



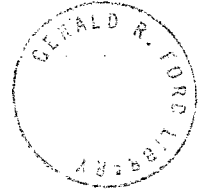
EXECUTIVE OFFICE OF THE PRESIDENT
 OFFICE OF MANAGEMENT AND BUDGET
 WASHINGTON, D.C. 20503

Executive
 ST 51

DEC 28 1976

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer
 Department of Defense (Defense Nuclear Agency)
 Department of State
 Department of Justice
 Office of Micronesian Status Negotiations
 National Security Council ✓
 Foreign Claims Settlement Commission
 Environmental Protection Agency
 Energy Research and Development Administration



SUBJECT: Interior Dept. draft bill, "To authorize the appropriation of \$12.4 million at July 1976 prices for rehabilitation and resettlement of Enewetak Atoll, Trust Territory of the Pacific Islands."

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than January 11, 1977.

Questions should be referred to Bob Bauerlein (103x4993) or to John Markus (103x4606), the legislative analyst in this office.

Ronald K. Peterson
 Ronald K. Peterson for
 Assistant Director for
 Legislative Reference

Enclosures
 cc: NR-Crabill
 IA-Sanders
 NS-Sitrin
 SET-Loweth

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United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

Dear Mr. Speaker:

Enclosed is a proposed bill, "To authorize the appropriation of \$12.4 million at July 1976 prices for rehabilitation and resettlement of Enewetak Atoll, Trust Territory of the Pacific Islands, and for other purposes."

The proposed legislation was introduced in both the 93rd and 94th Congresses. We recommend renewed consideration of the measure and strongly urge that it be enacted.

Enewetak Atoll lies among the Marshall Islands, which are a part of the Trust Territory of the Pacific Islands administered by the United States acting on behalf of the United Nations. The atoll had been fortified by the Japanese during World War II and was captured by the United States in 1944, with the local inhabitants being placed under the jurisdiction of the U.S. Armed Forces. After the war, in 1947, the United States decided that the entire atoll was required for its atomic weapons testing program, so notified the United Nations Security Council, and resettled the atoll's inhabitants on nearby Ujelang Atoll. The testing, carried out between 1948 and 1958, severely damaged Enewetak and rendered it uninhabitable.

The United States is committed to rehabilitating Enewetak, whose former residents are most anxious to return. Discussion among various Federal agencies has resulted in this task being allotted in the following manner: Department of Defense - maintaining ongoing facilities and operations in Enewetak, and for clean-up operations; Department of the Interior - rehabilitation of the atoll; Energy Research and Development Administration - radiological monitoring and surveying.

This bill would authorize the appropriation of \$12.4 million (July 1976 prices) to enable the Department of the Interior to fulfill its portion of the Federal commitment. Such sum would be plus or minus the amount, if any, as may be justified by ordinary fluctuations

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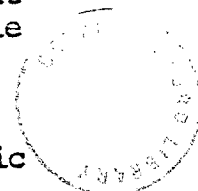


in costs as indicated by engineering cost indices applicable to the types of construction involved. Since the nuclear use of Enewetak was primarily for the benefit of the United States, we request that a special authorization (separate from the authorization for the Trust Territory) be enacted. Such a procedure would show that the funds are specifically for rehabilitation and that they are not being siphoned from programs already slated for Micronesia under our Trusteeship commitments.

Based upon our master plan, prepared by a private consulting firm, we estimate the operation will cost \$12,400,000. Included in this amount is approximately \$4,400,000 for replanting of the area and for construction of housing and community facilities; approximately \$5,500,000 for facilities, equipment, and operations pertaining to the rehabilitation effort and the remaining \$2,500,000 for overhead, profit, and contingencies. These figures are based on July 1976 prices.

The people of Enewetak have requested that the Trust Territory Government grant them Ujelang in fee simple as it has been their home for 28 years and will be their key source of food for many years to come. The Department and the Trust Territory Government will grant that request and will quit claim Ujelang to the people of Enewetak as well as rehabilitate Enewetak.

Under section 2 of our proposed bill, any award of compensation to a Micronesian inhabitant of the Trust Territory of the Pacific Islands (as defined in section 101(b) of Public Law 92-39, as amended) would be subject to certain offsets for previous monies and considerations. One purpose of this section is to avoid payment of double compensation to the people of Enewetak in judgments which have been awarded or may be awarded on pending or future claims for property damage against the United States. Among the monies and considerations to be taken into account as offsets against future awards would be: \$175,000 paid the people of Enewetak in 1956 for use and occupancy of their atoll for the United States' atomic testing program; a \$1,020,000 ex gratia payment in 1969 to compensate the people of Enewetak for hardship and suffering caused by removal from their home atoll; the final amount of any award payment by the Micronesian Claims Commission for post secure damages to the atoll pursuant to the Micronesian Claims Act of 1971 (85 Stat. 94); and the value of Ujelang Atoll, which is currently valued at \$425,000 although such value is subject to fluctuation, where the people of Enewetak have resettled. Further it will cost approximately \$20 million for the United States, using military personnel, to clean up Enewetak and approximately \$12.4 million at July 1976 prices to rehabilitate and resettle the atoll.



The language in section 2 would apply to awards to all Micronesian inhabitants on claims for property damage against the United States. We believe that this provision should apply equally to all Micronesians in preventing double compensation on all awards and not just one group of people such as the people of Enewetak. Thus, the result of section 2 would be an equitable one.

The Office of Management and Budget has advised that this legislative proposal is consistent with the Administration's objectives.

Sincerely yours,

Secretary of the Interior



A B I L L

To authorize the appropriation of \$12.4 million at July 1976 prices for rehabilitation and resettlement of Enewetak Atoll, Trust Territory of the Pacific Islands, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there are hereby authorized to be appropriated not more than \$12.4 million (July 1976 prices) plus or minus such amount, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved, for rehabilitation and resettlement of Enewetak Atoll.

Sec. 2. In the event of an award of compensation for property damage or loss to a Micronesian inhabitant of the Trust Territory of the Pacific Islands (as defined in Section 101(b) of Public Law 92-39, as amended) as a result of litigation, including a payment under the Micronesian Claims Act of 1971, previous monies or considerations including use and occupancy payments, ex gratia payments, appropriations for cleanup, rehabilitation and resettlement, land transfers, and other value given, shall be set off against such awards.

NSC CORRESPONDENCE PROFILE

DOC		RECD			LOG NUMBER
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12	28	12	28	13	7606658

INITIAL ACTION 0

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 HYLAND _____ DCI _____ X REF _____ C EYES ONLY EXDIS
 DAVIS X _____ STATE EXSFC _____ S CODEWORD
 OTHER Peterson, R _____ TS SENSITIVE

SUBJECT: Legislative files re Interior draft bill to authorize appropriation for rehabilitation of Eniwetok atoll

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