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THE SECRETARY OF DEFENSE
WASHINGTON

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JUN 27 1960

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Dear Mr. McCone:

With reference to your letter of June 3, 1960, I have requested the Secretary of the Navy to assist in the formulation of a written agreement between the Atomic Energy Commission and the Department of Defense, which will provide for the interdepartmental transfer of the Eniwetok Proving Ground, its facilities and equipment. These facilities are interpreted to include Eniwetok and Bikini Atolls but not the outlying weather islands.

We recognize the national need to include in the agreement recognition in principle that the Atomic Energy Commission could use the Eniwetok Proving Ground for any activities which it might later need to conduct there, if it is accomplished without cost to the Department of Defense and without interference to our essential activities there.

Sincerely,

James H. Douglas

DEPUTY

Honorable John A. McCone
Chairman, Atomic Energy Commission

DECLASSIFIED BY: DEPEXECSEC
DECLASSIFIED ON: 6 DEC 1995

WITH ATTACHMENT

DEPARTMENT OF ENERGY DECLASSIFICATION REVIEW	REVIEW
1ST REVIEW DATE: 6/19/94	DETERMINATION (CIRCLE NUMBER(S))
AUTHORITY: 50 USC 3025	1. CLASSIFICATION CHANGED
NAME: [Signature]	2. CONTAINS NO DOE CLASSIFIED INFO
WHENEVER DATE: [Signature]	COORDINATE WITH: 508
PRIORITY: ADD	5. CLASSIFICATION CANCELLED
NAME: J.P. Cannon	6. CLASSIFIED INFO BRACKETED

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MILITARY RESEARCH & APPL.

7 Eniwetok Proving Ground

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SEC DEF CONT NO. C-553

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AEC DOD AGREEMENT FOR TRANSFER OF ENIWETOK PROVING GROUND

THIS AGREEMENT, entered into this _____ day of June, 1960, by and between the Atomic Energy Commission (hereinafter called "AEC") and the Department of Defense (hereinafter called "DOD") represented by the Department of the Navy (hereinafter called "Navy");

WITNESS THAT:

WHEREAS, The Eniwetok Proving Grounds (hereinafter called "EPG") comprising the Eniwetok and Bikini Atolls are part of the United Nations Trust Territories administered by the United States; and

WHEREAS, in connection with its nuclear weapon testing activities AEC currently has the right to use EPG pursuant to an interagency Land Agreement dated December 23, 1955 between the Secretary of the Interior and the Secretary of the Navy, and has accumulated considerable property and property interests at EPG; and

WHEREAS, AEC has determined that such property and property interests will be excess to its needs as of July 1, 1960; and

WHEREAS, DOD has indicated that it has a need for such property and property interests.

NOW, THEREFORE, the parties mutually agree as follows:

1. a. Effective July 1, 1960, and subject only to Paragraph 2 hereof, AEC hereby transfers to Navy, without reimbursement and Navy hereby accepts all property interests of AEC in EPG and all property of AEC which will be located at the EPG on July 1, 1960.

This material contains information regarding the national defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C., Sec. 793 and 794, and the transmission or revelation of its contents in any manner to an unauthorized person is prohibited by law.

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b. AEC hereby returns to Navy, and Navy accepts, in their current condition, one AFDL No. 27, and one LSM No. 444, both of which are currently on loan to AEC from Navy, and are presently located in Navy storage facilities at Pearl Harbor. AEC will provide funds for placing these craft in an "out of commission in reserve status" and/or "out of service in reserve status", if so required by the Navy, or restore the craft in accordance with the existing 1 July 1955 agreement (cited below) whichever is cheaper.

c. Navy assumes responsibility to negotiate for the acquisition or return or, in the event such acquisition or return is not required, to negotiate for appropriate disposal of all property on loan to AEC and located at EPG on July 1, 1960.

2. AEC has a need, which DOD recognizes, for certain property presently stored at the EPG. Such property is not transferred to Navy, but is specifically reserved to AEC. Albuquerque Operations Office, AEC, will identify such property in a suitable manner and so notify FMR prior to October 1, 1960. With respect to that property so reserved by AEC Navy agrees that it will cause such property to be returned to the United States for AEC. AEC agrees that it will underwrite all expenses at EPG and CONUS in connection with preparing these items for shipment, and loading and unloading costs. All shipping costs between EPG and CONUS Tidewater incurred between July 1, 1960, and June 30, 1961, will be borne by the DOD subject to the availability of funds. Any such shipping costs for this purpose incurred subsequent to June 30, 1961, will be borne by the AEC. It is also recognized that there may be a few items of property either installed or in storage at EPG which may be

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required by either AEC or PMR respectively. In such case, allocation of such property will be resolved by ALOO and PMR to their mutual satisfaction.

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3. Navy will allow AEC to continue using the Marine Biology Laboratory now located on Parry Island and to continue staging from EPG periodic medical-ecological studies of the possible effects of fallout on Rongelap Atoll. Navy will provide logistic support, on a reimbursable basis to those AEC and AEC contractor representatives making such use of the Laboratory and staging such studies.

4. ~~Handing of claims arising from incidents occurring prior to 1 July 1960 in the EPG will be the subject of separate negotiations in the Pacific area prior to 1 July 1960, all claims arising from these between DOD and AEC at such times as said claims are initiated. operations will be adjudicated by either AEC or DOD whichever was responsible for the incident or incidents giving rise to the claim.~~

AEC agrees to provide a periodic radiological survey of EPG and to advise the Navy of rad-safe problems in these areas so as to protect the Government of the United States. Costs for surveys specifically requested by DOD will be borne by DOD.

5. Pending a determination by AEC as to the continuance of the AEC Facilities Division, H&N, Inc. Los Angeles (the AEC prime operating contractor for EPG) AEC and Navy will, effective July 1, 1960, each assume and pay an equitable share of the overhead costs of such division. The Commander, Pacific Missile Range for Navy and the Manager, Albuquerque Operations Office for AEC will immediately undertake to negotiate a mutually satisfactory method of apportioning and paying such costs. The respective AEC and Navy prime contracts with Holmes and Narver will

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appropriately reflect the method of allocation or apportionment of said costs as between the Navy and AEC. The final allocation and settlement of said costs as between Navy and AEC shall be on the basis of retrospective determination including appropriate adjustments.

6. Any Holmes and Narver commitments, procedures or activities under contracts with AEC designed to insure an uninterrupted flow of supplies and material to the EPG on or after July 1, 1960 will not be terminated by AEC until such time as Navy completes separate arrangements therefor and the Commander, PMR so advises the Manager, Albuquerque Operations Office and Holmes and Narver in writing or until December 31, 1960 ^{later} whichever is earlier or until such/time as the Commander, PMR and Manager, Albuquerque Operations Office may agree. Navy will reimburse AEC for any costs AEC incurs pursuant to this paragraph.

7. DOD agrees that the EPG will continue to be available to AEC for any activity which the AEC may later need to conduct at the EPG, provided such activity will be accomplished without cost to the DOD and without undue interference with the essential activities of the DOD at EPG.

8. The following agreements are hereby suspended and superseded by this agreement.

a. The 29 October 1953 and 1 July 1955 agreements between AEC and DOD on Responsibilities and Fiscal Accounting Principles for Operations at Pacific Proving Grounds.

b. Amendment No. 1 to the 1 July 1955 Agreement cited above.

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c. Supplemental Agreement on Interim Operation of the Eniwetok Proving Ground dated 25 - 27 August 1959.

d. Hertford - Anderson Memorandum of Understanding dated 30 October 1959.

e. Hertford - Duncan modification (effective 1 February 1960) to the 1 July 1955 Agreement cited above.

f. Agreement between AEC and CJTF-7 on Stevedoring Operations at the EPG dated 15 July 1968. ^{8.} Memorandum of agreement between the AEC, Albuquerque, New Mexico, and the Pacific Missile Range, Point Mugu, California, signed by Hertford, Monroe, and Hentman on 4 June, 21 May, and 12 June, 1959, respectively.

9. This agreement shall become effective as of 12:00 midnight EDST, June 30, 1960.

ATOMIC ENERGY COMMISSION

_____ (date)

DEPARTMENT OF DEFENSE
by DEPARTMENT OF THE NAVY

_____ (date)

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