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Authority E.O. 12958
By AB NARA Date 1/19/05THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

9 SEP 1971

Trust Territory

Ambassador Franklin Haydn Williams
Office of the Secretary of the Interior
Department of the Interior
Washington, D.C. 20240

Dear Ambassador Williams,

This letter sets forth the long-term requirements of the United States for military basing options in the area encompassed by the Trust Territory of the Pacific Islands (TTPI). Requirements pertinent to other departments and agencies, including the Department of Transportation (U.S. Coast Guard) are not included.

I am sure you are familiar with the statement of U.S. strategic interests with respect to the TTPI concurred in by the interested executive departments and forwarded to the President on March 31, 1971 (NSC-U/DM 62). What follows below is consistent with and an elaboration upon that basic statement, which remains valid.

The specific requirements herein with respect to U.S. use of land in the TTPI are founded largely upon certain of what I believe to be the enduring interests of the United States. The interests of concern include the U.S. ability to:

- Implement a defense-in-depth in the Pacific to the West of the State of Hawaii.
- Defend Guam.
- Defend the islands of Micronesia, since they would become a permanent United States defense responsibility, as anticipated by each of the successive U.S. negotiating positions approved by the President on 20 July 1971.
- Defend lines of communication through the Central Pacific in order to assure continuing freedom of transit for essential strategic materials which would not otherwise be available in time of war.
- Carry out treaty commitments.
- Maintain a credible nuclear and conventional deterrent to armed aggression against the U.S., its allies, and countries considered vital to our security; and continue to maintain a balance among the great powers in Asia (China, Japan, USSR, and U.S.) which discourages the use of force as an instrument of national policy in the area.
- Meet future contingencies and satisfy research and development (R&D) requirements.

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The following facts and evident trends are pertinent to any definition of our military land needs in the TTPI:

- Population pressure and economic development will continue both in Guam, Micronesia, and elsewhere in the Western Pacific; this will progressively diminish the land available for U.S. military purposes.
- Current U.S. bases in the Western Pacific (e.g., in Japan, Okinawa, Taiwan and Philippines) are subject to political pressures and decisions which could deprive the U.S. of operating flexibility to an increasing extent, with a tendency to limit the use of bases to the immediate defense of the country in which they are located.
- Threats against U.S. interests could arise in the future not only from countries which today appear potentially hostile but also from those with whom we currently have good relations or even defense commitments; for example, bases could be established by governments hostile to the U.S. in the wake of political turmoil in various Pacific Islands.
- Of the strategic and critical material imports the U.S. must obtain from external sources (i.e., from beyond the North American continent and the Caribbean) in a period of emergency, about 38% in dollar value (\$600 million annually) would be obtained by sea transport through the Central Pacific. This includes 32 of the 72 items on the Office of Emergency Planning (OEP) List of Strategic and Critical Material. In the future, U.S. reliance on these overseas sources is expected to increase markedly as will the importance of lines of communications through sea areas adjoining Micronesia.

It should be noted that:

- Our needs for basing options do not represent a new requirement; the U.S. currently possesses a legal right to establish military bases and facilities in Micronesia under the Trusteeship Agreement. This right was acquired on the basis of an assessment of U.S. long-term strategic interests made prior to establishment of Micronesia as a unique "strategic" trust some 24 years ago, an assessment that is hereby reaffirmed.
- Future political and technical developments, including future generations of strategic weaponry, cannot be predicted with certainty; the U.S. requires some flexibility in the future to take account of events that are unforeseeable today.
- The minimum requirements specified below are not predicated upon loss of existing U.S. bases in the Western Pacific (a military base structure in Micronesia which could only partially compensate for loss of existing Western Pacific bases would require substantially more than the minimum acreage specified).

In brief, the requirements set forth below would ensure continuation of options that are required not only for the foreseeable future but, for the most part, permanently.

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Under the circumstances set forth above, our ability to exercise eminent domain in a new political relationship with Micronesia, would best assure the U.S. ability to satisfy possible future basing requirements beyond those which can be predicted with relative certainty and satisfied in advance, since land generally is not a marketable commodity in Micronesia. Should an unrestricted exercise of eminent domain not be possible, virtually any reasonable limitations (e.g., national emergency declared by the President; rights obtainable limited to long-term lease) would be better than not having this right at all.

Finally, should eminent domain not be obtainable in any form, certain minimum essential requirements must be satisfied if the U.S. is to be assured of even a fair chance of preserving the interests set forth above over an uncertain future. These minimum requirements have been defined on the following basis:

- Certain land is of such overriding, long-term importance that it should be acquired as soon as possible by the U.S.--even if the ability to exercise eminent domain is retained. However, elsewhere, long-term leases or lesser interests will suffice.
- Political realities in the TTPI are taken into consideration to the maximum practicable extent, with full knowledge inter alia of the importance of land in the Micronesian culture.
- Joint Service basing is contemplated to preclude duplication and minimize requirements.
- Land of least relative economic value to the Micronesians is specified wherever there is a choice. In particular, a thorough study of possible basing alternatives in the Western Carolines was made and considered.
- Possible basing afloat and anticipated improvements in sea and air mobility also were considered.

Based on a thorough review of all these factors, the following principal, minimum long-term real property is required:

- Kwajalein, Marshall Islands. Retention of current land holdings associated with the missile testing facility, (about 1,320 acres; continuation of long-term leases and other use agreements, both current and pending).
- Bikini, Marshall Islands. Retention of 1.9 acres for emplacement of future, unmanned instrumentation.
- Tinian, Mariana Islands. To provide basing options for all of the Services, outright acquisition of the entire island is a highly desirable objective, which would permit us to avoid many predictable future problems. But obtaining the northern part, with its World War II airfields, and acquisition of the harbor on a joint-use (civilian-military) basis, are essential. (16,518 acres out of a total of 26,200 acres.) Population on this good-sized island is relatively small (about 800), and much of the essential land currently is in a military retention status.

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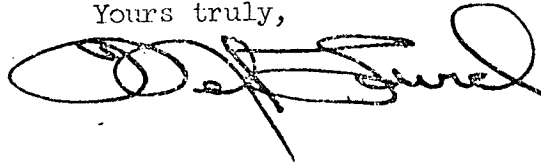
- Palau Islands: (1) access and anchorage rights in Malakal Harbor, (2) acquisition of 40 acres of fill rights and connecting land in the Malakal harbor area for a small support facility, (3) joint-use (civilian-military) of an airfield capable of supporting military jet aircraft operations (possibly a new airfield constructed on a reef area off Garreru Island), (4) a right that will permit acquisition or the long-term assured use of 1,500 to 2,000 acres on the west coast of Babelthuap as a logistics and basing area, and (5) an arrangement that assures the right to use 25,000 to 30,000 acres on Babelthuap as a ground force maneuver/training area. (Involves use of about one-third of Babelthuap, a large island--28 miles long, 7 miles wide--with a population of about 4,000.) The Palau Islands, 700 miles Southwest of Guam and some 1,200 miles to the North of Australia and Indonesia, would provide assured options with respect to the increasingly important Southwest Pacific area as well as constitute a key defense outpost on the Western fringe of Micronesia.

It should be recognized clearly that satisfaction of only these minimum requirements entails acceptance of a number of inherent and associated strategic risks. In particular, I wish to highlight the fact that lands retained for ground force use in Micronesia will only support staging of forces or basing and training of units up to brigade size. In the light of all relevant circumstances, I believe that our needs are reasonable and, if anything, understated. Our national security requirements, moreover, of which basing options are an important part, are the only real justification we will have in asking the U.S. Congress to enter into a new relationship with Micronesia involving the continuation of a substantial level of financial support. Accordingly, the above requirements should be approached as an irreducible minimum.

The attachments contain additional information concerning the minimum requirements described above, together with certain other requirements; a list of current military retention holdings that might be released during negotiations; and comments on compensation to be offered for acquisitions. Data of a more detailed nature is being provided separately.

To facilitate any subsequent discussion of this subject, I am providing Secretary Rogers, Secretary Morton, and Dr. Kissinger with copies of this letter. In closing, I wish to emphasize the importance that I attach to satisfaction of the above requirements.

Yours truly,



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ATTACHMENTS

TABS

- A - General Requirements
- B - Marshall Islands Requirements
- C - Mariana Islands Requirements
- D - Palau Islands Requirements
- E - Current DOD Holdings Available For Release Incident to Negotiated Settlement
- F - Comments Concerning Compensation For Land Acquired by the United States

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GENERAL REQUIREMENTS

1. Continuing access is desired to all harbors and airfields in Micronesia that were constructed with public U.S. funds. Access would be on an occasional or emergency-use basis. (An example of such use might be typhoon evacuation of aircraft from Guam to the civil airport at Ponape. Another might be use of the airfield at Eniwetok to support space flight recovery operations or a search and rescue effort at sea.)
2. In places where there is either a planned or contingent military presence (Tinian, Saipan; at Palau, Malakal Harbor and Babelthuap; Kwajalein Atoll), the following is required:
 - a. Emergency priority rights for contingency use of harbors, airfields, highways, and rail systems.
 - b. All bridge and highway construction on or between the lands currently used, retained, or contemplated for use as U.S. bases and logistic/communications centers must meet the strength and clearance standards of the U.S. interstate (national defense) highways. Where topography, engineering design considerations, or other factors would result in excessive costs when such standards are met, the requirements can be reviewed and modified, as appropriate, to accommodate the TTPI environment and actual/contemplated military use.
 - c. Harbor construction must also meet acceptable standards, and port development must be compatible not only with the economic/commercial interests of the TTPI but also with planned or contingency military usage requirements. (The applicability of this statement would vary considerably among the several harbors involved.)
 - d. To assure attainment and maintenance of adequate standards for these facilities, a provision should be made for consultation and DOD concurrence concerning such projects as they are approved for funding. DOD engineering and technical assistance may be required. This is not considered an unreasonable requirement if public U.S. funds are to be expended for construction of civil harbors, airfields, or highways. (Here also, applicability would have to be tailored to the specific location, with the situation in Malakal Harbor considerably different from, for example, Kwajalein or Tinian).

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Authority E.O. 12958
By AB NARA Date 1/19/05MAINTENANCE REQUIREMENTSKwajalein Atoll (1,320.37 acres).

Kwajalein Atoll is the site of the Kwajalein Missile Range (KMR), a National Range managed and operated by the Army for the purpose of testing strategic offensive and defensive Army, Navy, and Air Force weapon systems. Known Army requirements for KMR extend through FY 1982. Navy cites the probable future need for the KMR impact area for ULMS long-range test scoring. Air Force will require a capability for test support at that location as long as the MINUTEMAN (or any other) ICBM is in the Force. KMR has an array of terminal (re-entry) test and evaluation capability unavailable at any other U.S. test site. Range and range users' investment in facilities, equipment and instrumentation at KMR is currently estimated at \$950 million. Even with the equipment and instrumentation that could be salvaged from Kwajalein, assuming the necessity of a move, establishment of similar capability elsewhere would cost over \$500 million. To avoid disruptions to programs through the time period extending to at least FY82, a lead-time of 4-5 years would be required after Congressional appropriation of funds for a replacement site. In summary, Kwajalein appears essentially irreplaceable.

For the limited Micronesian economy, KMR represents an economic asset that is irreplaceable in the short term. KMR contributes approximately \$2.5 million annually to the economy of the Trust Territory of the Pacific Islands through wages paid to indigenous employees. It also represents the largest tax base in the TTPI providing individual, business and sales tax revenue to the TTPI of approximately \$2.8 million annually. Additional annual payments of \$420,000 are made to TTPI natives displaced within the Kwajalein Atoll for safety reasons.

A number of different leases and other agreements are in effect between elements of the DOD and the Trust Territory Government. The High Commissioner, in turn, has entered into agreements with private land holders to obtain the real property interests required by DOD. With a few exceptions, the agreements are limited in tenure (e.g., 69 years to go on Kwajalein) or are subject to renegotiation (e.g., the Mid-Corridor Agreement--negotiated in February 1971--is subject to renegotiation in 1976). Many past land actions in the TTPI are either incomplete or are being resolved in local courts (e.g., the Roi, Namur Case). In short, the land situation in the Kwajalein Atoll, far from being static, is subject in many cases to adjustments that are favorable to the land owners and reflect the current situation.

In view of the above, every effort should be made to secure continued adherence to existing (or pending) agreements. With respect to any additional compensation that may be requested, the comments in Tab F are applicable.

Bikini Atoll (1.91 acres).

At the time most of Bikini Atoll was released from military retention status (as of 10/11/69), the two small islands of Ourukaen and Eninman

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were retained by DOD together with the right to use the pier, airfield, and boat landing on Eneu Island. Retention of this property and access rights continue to be a requirement for an unattended Air Force communications/tracking site.

The Bikini residents received \$325,000 in return for indefinite use of Bikini commencing in 1946. The U.S. Government also is completely rehabilitating the island, including building homes and replanting coconuts. Further compensation specifically for the two small areas to be retained does not seem warranted if continued U.S. financial assistance is to be provided the people of Bikini.

Eniwetok Atoll (1708.80 acres).

(See Tab E for description of interim requirements and how Eniwetok's release might be related to Kwajalein.)

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MARIANA ISLANDS REQUIREMENTS

Tinian

1. The Entire Island (26,200 acres).
Acquisition of the entire island is highly desirable if this can be accomplished without seriously jeopardizing other, basic objectives in the negotiations. Land not in use would be leased back for agricultural or other appropriate use. However, the entire island would be immediately available when needed; and predictable future problems of conflicting civilian-military interests, so evident with bases elsewhere, could be avoided by this action. Since land is a marketable commodity in the Marianas, total acquisition is a distinct possibility. To facilitate the acquisition, private owners on Tinian might be offered an exchange of land now held in a public domain or military retention status on Saipan.
2. Partial Acquisition (16,518 acres).
If acquisition of the entire island proves to be impossible, the following are essential requirements:
 - a. Renegotiate 8,882 acres in current retention status specifically including the North and West Field areas.
 - b. Trade some southern retention areas, but not West Field, for equal amounts of public lands adjacent to the North Field area.
 - c. Acquire approximately 7,240 additional acres of abutting public and private lands to augment the above holdings around North Field. This would provide sufficient contiguous acres on which a Marine amphibious brigade could be stationed and/or a sea-based Marine amphibious brigade or elements of an Army brigade trained. A leaseback of all lands not immediately being utilized would be acceptable, if desired by the Micronesian Government. If any specific compensation for these lands is required, it might be accomplished by:
 - (1) Negotiation as quid pro quo for a US/Micronesia joint-use agreement for West Field after its development by DOD; or
 - (2) A trade for quit-claim release by DOD of certain retention lands, on Saipan; or
 - (3) As a last resort by purchase and/or long-term leases.
 - d. The DOD would envision the potential development of West Field as a joint Services/civilian, jet-capable, airfield/logistic storage facility. An appropriate civil/military joint-use agreement would be developed that would reserve priority use of the field for the military.
 - e. Acquire the former Tinian Harbor military retention area in exchange for releasing about one-half of the Tanapag Harbor retention area on Saipan. Military use of Tinian Harbor will be required to support planned deployments, and military control will be required to support contingency basing. Joint civil/military use, of course, would be anticipated. The only funding that appears appropriate for this harbor (built by the SEABEES in World War II) would be in connection

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with the construction or rehabilitation of facilities incident to the permanent stationing of forces on the island. (This could occur at an early date.)

Saipan (820 acres retained).

Isley Field.

Retention of 500 out of the total of 1189.35 acres currently in the Isley retention area is highly desirable. This land, on one side of the field, would ensure availability of land to permit construction of maintenance and cantonment facilities in the event of emergency. (As noted also in Tab E, this requirement should be left unsatisfied only if absolutely necessary and if all requirements with respect to Tinian have been satisfied.)

The DOD has already offered to assist the TTPI government in construction of a jet-capable airfield at Isley. Specifically, the assistance of a 65 man Civic Action Team has been offered (on the same basic funding basis with the Department of the Interior as the current Civic Action Program.) Use of this team--over and above the current level of civic action effort--would result in substantial cost savings to the TTPI and would lead to earlier availability of a substantial commercial asset. (DOD, incident to this offer (of 10 March 1971) advised Interior that a joint-use (civilian-military) agreement for Isley would be entered into whenever Interior decided to move ahead with rehabilitation of the field. This offer remains open, and early action might prove attractive to the Saipanese since considerable time may elapse before final settlement of the status question.)

Tanapag Harbor

Retention of 320 out of a total of 640.23 acres currently in the Tanapag Harbor retention area is highly desirable. This land is South of Pier C, with the exact area negotiable to permit civilian development of the desirable Micro Point area. (As noted in Tab E, this requirement should be left unsatisfied only if absolutely necessary and if all requirements with respect to Tinian have been satisfied.)

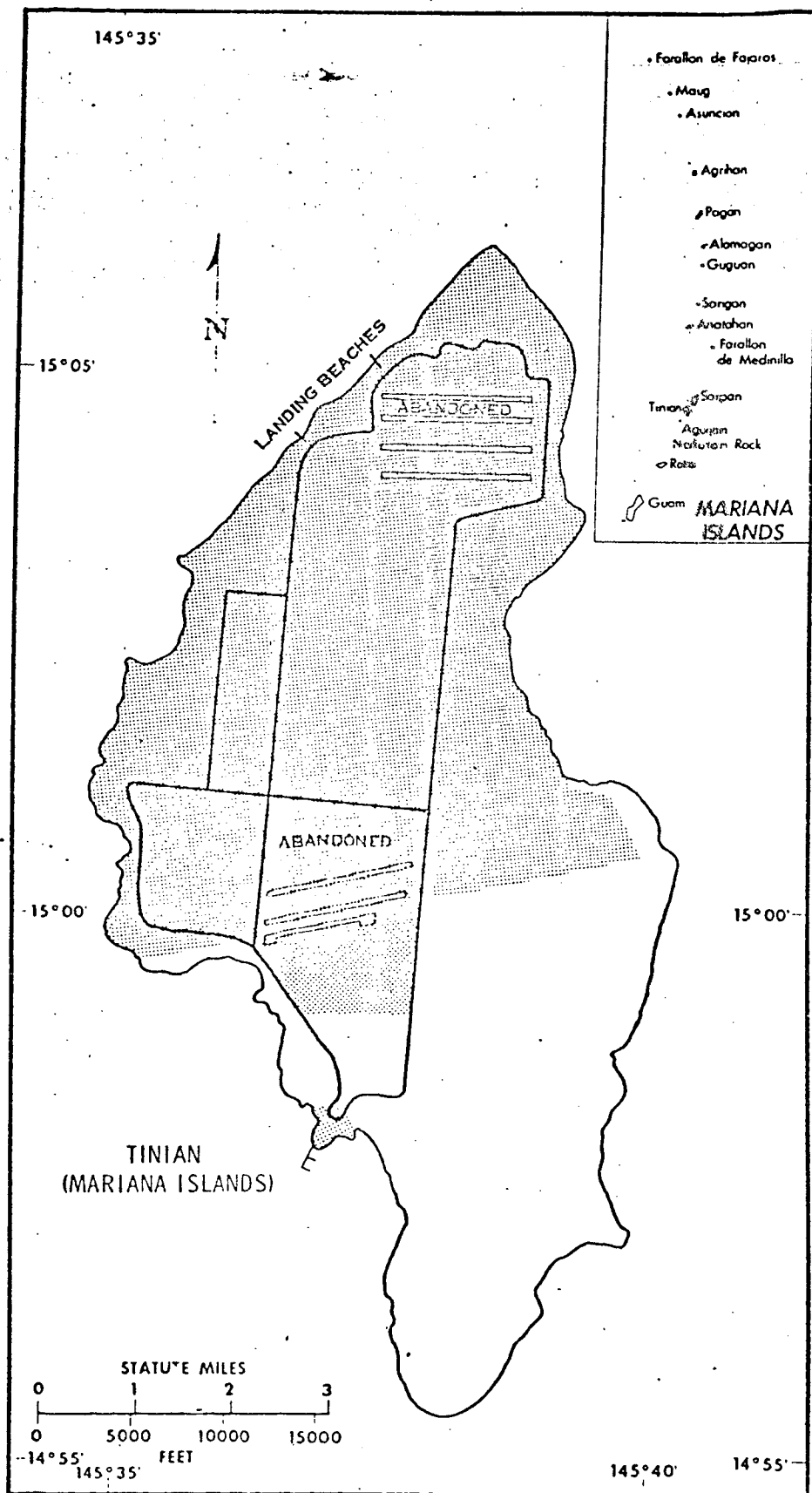
Farallon de Medinilla island (0.35 acres).

This small, uninhabited island about 45 miles to the North of Saipan, was designated Restricted Area R-7201 by the FAA effective 11/12/70 to permit its use as a bombing target. It has no conceivable economic value and is almost totally inaccessible due to the nature of the terrain. (A use and Occupancy Agreement with the TTPI Government is pending and is expected to be executed at no cost under the presumption that it is public domain land.) Acquisition of this island is essential and should involve no specific payments by the United States. Nafutan Rock retention area (3.02 acres) may be released in exchange (See Tab E).

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TINIAN REQUIREMENTS



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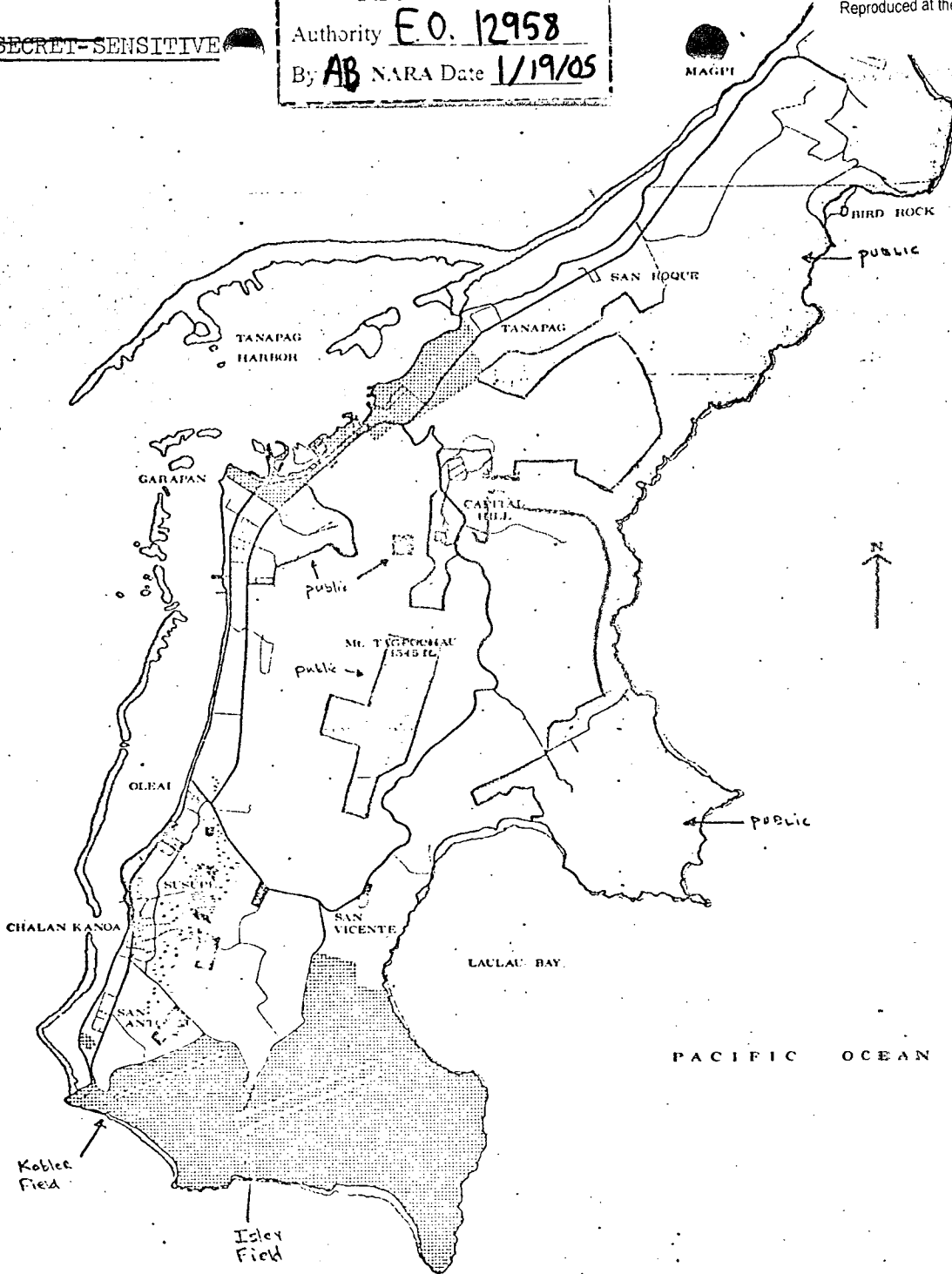
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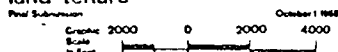
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MAGPI



TRUST TERRITORY PHYSICAL PLANNING PROGRAM
 SAIPAN MARIANA DISTRICT
 land tenure



HAWAII ARCHITECTS & ENGINEERS, INC.

SOURCE: TT LAND MANAGEMENT

- military retention
- public
- private

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~~PALAU ISLANDS REQUIREMENTS~~

Malakal Harbor and Babelthuap Island

1. Access and anchorage rights are required in Malakal Harbor.
2. Acquisition of sufficient land and fill rights within the Malakal Harbor area for a small shore-based administrative and logistic facility is required to support periodic use of the harbor. Exact site of the 40 acres needed is negotiable. This requirement would be reviewed periodically to insure that it did not unnecessarily inhibit the orderly development of the civilian segment of the harbor. If a reef runway, described below, were to become a reality, it might then be acceptable to shift this requirement to the airfield area.
3. An airfield capable of supporting military jet aircraft operations is required in the Palaus. Development of such an airfield on Peleliu Island would be a desirable solution from an operational standpoint. However, it is recognized that reacquisition of the land area necessary for such a facility from the significant number of private owners on Peleliu who only recently gained title would cause an undesirable political reaction. Therefore, to minimize land requirements and possibly gain public support, the more expensive alternative of developing a jet-capable civilian airfield on a reef at Garreru Island appears attractive. Such a project has been considered from time to time by the TTFI Government. Total cost is estimated at about \$18 million. With DOD participation, the airfield could be constructed to military specifications where they are more stringent than those of the Federal Aviation Administration. It would be covered by a joint-use agreement. The existing Airai Field, on Babelthuap, constructed by U.S. appropriated funds, should be made available for joint civil-military use as an interim measure--although it will not satisfy anticipated military requirements due to physical limitations. In any event, a clearcut option to build a reef runway or to participate on a joint-use basis in any such project that may be undertaken is required.
4. Although it may not be necessary to purchase the land outright at this time, the U.S. Army/Navy/Marine Corps require an interest or right that will permit acquisition or the long-term assured use of 1,500 to 2,000 acres of land within an area on the west coast of Babelthuap from Karamado Bay south to (and including) Gamliangel Bay. This would safeguard a contingency requirement for possible development (exact site negotiable) of petroleum, oils, and lubricants/ammunition storage facilities, a troop cantonment area, and a naval logistic/communications site.
5. An Army/Marine Corps maneuver/training area for 25,000 to 30,000 acres in west central Babelthuap is required. An arrangement, made explicit in the status agreement, that assures this right on a rent-and-damage payment basis at the time of maneuver would satisfy this requirement, which will be defined separately in greater detail. The right of ingress and egress to training areas, beaches, and roadways must be an integral part of any such agreement.

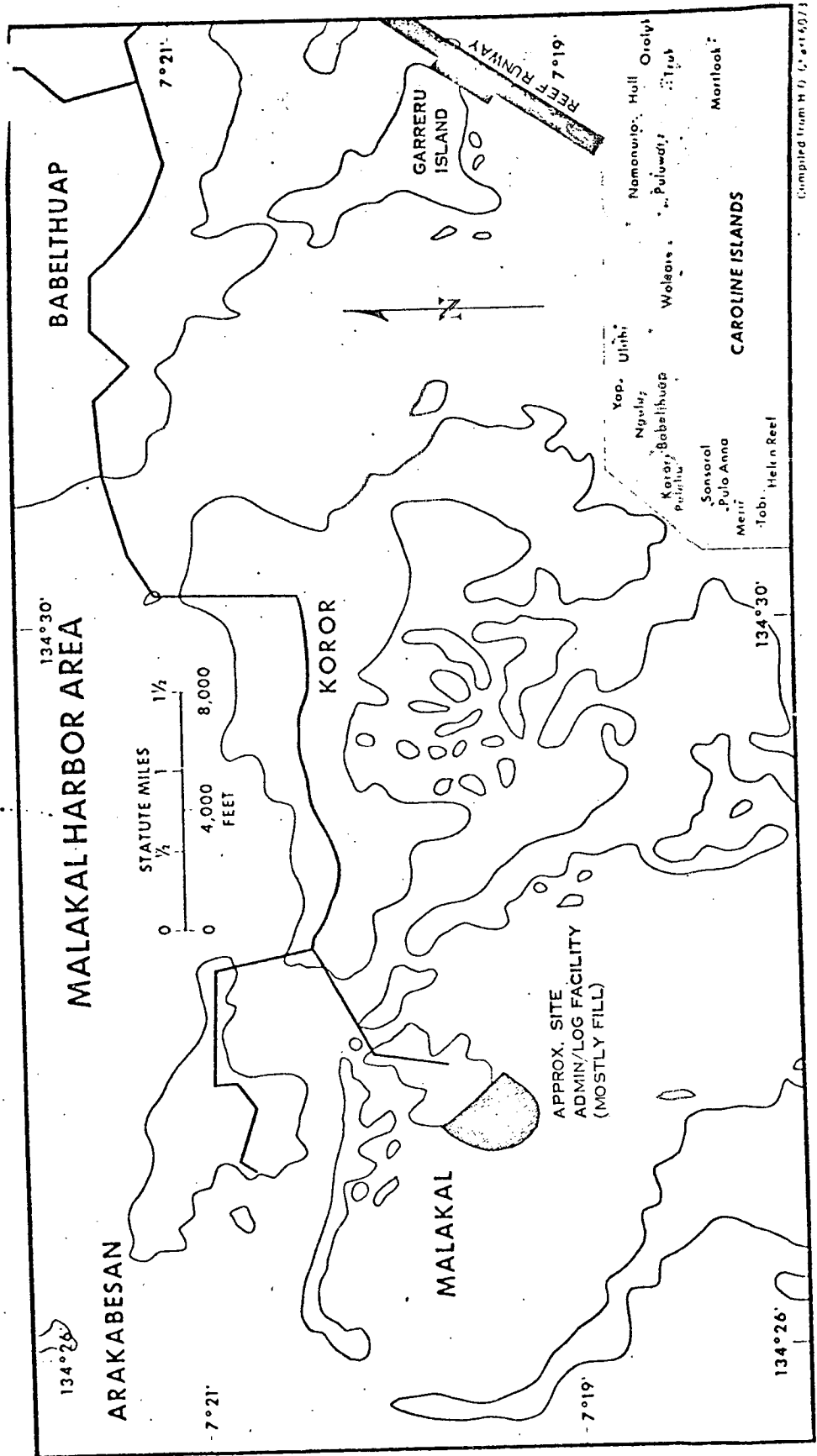
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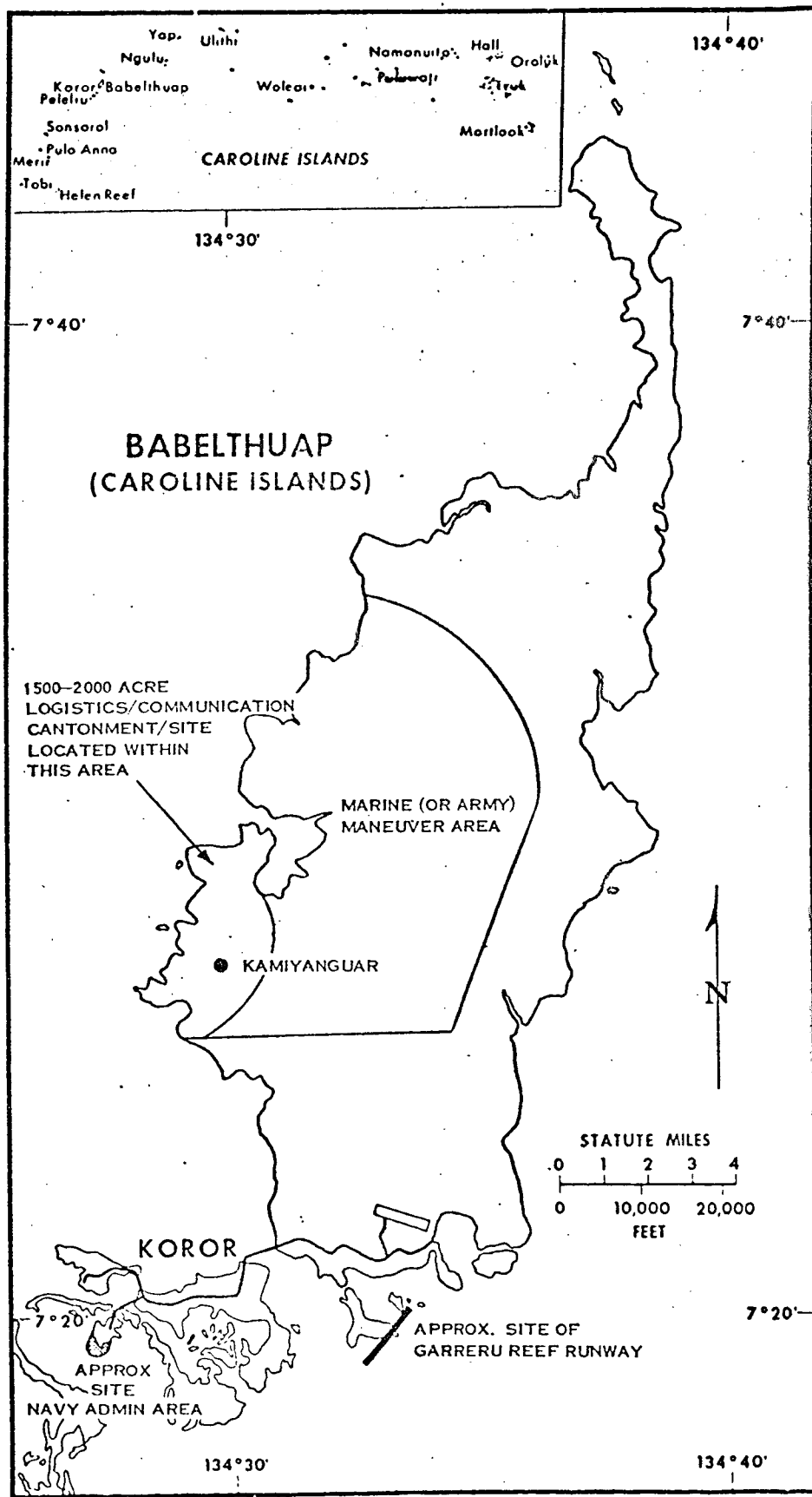
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MALA



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OR RELEASE

INCIDENT TO NEGOTIATED SETTLEMENT

The following military retention areas are available for release under the conditions specified:

Eniwetok Atoll - (Total Acreage Involved: 1708.80).

1. Suggested negotiation use: in connection with securing rights elsewhere in the Marshalls (i.e., Kwajalein).
2. Could be made available at an early date for preliminary steps leading to partial rehabilitation and resettlement (joint survey by AEC, Interior, DOD is probably initial step; possible clean-up, replanting of coconuts, etc., would follow).
3. The main Island (Eniwetok) plus probably 2 others in the Atoll will be needed for a limited period of R&D testing, which could extend to 1975. This particular series of tests does not involve ICBM missile impact; hence, rehabilitation work could be conducted on other islands of the Atoll.
4. Following completion of R&D testing (and necessary rehabilitation), the entire atoll would be available for the natives' return, subject only to the General Requirements in Tab A and possible requirements of other federal departments and agencies (See comment below re: Coast Guard).
5. Release of Eniwetok Island, the principal island within the Eniwetok Atoll, would provide Micronesia with physical plant assets of major potential value. These assets include, for example, a fully operational airfield with a 7700-foot-lighted runway; a 200-man airconditioned barracks building and many other facilities which could be made into a Micronesian vocational school or junior college; and a total physical plant investment (exclusive of any R&D instrumentation) of about \$13 million. This substantial plant, which could have significance to Micronesia extending well beyond Eniwetok, should be viewed as a major negotiating asset, with its use carefully timed to achieve maximum, identifiable benefit.

Saipan - (Total Acreage Involved: 4943.31).

1. Suggested negotiation use: primarily in connection with securing rights on Tinian.
2. Release following lands, in order specified, on quit claim basis:
 - a. Kobler Field - 795.97 acres
 - b. Beach Road - 38.22 acres
 - Wallace Road - 32.52 acres
 - c. Nafutan - Obiam Bomb Dump - 2244 acres
 - d. Isley Field - of total acreage 1189.35, release 689.35 acres; retain remaining 500 acres on one side of the field for construction of maintenance and cantonment facilities in the event of emergency.
 - e. Nafutan Rock - 3.02 acres; located in the vicinity of Saipan, this island was used as a bombing target until November 1970. Nafutan Rock can be released provided Farallon de Medinilla Island is acquired (See Tab C).

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- f. Tanapag Harbor - of total acreage 640.23, release 320.23 acres; retain remaining 320 acres South of Pier C, leaving the exact area negotiable to permit civilian development of the desirable Micro Point area. (This release should have as an essential quid pro quo acquisition of the Tinian Harbor area.)
- g. Isley Field - the remaining 500 acres; however, retention is desirable, and release should be made only if absolutely necessary and if all requirements with respect to Tinian have been satisfied.
- h. Tanapag Harbor - The remaining 320 acres; however, retention is highly desirable, and release should be made only if absolutely necessary and if all requirements with respect to Tinian have been satisfied.

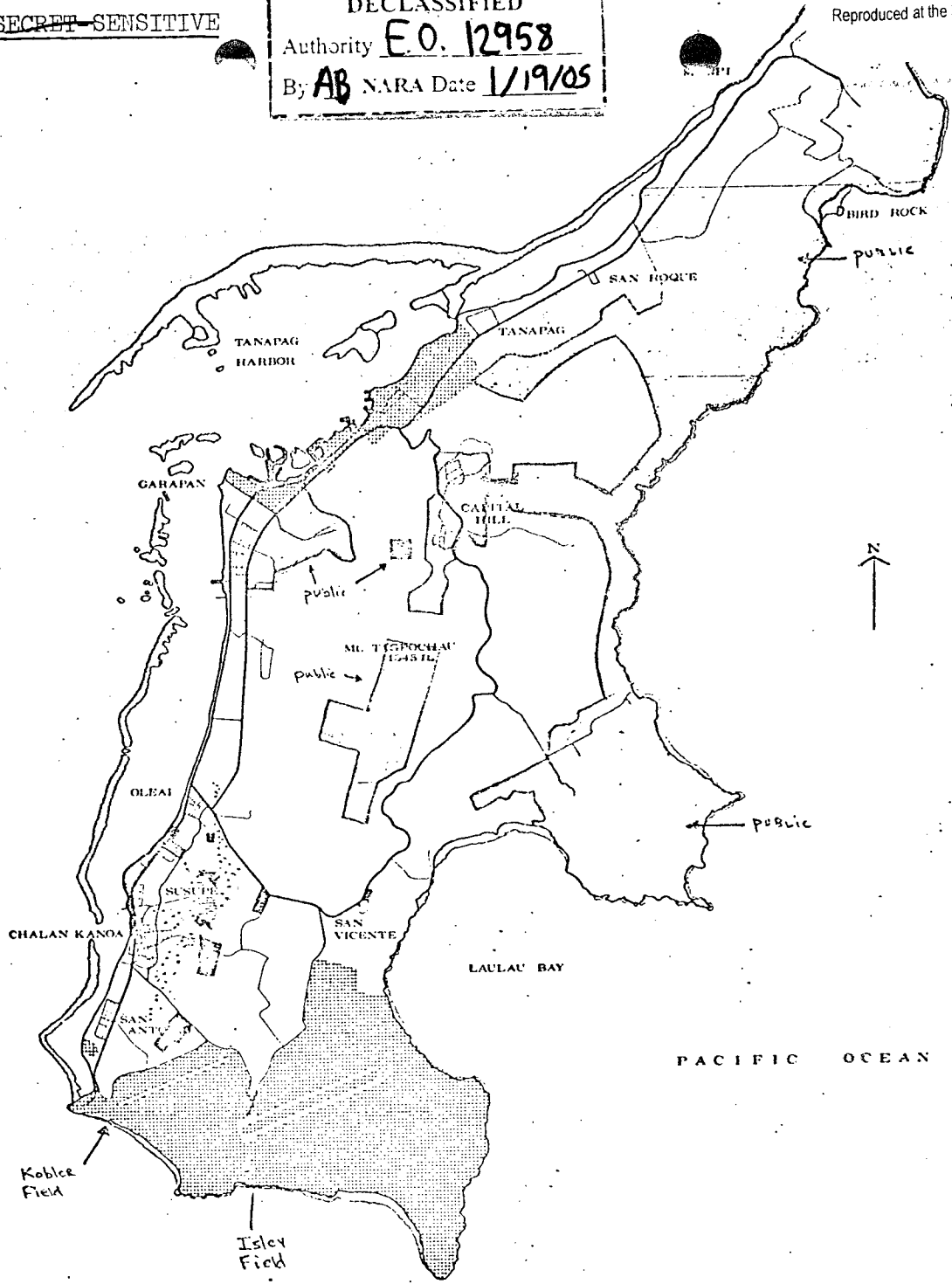
General Comment

Additional "Military Retention Areas" under the exclusive use of other federal departments and agencies are as follows:

<u>Area</u>	<u>Cognizant Agency</u>	<u>Acreage</u>
Ebeye Island	Coast Guard	12.11
Saipan Island	Coast Guard	16.25
Yap	Coast Guard	205.23
Angaur	Coast Guard	<u>274.61</u>
	Total Acres	508.20

The only other Coast Guard Installation in Micronesia, on Eniwetok Island, is included in the DOD total acreage listed above for the Eniwetok Atoll; it is a Loran Station occupying 7.76 acres and necessitates use of the airfield.




Release of the DOD retention areas on Eniwetok Atoll and on Saipan does not take into consideration possible future requirements of other federal departments and agencies.



TRUST TERRITORY PHYSICAL PLANNING PROGRAM
 SAIPAN MARIANA DISTRICT

land tenure
 Final Submission October 1 1968
 Graphic Scale 2000 0 2000 4000
 Scale in Feet
 HAWAII ARCHITECTS & ENGINEERS, INC.

SOURCE: TT LAND MANAGEMENT

 military retention	 public	 private
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SEC

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By AB NARA Date 1/19/05COMMENTS CONCERNING COMPENSATION FOR
LAND ACQUIRED BY THE UNITED STATESGeneral Philosophy

The United States, in recent years, has made relatively large expenditures in the TTPI for capital improvements of all kinds as well as for a wide variety of continuing programs of benefit to Micronesians. Despite this high rate of expenditure, Micronesia is expected to remain a budget deficit area for many years to come. Presumably the Micronesians will be seeking, in negotiating a new relationship with the United States, a continuation of appropriated US funds. They also presumably will be seeking a variety of other privileges normally reserved to US citizens and nationals. Under these circumstances, a reasonable outcome of the negotiations should be a clearly identifiable quid pro quo for the American taxpayer. Since the essential rationale for US involvement (both in the Trusteeship and the anticipated new arrangement) is security interests, the land requirements identified in the preceding tabs in fact constitute a major part of the quid pro quo desired from Micronesia. Additional, different considerations, however, are appropriate to land in a "public domain" status as distinct from land that is privately owned.

Public Domain Land

To the extent that public domain land is to be retained by the US, acquired, or used in exchange for privately held land, there should be no specific cost to the US and no lease payments. Should such compensation be requested, the identification of planned capital improvement projects in the general area such as sewer systems and highway projects, as an offset, could be done. All US funds, regardless of expenditure cognizance among the executive departments, come from the same source; and this fact should be stressed, as appropriate, during negotiations. The negotiators opposing the US delegation should not be permitted to obtain duplicate payments from the American taxpayer by exploiting the separate departmental sponsorship of expenditures under our system. On the contrary, the totality of US expenditures should be thrown into the scales as compensation for any public domain land required.

Privately Owned Land

Here, there is the additional consideration of equity among individuals (or specific groups where land is held in family or community ownership, as in the Marshalls). Complications arise in two respects. First, there is a considerable amount of land for which title is uncertain, land that may be classified as being in the public domain but which is claimed by

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private parties. Second, there is the fact that land was acquired by the US from private owners in the past while the US at the same time had fiduciary responsibilities under the Trusteeship Agreement. As to the first complication, no good answer is apparent except to expedite the resolution by judicial or other means of any disputed claims with respect to the lands specified in the preceding tabs. As to the second point, equity would appear to require leaving the door open for possible renegotiation of at least some land holdings that continue to be required and are covered by earlier agreements. Any need for additional payments might be based on current fair market values less any amounts previously paid, gratuitously or otherwise, with such payments computed at today's inflated dollar values. However, there would have to be adequate provisions to prevent overstatement of land values. In general, we should strive to continue as many of the existing agreements for necessary land as is possible. The practical alternatives are either to pay exorbitant asking prices or to enter into numerous separate negotiations that may extend over many years. Even in the case of privately held land (e.g., the Marshall Islands), we should not hesitate to identify the benefits of total US funding which accrue to specific communities or groups that own lands we desire. For privately held land to be newly acquired, undisputed public domain land should be offered in exchange wherever possible. Where this cannot be done, the services of private appraisers should be obtained; and there appears to be no good alternative to individual negotiation with regard to compensation, subject ultimately to an arbitration procedure agreed to as part of the status settlement. However, clearcut acquisition of the land or of the desired interest in land by the US should be established explicitly as a part of status determination. In summary, we should negotiate, wherever possible, the continuation of existing land-use agreements -- without substantive alteration. For all privately held land to be acquired, a clearcut conveyance of the land or land interest required should be obtained as a part of status determination, recognizing that the amount of compensation to be paid may have to be resolved later through negotiation or, ultimately, arbitration.

DOD Contributions to US Financial Assistance

As noted above, it is important to maintain the unity of US assistance to Micronesia, whether in the form of cash or otherwise. The principal DOD contributions to the total of US assistance which could be continued in a new political relationship include:

- Military Civic Action Program, seven teams currently, with the basic training and personnel costs funded by DOD.
- Search, rescue, and emergency medical evacuation service throughout Micronesia.

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-- Specialized medical consultation and assistance on a case basis, including use of military hospitals on Guam and Hawaii where warranted.

-- Disaster assistance (e.g., following typhoons).

-- Participation in the excess materiel program at a multi-million dollar level and a high priority.

-- A renewal of the Navy's loan of a number of ships that are vital to sea communications within Micronesia.

Additional Specific Financing of Land Acquisition

Any additional compensation required for land acquisitions should be the subject of special legislation, preferably part of a total package that would satisfy the needs stemming from all departments and agencies of the federal government.

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LOG NBR

NSC CORRESPONDENCE PROFILE

By AB NARA Date 1/19/05

DOC SOURCE/CLASS/DESCRIPTION

TO: PRES FROM: ELIOT U LOG IN/OUT ONLY

KISSINGER X ROGERS, W LOU NO FORN NODIS

HAIG LAIRD, M X C EYES ONLY LIMDIS

S X CODE WORD RES DATA

TS SENSITIVE X

SUBJECT: *Cy of SecDef Ltr to Hayden Williams on DOD Requirements in the TTPL (Micronesia)*

REFERENCE: S/S OTHER NOT XEROXED

APPT'S: PRES HAK TALKER MEMCON DATE REQ.

SECRETARIAT DISTRIBUTION/ACTION

INTERNAL ROUTING AND DISTRIBUTION				ACTION REQUIRED	
	ACTION	INFO	REC CY FOR		
ADVANCE CYS TO HAK/HAIG	<input checked="" type="checkbox"/>			MEMO FOR HAK	<input checked="" type="checkbox"/>
STAFF SECRETARY				MEMO FOR PRES.	<input type="checkbox"/>
FAR EAST	<input checked="" type="checkbox"/>			REPLY FOR _____ SIGNATURE	<input type="checkbox"/>
SUB-SAHARAN AFRICA				FOR DISTRIBUTION DISPATCH	<input type="checkbox"/>
NR EAST/NORTH AFRICA				MEMO _____ TO _____	<input type="checkbox"/>
EUROPE/CANADA				RECOMMENDATIONS	<input type="checkbox"/>
LATIN AMERICA				JOINT MEMO	<input type="checkbox"/>
UNITED NATIONS				REFER TO STATE	<input type="checkbox"/>
ECONOMIC				ANY ACTION NECESSARY	<input checked="" type="checkbox"/>
SCIENTIFIC				CONCURRENCE	<input type="checkbox"/>
LR PLANNING				DUE DATE: <i>09/16</i>	
PROGRAM ANALYSIS		<input checked="" type="checkbox"/>		COMMENTS: (Including Special Instructions)	
NSC PLANNING		<input checked="" type="checkbox"/>			
CONGRESSIONAL		<input checked="" type="checkbox"/>			

INTERNAL INTERIM ROUTING

DATE	FROM	TO	S	ACTION REQUIRED	CY TO
				<i>No memo to HAK is necessary - per [unclear]</i>	
<i>9/29</i>	<i>HAK</i>	<i>NSC/S</i>		<i>No further action necessary</i>	

DISPOSITION

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SEE LOG _____ DISPATCH: LETTER MEMO _____

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