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THE WHITE HOUSE
WASHINGTON

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May 5, 1977

Presidential Directive/NSC-11

TO: The Vice President
The Secretary of State
The Secretary of Defense

ALSO: The Attorney General
The Secretary of Interior
The Secretary of Commerce
The Secretary of Transportation
The United States Representative to the
United Nations
The Director, Office of Management and Budget
The Director of Central Intelligence
The Chairman, Joint Chiefs of Staff
The Office of Micronesia Status Negotiations

SUBJECT: Micronesia Status Negotiations (U)

The President has reviewed the conclusions and recommendations of the Policy Review Committee concerning Micronesia Status Negotiations, and has directed that the negotiations be conducted on the basis of the following guidelines:

-- The broad U. S. objective should be the conclusion of status arrangements which protect essential U. S. security and political interests, afford the Micronesians the opportunity to freely determine the nature of their future association with the U. S. , and permit termination of the trusteeship agreement by 1981.

-- Status Options. The U. S. negotiator should seek a free association agreement with a united Micronesia. If such an arrangement should prove unattainable, the negotiator is authorized, following approval by the Policy Review Committee, to seek alternative arrangements, including (1) a special treaty relationship with an independent Micronesia,

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by D. Van Tassel, National Security Council

(F88-187)

or (2) a mixed arrangement embracing a free association agreement (or agreements) with those districts desiring it, and a special treaty relationship with other districts should they choose independence.

-- Financial Arrangements. The level of U.S. post-trusteeship financial support for Micronesia should be contingent on the nature of the status arrangement negotiated. The negotiator is authorized to offer at his discretion the following financial assistance, with the understanding that such assistance is contingent on ultimate approval by the U.S. Congress.

1. No more than \$60 million annually in grant assistance for no more than 15 years after trusteeship termination.
2. Continuation of U.S. postal, weather and FAA services at FY-76 levels of activity.
3. \$10-15 million for relocation of capital, contingent upon the number of districts served by this installation.
4. No more than \$10 million annually, as necessary to obtain satisfactory and legally binding agreements covering exclusive U.S. use of all land, waters, and airspace required by the Kwajalein Missile Range and its activities for no less than 15 years after trusteeship termination.
5. Up to \$3 million on a one-time basis to obtain a long-term lease of land required for U.S. defense purposes in Palau.
6. No more than \$5 million annually to be provided to Micronesia on a dollar-for-dollar matching basis, to establish, in coordination with the Departments of Interior and Transportation, a surveillance and enforcement capability for the area.

-- Termination Date. The negotiations should be conducted with the objective of terminating the trusteeship in 1981. The President has directed that an affirmation of the U.S. intent to make every effort to achieve that objective may be issued in his name.

-- Marine Resources. The negotiator is instructed to offer proposals designed to allow the Micronesians the full management of marine resources,

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to help them develop marine resources, to guarantee to them that the economic benefits of such development would flow to them, and to seat them as members of U.S. delegations dealing with marine resources in their region. If a mutually acceptable free association agreement cannot be achieved on this basis, the negotiator is authorized to agree to Micronesian jurisdiction over marine resources, to accept complete Micronesian authority within a 200-mile zone, and recognize Micronesian competence to negotiate and conclude international agreements, and to be seated at international conferences on marine resources, subject to Micronesian agreement to refrain from actions which the United States deems incompatible with its international obligations or basic security interests.

-- Institutional Arrangements. Negotiations shall be conducted by a Special Representative of the President. Departmental recommendations concerning the negotiations will be coordinated by the NSC Policy Review Committee, chaired by the President's Special Assistant for National Security Affairs, and supported by the NSC Inter-agency Group on Micronesia, which will be chaired by the Counselor of the Department of State. Negotiations will be supported by the Office of Micronesian Status Negotiations. Arrangements for staffing and financing that Office will remain unchanged.



Zbigniew Brzezinski

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