



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

30 NOV 1977

In reply refer to
1-24863/77

MEMORANDUM FOR THE SECRETARY OF THE NAVY

SUBJECT: Military Requirements in the Palau District of the Trust
Territory of the Pacific Islands (U)

(U) From 24-27 October 1977, the United States Government resumed formal political status negotiations with the Micronesian leadership. During these negotiations, the Palau Political Status Commission requested that the United States enter into immediate negotiation of its military requirements.

(S) The Joint Chiefs of Staff have identified in general terms the military requirements to be sought in negotiations with the Palau Political Status Commission. In addition, the U.S. negotiator has been authorized to offer (at his discretion and subject to U.S. Congressional approval) up to \$3 million on a one-time basis to obtain a long-term lease of land required for U.S. defense purposes in the Palau District. Since most of these requirements and financial commitments are related to our long-term naval posture in the Pacific, we now need a statement of U.S. Navy policy and recommendations concerning the following issues:

1. Option to lease 40 acres of land at Mafakal Harbor for modest fleet support and 2,000 acres on the island of Babelthau for the contingency storage of war reserve material. On 30 September 1975 the Deputy Secretary of Defense forwarded comments* (Tab A) to the President's Personal Representative for Micronesian Status Negotiations concerning the identification of specific parcels of land to meet this requirement.

- a. Do the foregoing comments remain valid from a Navy perspective?
- b. Does the Navy desire that the President's Personal Representative negotiate the terms of leases as well as the options pertaining thereto?
- c. What terms and conditions should be attached to the options and/or leases?

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* On file in Joint Secretariat

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d. What is the upper limit of any dollar amount the Navy is prepared to justify for such options and/or leases?

2. Nonexclusive use of 30,000 acres of land on Babelthaup for intermittent ground training (primarily for fleet marine forces).

a. Given the disposition of fleet marine forces in the Western Pacific and the availability of amphibious shipping, how frequently would such use be required?

b. Is it necessary to negotiate the terms and conditions of such use in the political status negotiations or might CINCPACFLT obtain "right of entry" on a case-by-case basis in direct negotiations with the future Government of Palau and/or landowners?

c. If prior negotiation is desired, what terms and conditions should be embodied in the political status agreements?

d. What price per acre is the Navy prepared to justify for an open-ended and unfettered right to conduct maneuvers on such land?

3. Right to jointly use the airfield at Arel. We recently have been advised by the Office for Micronesian Status Negotiations that Airport Development Aid Program (ADAP) funds administered by the Federal Aviation Administration will not be used to improve this airfield. Thus, the U.S. statutory right to jointly use this facility is not assured.

a. Does the Navy desire to acquire such rights in the political status negotiations and, if so, what terms and conditions should be embodied in an agreement with the Palau Political Status Commission?

b. What is the Navy prepared to justify for such rights in the way of payments or contributions to the future Government of Palau?

4. Option to use the airfield on Anguar when this facility no longer is required by the U.S. Coast Guard. The U.S. Coast Guard has plans to close the LORAN A site at Anguar by the end of 1977. In addition, title and use of land at Anguar appears to be disputed by the head of the Ochedarechel clan, specifically in a class action suit which was filed against the United States and the Trust Territory Government in Mid-1977.

a. What is the Navy's rationale for seeking use of Anguar airfield?

b. Does the Navy desire to acquire an option to use the Anguar airfield in political status negotiations and, if so, what terms and conditions should be embodied in an agreement with the Palau Political Status Commission?

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c. What is the Navy prepared to justify in the way of payments or contributions to the future Government of Palau for an option to use the Anguar airfield?

d. If the Palau Political Status Commission takes the position that no negotiations can take place without settlement of claims by the Ochederechel clan, what course of action is recommended by the Navy?

(U) We anticipate that the next formal round of political status negotiations will be held from 4-9 January 1978. Thus, I would like to receive a response to this request no later than 20 December 1977.

Attachment

Copy to:

JCS
ASD(MR&SL)

Principal Deputy Assistant Secretary
of Defense
International Security Affairs

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