leasing arrangement for continued use of these areas after the old arrangements are terminated.

Sincerely,

CW Durrant
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