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No. of Pages to follow 8 Date: 6/5/79

Walter -

Please let me know ASAP if you have any comments.

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Chairman Sydney Yates

Dear Mr. Chairman:

As you know, the Department of the Interior, in collaboration with the Trust Territory of the Pacific Islands Administration, is responsible for the Eniwetok Rehabilitation and Resettlement program. The Director of the Office of Territorial Affairs and the High Commissioner of the Trust Territory of the Pacific Islands have been providing oral reports from time to time on the progress of the Eniwetok program, at the annual appropriations committee hearings as well as at special hearings you have called with respect to Bikini. With less than a year remaining before the cleanup portion of the program, as well as the bulk of the rehabilitation project, will be completed, I believe a more formal progress report at this time, on the rehabilitation and resettlement portions, may be useful to you.

Several events of the past year have had considerable impact upon the Eniwetok program, with some necessitating immediate changes to the Master Plan for the Rehabilitation Project, and others requiring change and action within the near future. Because both the modifications already made, and actions which may need to be carried out shortly, will affect the funding of the rehabilitation program, I shall describe both the current situation and the pending question.

As our witnesses reported to you at the March 22, 1979, appropriations hearing, the Cleanup Program has been proceeding very well, with completion scheduled for April 15, 1980. The Director of the Defense Nuclear Agency, Vice Admiral Robert E. Monroe, reports that the Cleanup Program is on target.

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The rehabilitation and resettlement program, which was designed to dovetail with the cleanup activities in order to make maximum use of the Department of Defense logistic support system, also has been on schedule until a few months ago when several new factors came into play.

Congress, to date, has appropriated \$12.4 million for the rehabilitation and resettlement portions of the Eniwetok program. Since the rehabilitation project involved considerable construction work and was to be carried out over an approximate five-year period, the authorization act (sec. 103, P.L. 95-134) provided for a construction escalator clause. Careful planning and efficient execution of the first components of the rehabilitation project by the Trust Territory Administration and its contractors, up to the end of 1978, however, enabled the program to move forward on schedule, without exceeding the 1976 cost estimates.

The project, in brief, called for the development of the southern islands of the atoll as the residential and main agricultural centers. The program included the construction of 116 houses in two communities and two community centers (since there are to be separate communities on the islands of Eniwetok and Medran), and the planting of some 41,000 coconut trees, as well as other foodcrops on the islands which were determined by the Department of Energy to be suitable for agricultural use. The large island of Egebi in the north was not to be used, because its level of cesium-strontium contamination had not decreased to levels acceptable to the Department of Energy.

By the beginning of early January 1979, inflationary costs began to be felt, and it was known that escalation costs had reached \$300,000

above the \$12.4 million appropriation. We had hoped that that sum could be found and reprogrammed from other resources, and for that reason we did not ask for additional Eniwetok funds during the appropriation hearings.

Additionally, several other factors, beyond the control of the Department and the Trust Territory Administration, have lately emerged and it has become evident that additional funding eventually will be needed. These would be authorized under the escalation clause of the authorizing legislation. Certain changes in the Master Plan, with attendant escalation costs, now have added an additional \$250,000 to the shortfall of \$300,000 described above. These additional costs have resulted from a decision to increase the space between newly planted coconut trees from 26 feet to 30 feet, which in turn has necessitated relocation of certain buildings and the removal of more concrete slabs than was originally scheduled in the southern islands. The removal of a large airplane hangar on Eniwetok Island, originally anticipated for use as a copra warehouse, now is also required because structural weaknesses have made this hangar a potential danger to the new community. The redesign of sanitary facilities for the housing areas, and the redesign and rearing of the Eniwetok Community Center, are other features which have added to the new escalation factors.

Then in early January 1979, Typhoon Alice struck Eniwetok and caused considerable damage to on-going rehabilitation and resettlement projects on the islands of Eniwetok and Madran. It is now known that replacement costs to restore essential facilities will run to \$400,000.

Perhaps most important, however, among the new factors which involve future costs, is the temporary delay that ~~is~~ found necessary in the schedule for the planting of coconut groves on certain of the northern islands of Eniwetok Atoll.

The Eniwetok Master plan had called for the clearing and planting of certain of the northern islands of the atoll during May and June of 1979. This schedule was established to take maximum advantage of the logistic support of the DOD Cleanup Program that would then be available, as well as to coincide with the start of the 1979 wet season of Eniwetok, which starts in late April. Planting during the wet season gives the coconut seedlings the essential start needed to weather the first year of growth.

In the fall of 1978, the Department of Energy recommended that the planting of the northern islands of Eniwetok be deferred pending additional analysis. It was known that some of the northern islands had cesium-strontium levels comparable to those on Bikini Island. The Bikini experience of 1976, however, had demonstrated that, contrary to earlier analysis, radionuclides in the soil of Bikini island were being taken up by coconut trees to a much greater extent than had earlier been predicted. The advance group of returnees on Bikini Island also were consuming larger quantities of coconut in their diet than had been anticipated. You are aware that in August 1978, for safety reasons, the Bikinians were relocated back to Kili.

It was, however, suggested that the very successful removal of the transuranics in the soil of Engebí and some of the other northern islands by the DOD Cleanup Program may also have lessened the subtransuranic elements, (i.e., the cesium-strontium levels) on these islands. This led

to the decision last February that a new intensive ground radiological survey of the northern islands should be carried out to determine present levels of soil contamination. This new survey commenced in March 1979, and analysis results are expected to be available in early July. The new plant food data from Bikini Island has also provided specific information not available in 1973-74 when the Eniwetok Master Plan was developed.

The planting of the northern islands with coconut groves is a vital part of the Master Plan. Some 14,000 coconut trees were scheduled for planting (out of the 41,000 total), and were to be used primarily for copra export. It was determined that the southern islands could not absorb additional plantings. The people of Eniwetok regard the planting of the northern islands, as called for in the Master plan, as essential to their future economy and well-being. Should the new soil analysis definitely reveal that planting of the northern islands is not feasible, then, alternate arrangements to make up for the loss of these 14,000 coconut trees must be made.

The temporary deferral of the planting program of the northern islands, however, has created additional cost factors. Planting done after July 1979, i.e., after the end of the wet season, would require a special program of watering and cultivating for a period of up to eight months to keep the new seedlings alive. Any such program must be carried out from the base camp on Eniwetok, and an additional \$500,000 would be required to meet this part of the program, if in fact planting is done, and is done in July or later in 1979.

To delay planting of the northern islands a full year, i.e., to the start of the next rainy season in May of 1980, would mean that the logistic support of the DOD Cleanup Program no longer would be available, because that program will have been closed out as of April 15, 1980. The Trust Territory contractor would have to reinstate a base camp at Knewetak and provide boat and other logistic support, and the costs for planting of the northern islands under these conditions is estimated to be \$1.5 million.

The people of Knewetak, acting through the Knewetak Planning Council, have stressed that they wish to have the northern islands planted. Their legal counsel, Mr. Theodore Mitchell of the Micronesian Legal Services, has met with this Department on this issue.

Our position has been and is that we must await the results of the new soil analysis before moving forward with plans for planting the northern islands. In the meantime, the planting of the southern islands is under way. Originally, the southern islands were to be planted in July and August, after the northern islands planting was completed.

We hope by mid-July to know the results of the new soil analysis of these islands. We are informed by the Department of Energy that the analysis is on schedule but results, as yet, are not discernible. Prudence must be used since, if test results were to be delayed, or were not conclusive and required further tests, then the July date would not hold. In any event, if the July test results are favorable, planting of the northern islands still could proceed this year. Because any planting after July will require constant watering and a special care program, planting could be started as late as the fall of 1979 and we would still be able to

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utilize existing DOD logistic support. We recognize, though, that the DOD demobilization will proceed by stages, and logistic support will taper off drastically after the end of 1979.

This, then, is the situation at the present time with respect to the issue of the planting of the northern islands of Knevetak Atoll. You will see that current uncertainties preclude our estimating these additional planting costs with any accuracy. That is,

1. If the northern islands are planted in 1979, the additional funds we expect to need for that purpose would total \$500,000.
2. If the northern islands are planted in the spring of 1980, the additional funds would total \$1,500,000.
3. If the final decision is not to plant the northern islands, then another site for the 15,000 coconut trees will have to be found. Certain islands of Ujelang Atoll, present home of the Knevetak people, possibly could absorb up to 10,000 trees. Additional planting costs associated with a replanting program for Ujelang would be in the neighborhood of \$1.5 million.

We hope, however, that July test results will enable us to present the Committee with a definitive resolution of this issue by mid-July.

Other aspects of the rehabilitation program are proceeding satisfactorily. The construction program for permanent housing for the residential communities on Knevetak Island and Madras Island is on schedule. This new housing, which is of modular concrete construction, is fire resistant, waterproof, impervious to termites, fungus and dry rot damage, and is designed to provide excellent resistance to typhoons. The disastrous

typhoon that struck Eniwetok early in January wreaked havoc on the old aluminum and steel reinforced buildings that were still on Eniwetok Island and in use on a temporary basis by the Department of Defense and the Trust Territory units there. The new housing for the people of Eniwetok, in contrast, survived the typhoon with no noticeable damage.

As noted, planting of coconuts is underway in the southern islands and the construction of community center facilities on Eniwetok and Neufem Islands is on schedule.

We shall keep the committee informed of developments.

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