400958 R BY3 0093 1313 1254 33 1972 JU. P CAI ADNU 0004 JUN. 01, 72 CONFIRMED MARTIED U.S. ATCHEC FILMEY COMM. BY3 TWXUUT DATES ZNR UUUUU R Ø11535Z JUN 72 FM USAEC C J SMITS DIR PROP MGT DIV NVOO LAS VEGAS NEV TO USAEC W R COCHRAN DIV OF CONTRACTS RM C-151 WASHDC AE 2573 A399 870 W BT REFERENCE YOUR TELECON WITH A. UNCLAS /R ECKLEY JUNE 1, 1972, THE AEC-DOD AGREEMENT FOR TRANSFER OF ENIWETOK PROVING GROUND IS AS FOLLOWS: THIS AGREEMENT. ENTERED INTO THIS 30TH DAY OF JUNE, 1963, BY AND BETWEEN THE ATOMIC ENERGY COMMISSION (HEREINAFTER CALLED 'AEC') AND THE DEPARTMENT OF DEFENSE (HEREINAFTER CALLED 'DOD') REPRESENTED BY THE DEPARTMENT OF NAVY (HEREINAFTER CALLED .. NAVY ..): WITNESS THAT: WHEREAS, THE ENTIWETOK PROVING GROUND (HEREINAFTER CALLED ''EPG'') COMPRISING THE ENIWETOK AND BIXINI 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

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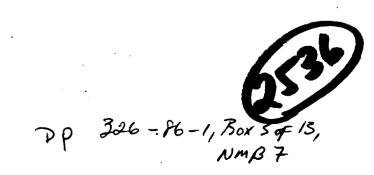
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GE 2 CA1 ADMU ØØØ4 UNCLAS EPG; AND WHEREAS, AEC HAS DETERMINED THAT SUCH PROPERTY AND PROPERTY INTEREST WILL BE EXCESS TO ITS NEEDS AS OF JULY 1, 1960; AND WHEREAS; DOD HAS INDICATED THAT IT HAS A NEED FOR SUCH PROPERTY AND PROPERTY INTERESTS.

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.

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 CURRENILY 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 I JULY 1955 AGREEMENT (CITED BELOW), WHICHEVER IS CHEAPER.

C. NAVY ASSUMES RESPONISBILITY 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.



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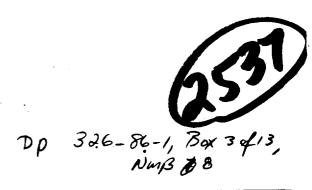
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2. AEC HAS A NEED, WHICH DOD RECOGNIZES, FOR CERTAIN PROPERTY PRESENTLY STORED AT THE EPG. SUCH PROPERTY IS NOT TRANSFERRED TO NAVY, BUT IS SPECIFICALLY RESERVED TO AEC. ALBUQUERQUE OPERATIONS OFFICE, AEC WILL IDENTIFY SUCH PROPERTY IN A SUITABLE MANNER AND SO NOTIFY PACIFIC MISSILE RANGE (PMR) 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, 1953 AND JUNE 30, 1961, WILL DE BORNE DY THE DOD SUBJECT TO THE AVAILABILITY OF FUNDS. ANY SUCH SHIPPING COSTS FOR THIS PURPOSE INCURRED SUBSEQUENT TO JUNE 30, 1951, 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 REQUIRED BY EITHER AEC OR PMR RESPECTIVELY. IN SUCH CASE, ALLOCATION OF SUCH PROPERTY WILL BE RESOLVED BY ALCO AND PMR TO THEIR MUTUAL SATISFACTION. 3. NAVY WILL ALLOW AEC TO CONTINUE USING THE MARINE BIOLOGY LABGRATORY NOW LOCATED ON PARRY ISLAND AND TO CONTINUE STAGING



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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, 1950, EACH ASSUME AND PAY AN EQUITABLE SHARE OF THE OVERHEAD COST 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 SATISFACTRORY METHOD OF APPORTIONING AND PAYING SUCH COSTS. THE RESPECTIVE AEC AND NAVY PRIME CONTRACTS WITH HOLMES AND NARVER WILL 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.



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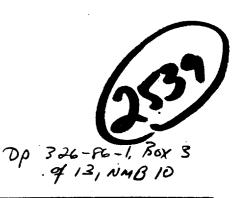
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6. ANY HOLMES AND NARVER COMMITMENTS, PROCEDURES OR ACTIVITIES UNDER CONTRACTS WITH AEC DESIGNED TO INSURE AN UNINTERRUPTED FLOW OF SUPPLIES AND MATERIAL TO THE EPG ON OR AFTER JULY 1, 1960, WILL NOT BE TERMINATED BY AEC UNTIL SUCH TIME AS NAVY COMPLETES 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, WHICHEVER IS EARLIER OR UNTIL SUCH LATER TIME AS THE COMMANDER, PMR AND MANAGER, ALBUQUERQUE OPERATINS 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.



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B. AMENDMENT NO. 1 TO THE 1 JULY 1955 AGREEMENT CITED ABOVE.
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 CJIF-7 ON STEVEDORING OPERATIONS AT THE EPG DATED 15 JULY 1958.

G. MEMORANDUM OF AGREEMENT BETWEEN THE USAEC, ALBUQUERQUE, N.M., AND THE PACIFIC MISSLE RANGE, POINT MUGU, CALIFORNIA, SIGNED BY HERTFORD, MONROE, AND RENTMAN 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.

SIGNED JUNE 30, 1960 BY A.R. LUEDECKE, U.S. ATOMIC ENERGY COMMISSION, AND F. A. BANTZ, UNDER SECRETARY OF THE NAVY. EMB:ARE-558.

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ATOMIC ENERGY COMMISSION WASHINGTON, D.C. 20545

JUI 2 0 1971

D. R. Swindle, Assistant Director for Logistics, DC

ANSWERS TO QUESTIONS POSED BY G. WILTROUT, DMA, ON JULY 27, 1971

- Question 1. By what virture or authority did AEC move into Enivetok at the time we (AEC) went into testing there?
- Answer: On July 18, 1947, (E.O. 9785) the military government at Enivetok and Bikini was transferred to DOD for administration by the Mavy. E.O. 9785 was revoked on June 29, 1951, and jurisdiction was transferred to the Department of Interior effective July 1, 1951, by E.O. 10265.

AEC apparently began the Bikini testing in 1946 under authority of the military government then in charge. The Enivetok testing apparently began under DOD jurisdiction (Navy Administration) in 1947 or 1948.

- Question 2. What were the conditions of transfer of Enivetok to whorever AEC's successor was?
- Answer: On July 1, 1955, the AEC and the DOD were testing on Eniwetok under a written permit from the Department of Interior to DOD (AEC and Interior agreed to execute no formal occurancy agreement). On December 23, 1955, an Interagency land agreement between the Department of Interior and Navy gave AEC official occupancy rights but did not specify AEC rights and duties. Therefore, on June 30, 1960, a contract was entered between AEC and DOD by which Enivetok was transferred to the Navy. Under terms of this agreement, Navy accepted all property interests of AEC; the Navy was to dispose of its property loaned to AEC; AEC agreed to provide periodic Rad-safe surveys at Mavy's expense (the Navy may have contracted with the AEC prime contractor, Holmes and Marver, for this work). There is no mention of clean-up responsibility, but Navy's responsibility for contamination survey indicates its responsibility for clean-up after the AEC transfer of Enivetok.

Question 3. What would be our responsibility today for essentially the sume problem we got involved in at Bikini (clean-ug)?

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Answer:

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The above history of Bikini and Eniweto: Micates AEC had few, if any, contractual obligations to perform clean-up at its own expenses and no public pressures which would compal it to do so. Today the contract terms would determine whether or not AEC would fund a clean-up. As to the physical clean-up, it would appear from recent situations such as Weldon Spring raffinate pits and from tecent of Ordnance Works that AEC would be responsible for taking action to perform clean-up if AEC had been a principal contributor to or cause of the contamination, absent any contractual transfer of this responsibility to a licensee or other Federal agency.

William R. Cochran, Real Estate

Management Specialist Division of Contracts

