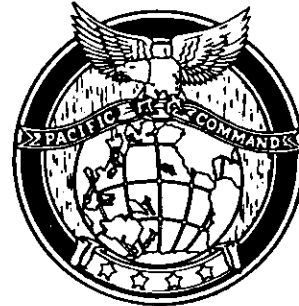


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COMMANDER IN CHIEF PACIFIC COMMAND HISTORY



1979

Appendix I — TAIWAN WRAP-UP

*Prepared by the Command History Branch
Office of the Joint Secretary
Headquarters CINCPAC*

CAMP H. M. SMITH, HAWAII 96861
1980

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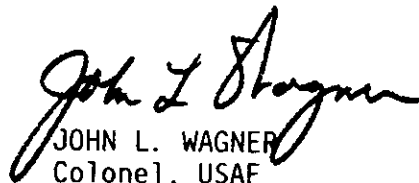
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FOREWORD

This appendix to the CINCPAC Command History for 1979 discusses the actions taken by U.S. Forces on Taiwan after President Carter's normalization announcement of 15 December 1978, until their withdrawal on 30 April 1979. It also discusses the political and military mechanisms through which the withdrawal or other disposition of U.S. assets on Taiwan was accomplished from 1 May through 31 December 1979.

During the latter period, CINCPAC's interest in the Taiwan withdrawal was vested in the Provisional Plans Office. This office, comprised primarily of personnel formerly assigned to the U.S. Taiwan Defense Command, provided the transitional military expertise needed to coordinate CINCPAC's interests with those of other involved agencies.

Used in conjunction with, and complementary to, the terminal history of the Taiwan Defense Command (Annex E, CINCPAC Command History 1978), this volume constitutes a valuable reference to a successful U.S. military and diplomatic operation during a politically sensitive period in U.S. history.



JOHN L. WAGNER
Colonel, USAF
Deputy Director, Logistics-
Security Assistance

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PREFACE

This appendix to the CINCPAC Command History for 1979 is prepared in two parts, consecutively paginated. Part I covers the period 15 December 1978 through 30 April 1979; Part II covers the period from 1 May through 31 December 1979. Each part contains chapters on plans, operations, personnel, organization, logistics, security assistance and communications. Intelligence is not included. At the end of this volume are several key documents pertaining to U.S.-Taiwan relations.

The undersigned wrote this appendix while attached to the CINCPAC Logistics and Security Assistance Directorate after the Provisional Plans Office was disestablished on 31 December 1979. The author was formerly on the staff of the Commander, U.S. Taiwan Defense Command and a member of that command's withdrawal committee, subsequently assigned to the Provisional Plans Office as Chief, Administrative/Logistics Division.

Acknowledgment is made of assistance from CINCPAC action officers, primarily in the Logistics and Security Assistance Directorate. Also helpful were comments and suggestions from Colonel Jack H. Sandstrom, USAF, former USTDC Chief of Staff and Director, Provisional Plans Office. Editing was by the CINCPAC Command Historian and the final manuscript was produced by the J4 Word Processing Center.


R. F. WORSENA

Commander, SC, USN

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PART I

15 December 1978 - 30 April 1979

CHAPTER I

PLANNING

SECTION I--PLANS

Withdrawal Plan

~~(S/NOFORN)~~ Subsequent to the issuance of the Shanghai Communique of 1972, which announced on-going efforts toward normalization of relations between the United States and the People's Republic of China (PRC), a gradual reduction of military units and personnel began on Taiwan. Early in October 1978, the Commander, U.S. Taiwan Defense Command (COMUSTDC), RADM James B. Linder, USN, directed his staff to prepare a plan for the administrative withdrawal of all U.S. Forces from Taiwan under peacetime conditions. Because of political sensitivity, the development of such a plan was held very closely by the USTDC staff; other U.S. military commands were not advised of the undertaking. After approval of the draft by Admiral Linder, the plan was to have been distributed to other U.S. commanders on Taiwan for review and supporting plan development. The short title of the plan was USTDC OPLAN 506X, later assigned the nickname BATTERY PLATE. Although identified as an OPLAN, it was in actuality an administrative plan to provide for the withdrawal of U.S. personnel and materiel resources. COMUSTDC set a target date of December 1978 for his approval of the draft plan; the eventual goal was approval by CINCPAC and the JCS by 15 March 1979.

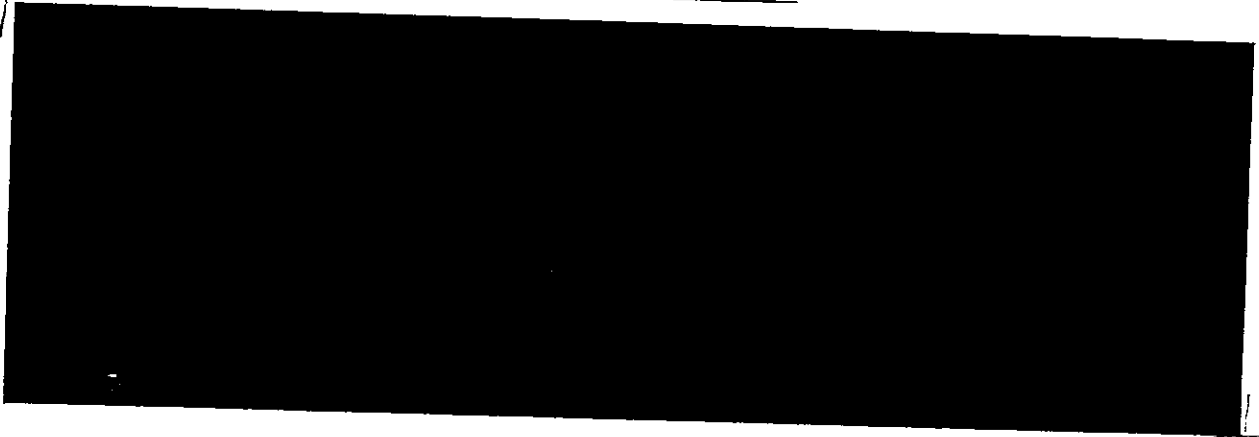
~~(S/NOFORN)~~ The plan was drafted on the basis of two primary assumptions: that a general peacetime environment would prevail during execution, and that the Taiwan government would impose no hinderences or undue restrictions. Thus, when President Carter announced, on 15 December 1978, that diplomatic relations with China would be established, and that formal relations with Taiwan would be severed on 1 January 1979, a withdrawal plan was already in being. The President had declared that all U.S. Forces would be withdrawn by 30 April 1979; as drafted, OPLAN 506X had provided for a "hasty withdrawal" option² of 90 days or less and an "orderly withdrawal" option of up to 180 days.

-
1. Text of Joint Communique issued by the United States of America and the People's Republic of China, 27 Feb 72, in Shanghai; Operation BATTERY PLATE, USTDC OPLAN 506X ~~(S/NE)~~ by USTDC J3, downgrade to ~~(S)~~ on 31 Dec 81, DECL 31 Dec 87.
 2. Text of the President's Address to the Nation, 15 Dec 78.

~~SECRET~~Planning Sequence

~~(S/NOFORN)~~ When the Presidential announcement was made the plan was in draft, ready for presentation to Admiral Linder and distribution to other U.S. commanders on Taiwan. By that time, key personnel of these commands had been informed of the plan's existence. By 17 December 1978, the original plan had been coordinated with all U.S. commanders on the island.

~~(S/NOFORN)~~ Because the Presidential announcement established a 120-day period to accomplish the withdrawal, specific milestones were developed for that period, but the original plan options were retained pending further guidance. The modified plan was approved by COMUSTDC and submitted to CINCPAC for review, modification and forwarding to the JCS for final approval. CINCPAC's modifications included the retitling of the withdrawal options to "orderly", for the new 120-day period, "expanded" for a period of 121-180 days, and retained "hasty" for 90 days or less. As discussed elsewhere in this history, CINCPAC also deleted from the plan the designation of COMUSTDC as the "on-island commander with operational control/administrative control of all U.S. Forces on Taiwan." In lieu thereof, CINCPAC designated COMUSTDC as the "single on-island commander for coordination and control of withdrawal actions" in a separate directive on 20 December 1978. The plan was forwarded to the JCS by CINCPAC on 27 December; the JCS approved the plan for execution on 30 December 1978.

Operation PlansPost PRC Recognition - Pre-MDT Termination

~~(S)~~ As a result of the decision to sever relations with Taiwan and terminate the MDT, the need for OPLANs associated with Taiwan would cease on 31 December 1979. For 1979 the OPLANs needed to be reviewed to determine

-
1. COMUSTDC 170800Z Dec 78 ~~(S)~~, REVW 20 Dec 86; CINCPAC 270345Z Dec 78 ~~(S/NE)~~, REVW 22 Dec 98; CINCPAC 202336Z Dec 78 ~~(S)~~, REVW 20 Dec 86; JCS 301745Z Dec 78 ~~(C)~~, DECL 28 Dec 84.

~~SECRET~~

b(1) 1.5 (a) (b) (c)

~~SECRET~~

their feasibility in view of withdrawing DOD personnel and equipment from Taiwan.



1. CINCPAC 222253Z Jan 79 (~~TS/NE~~), REVW 16 Jan 85.

~~SECRET~~



CHAPTER II

PERSONNEL

SECTION I--DEPARTURE FROM TAIWAN

~~(S/NOFORN)~~ OPLAN 506X called for the departure of military personnel and their dependents to meet established milestones. The draft plan submitted by COMUSTDC recommended 30-day incremental milestones (D-90, D-60 and D-30). As approved by the JCS and CINCPAC, 506X provided for the following personnel milestones:

D-60 (28 Feb 79) - 20% personnel and dependents withdrawn.

D-30 (31 Mar 79) - 40% personnel, 100% dependents withdrawn. All household goods removed.

D-Day (30 Apr 79) - 100% personnel removed.

~~(S/NOFORN)~~ COMUSTDC advised CINCPAC that the approved time phasing was reasonable and provided flexibility but could be misinterpreted as maximum goals by supporting commands. Therefore, unless otherwise directed, COMUSTDC would pursue originally proposed percentages. CINCPAC responded that the time-phased percentages selected were modifications which permitted time to make decisions on major withdrawal issues and were not as restrictive during the first 30 days of withdrawal. The revised percentages were considered minimums to be used as a guide and could be exceeded in order to meet D-Day requirements.

(U) When 506X was developed, no particular time of the year was envisioned to match the number of days required to depart Taiwan. With D-Day equating to 30 April 1979, a genuine concern was expressed as to the impact on school age children, especially high school seniors. In addition, as military personnel were identified to remain until April 1979, dependents and their sponsors sought waivers to allow families to leave Taiwan together. The plan provided for dependents to be transferred with their sponsors aboard the same carriers, when feasible. The knowledge that the spring break for schools on Taiwan was the week of 9 April, and the school year third quarter ended on 36 April, became key factors in decisions regarding waiver requests.

-
1. Operaton BATTERY PLATE, USTDC OPLAN 506X, ~~(S/NF)~~ by USTDC J3, down-grade to C/NF on 31 Dec 81, declassify on 31 Dec 87.
 2. COMUSTDC 030508Z Jan 79 ~~(S/NF)~~, DECL 1 Jan 87; CINCPAC 060346Z Jan 79 ~~(S/NF)~~, DECL 4 Jan 85.
 3. COMUSTDC 030731Z Jan 79 ~~(S)~~, DECL 1 May 79.

~~SECRET~~

Military Members

(S) The USTDC proposed OPLAN 506X identified COMUSTDC as the on-island commander with operational control (OPCON)/administrative control (ADCON) of all U.S. Forces on Taiwan. With this authority, USTDC planned to centralize the management of personnel actions and to coordinate all personnel actions for all Services and functions on island. However, because the Service components and CINCPAC did not feel that ADCON was necessary, COMUSTDC was designated as the single on-island commander for coordination and control of withdrawal actions.

(U) The USTDC personnel branch was not staffed to handle all personnel actions for the 26 commands located on island. It was planned that the USTDC personnel element would be augmented from those commands on island providing personnel support functions (Navy - Headquarters Support Activity, Taipei (HSA), Army - United States Army Communications Command -Taiwan (USACC), Air Force - 6217th Air Base Squadron). Without both OPCON and ADCON authority, it became imperative that close coordination between USTDC, the three component commands and the Service personnel centers off-island be established. As a first step, COMUSTDC requested that the Service military personnel centers freeze all personnel assignments to Taiwan.

(U) In anticipation of receiving OPCON of U.S. Forces (less DAO), he also placed all personnel on Taiwan on operational hold until a retention review, to support the withdrawal, was completed. Although the Air Force Military Personnel Center (AFMPC), Randolph AFB, Texas, was the Air Force counterpart to the Navy's Bureau of Personnel, Washington, DC, and the Army's Military Personnel Center, Alexandria, Virginia, it was not the central point for issuance of orders. The majority of Air Force personnel on Taiwan were Pacific Air Forces (PACAF) assets. PACAF was designated, by AFMPC, to act as focal point for all USAF commands on Taiwan and to assign personnel against PACAF in-theater requirements first. The remaining personnel were referred to AFMPC for disposition. PACAF, in turn, delegated initial coordination to the 3rd Combat Support Group, Clark Air Force Base in the Philippines, which provided normal personnel support to Taiwan-assigned Air Force personnel. With this fragmented control, personnel coordination was made more difficult for Air Force personnel. Specific details concerning Air Force related personnel withdrawal problems are contained in the COMUSTDC Terminal Command History.

-
1. COMUSTDC 170800Z Dec 78 ~~(S)~~, REVW 20 Dec 86; CINCPAC 270345Z Dec 78 ~~(S/NF)~~, REVW 22 Dec 98; HQ PACAF 200210Z Dec 78 ~~(S/NF)~~, REVW 17 Dec 98; CDRUSACSG 210200Z Dec 78 ~~(S/NF)~~, REVW 17 Dec 98.
 2. COMUSTDC 170420Z Dec 78 ~~(S/NF)~~, DG/C/16 Dec 86; COMUSTDC 170709Z Dec 78 ~~(S/NF)~~, DG/C/16 Dec 86; HQ AFMPC 202345Z Dec 78 (U); HQ AFMPC 192115Z Jan 79 (U); COMUSTDC Terminal Command History, 1 Jan 78-30 Apr 79 ~~(S)~~, p. 36, DECL 30 Apr 85.

~~SECRET~~

(U) The overall withdrawal of sponsors from Taiwan met the OPLAN 506X deadline (see the accompanying chart). The larger number of sponsors leaving in the later portion of the withdrawal period did not create any major problems; however, additional management attention was required at the end to coordinate port calls.

~~(C)~~ Three military personnel remained on Taiwan as of 30 April 1979. Two were incarcerated with one of them being released by the end of May 1979. The third military person was an Air Force officer attending the Foreign Area Officer-Language School in Taichung with the permission of his Service.

Dependents

~~(S/NOFORN)~~ Based on 506X, all dependents were to depart Taiwan by 31 March 1979, 30 days prior to D-Day. Initially, attaining the established milestones appeared easy because the negative reaction by the people of Taiwan to the Presidential announcement on 15 December 1978 resulted in a general consensus to leave as soon as practical. These reactions included demonstrations at the China Seas Enlisted Club, the HSA East and West Compounds, the American Embassy, and outside individual housing complexes. Some of these demonstrations resulted in minor personnel injury and property damage, but nothing serious. The violence during the Christopher mission also increased apprehensions among some dependents. After 1 January 1979 dependents had a change of heart. PCS orders arrived resulting in household goods being shipped and families moving into temporary living quarters. Living on the local economy was found to be not all that bad even with reductions in commissary and exchange merchandise and finally none at all. With more sponsors remaining into March and April than originally envisioned, dependents sought to stay longer also. As security concerns diminished and the timing of dependent departures during normal school breaks became more desirous, the enforcement of original 506X dependent departure milestones was relaxed in order to reduce family separations.²

~~(S/NOFORN)~~ As early as mid-January 1979 the JCS had recognized that requiring all dependents to leave by 31 March could cause some personal

1. CINCPAC 252034Z Apr 79 ~~(S)~~, DECL 24 Apr 85; CINCPAC 020210Z May 79 ~~(S)~~, DECL 1 May 85; HQ USAF 181620Z Apr 79 ~~(C)~~, DECL 1 May 79.
2. AMEMB Taipei 162014Z Dec 78 ~~(C)~~, GDS 12/17/84; CINCPAC Command History 1978, (TS/ERD), Vol I, p. 69; COMUSTDC 180818Z Jan 79 ~~(C/NE)~~, DECL 31 May 79. Deputy Secretary of State Warren Christopher led a U.S. delegation that included CINCPAC and others to Taiwan on 27 December to discuss the revised relationships that would result from the President's announcement of normalization with China. The Christopher group was harassed and assaulted by mobs of young people on several occasions, but there were no personal injuries except some cuts from broken car-window glass.

hardships and advised that exceptions could be allowed. In the first monthly withdrawal report, COMUSTDC advised that waiver criteria had been developed for sponsors to use in submitting waiver requests. In the February end-of-month report, COMUSTDC reported receipt of waiver requests for 346 dependents to remain past 31 March. This figure included 22 dependents wishing to remain past 30 April, primarily for the purpose of finishing school. CINCPAC acknowledged these exceptions in the February report to the JCS. At the end of March, 378 dependents remained on Taiwan. Admiral Linder, COMUSTDC, presented a plan to LT GEN M. L. Boswell, CINCPAC Chief of Staff, for the withdrawal of the remaining personnel during April 1979. The plan split the month of April into three equal withdrawal increments (1-10, 11-20, 21-30). General Boswell concurred with the plan. Most personnel were tentatively scheduled to depart in early and mid-April, with only a very few to depart later than 20 April due to their special situations. The actual number of dependents remaining on Taiwan was reduced to 288 on 10 April, and 142 on 20 April 1979. By 30 April all but 34 dependents had departed Taiwan. With the exception of two incarcerated dependents and one wife remaining with her husband, assigned TDY, these dependents planned to depart by the end of July 1979.

DOD Civilians

(U) When the decision to withdraw all U.S. forces was announced, 80 of the sponsors on Taiwan were DOD civilians. For scheduling purposes, these personnel were included with military members in meeting withdrawal targets. The majority of DOD civilians and their dependents left Taiwan by D-30. A few key civilians at various commands were retained until April 1979 and civilians assigned to the Consolidated Civilian Personnel Office, a part of the 6217th Air Base Squadron, remained until late April to complete all DOD civilian transactions and to assist in the outplacement of local national U.S. Forces employees.

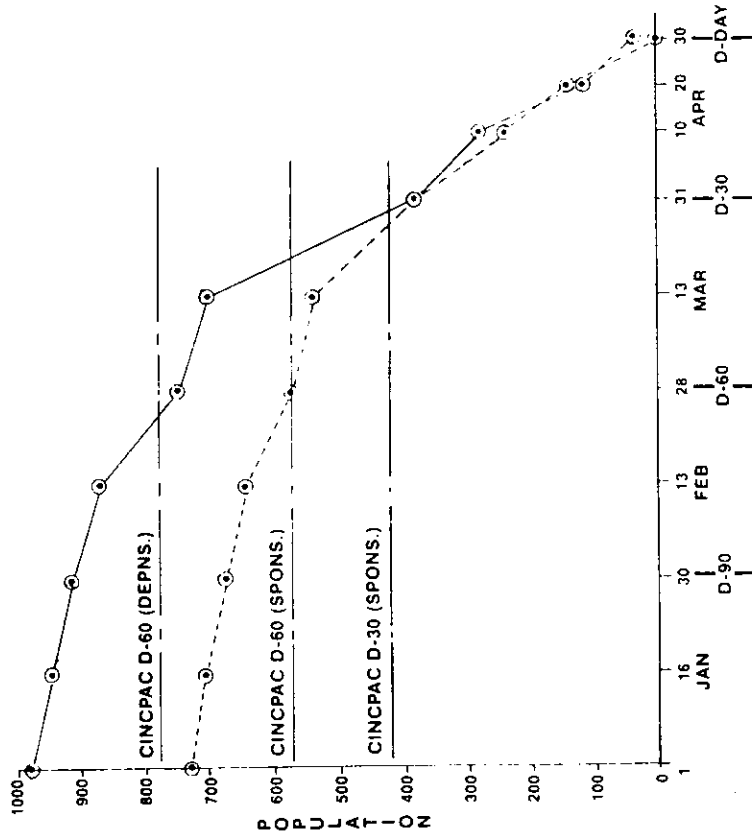
(U) Through CINCPAC initiatives, the Defense Department granted special reduction in force (RIF) and priority placement program authorities for U.S. civilian employees on Taiwan. Taiwan was immediately designated a major RIF area, thereby enabling all eligible U.S. citizen employees to register in the priority placement program and granting them exceptions to other normal program provisions. In an allied exception to policy, Defense authorization was obtained for special payments to employees who occupied temporary lodging beyond normally allowed periods.

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1. JCS 190018Z Jan 79 (U); COMUSTDC 010815Z Feb 79 ~~(S)~~, DECL 85; COMUSTDC 010350Z Mar 79 (U); CINCPAC 060003Z Mar 79 ~~(S)~~, DECL 3 Mar 85; COMUSTDC 050730Z Mar 79 (U); CINCPAC 080522 Mar 79 ~~(S)~~, DECL 6 Mar 85; COMUSTDC 190931Z Apr 79 ~~(S)~~, DECL Dec 87; CINCPAC 252034Z Apr 79 ~~(S)~~, DECL 24 Apr 85; COMUSTDC 011930Z May 79 ~~(S)~~, DECL 30 Apr 84.
 2. CINCPAC 202314Z Dec 78 ~~(S)~~, DECL 20 Dec 84; SECDEF 022127Z Jan 79 ~~(S)~~, DECL 28 Dec 84; SECDEF 162150Z Jan 79 (U).

1979 U.S. FORCE REDUCTION - TAIWAN

506X
WITHDRAWAL MILESTONES

COMUSTDC		CINCPAC	
SPONS	DEPS	SPONS	DEPS
D-90	582	790	790
D-60	436	582	582
D-30	364	0	436
D-DAY	0	0	0



POPULATION AS OF

DATE	SPONS	DEPN.S.
1 JAN	727	987
16 JAN	713	946
30 JAN	687	909
13 FEB	671	880
28 FEB	582	754
13 MAR	551	707
31 MAR	375	378
10 APR	255	288
28 APR	157	142
30 APR	3	34

DATA SOURCE

COMUSTDC 180818Z JAN 79 (C/NF), DECL 31 MAY 79
 COMUSTDC 010035Z FEB 79 (S), DECL 31 MAY 79
 COMUSTDC 150800Z FEB 79 (C/NF), DECL 31 MAY 79
 COMUSTDC 010350Z MAR 79 (S), DECL 31 MAY 79
 COMUSTDC 140846Z MAR 79 (C/NF), DECL 31 MAY 79
 COMUSTDC 030145Z APR 79 (S), DECL 31 DEC 87
 COMUSTDC 180931Z APR 79 (S), DECL DEC 87
 CINCPAC 252034Z APR 79 (S), DECL 24 APR 85
 COMUSTDC 011930Z MAY 79 (C), DECL 30 APR 84
 CINCPAC 020210Z MAY 79 (S), DECL 1 MAY 85
 CINCPAC J4 TAIWAN WITHDRAWAL STATUS REPORT DTD
 8 MAY 1978 (C), DECL 8 MAY 85

~~SECRET~~

SECTION II--TRAVEL TO TAIWAN

~~(S)~~ Within three days of the President's announcement on the withdrawal from Taiwan, CINCPAC Headquarters had developed a series of issues relating to the military withdrawal and to future policies regarding Taiwan. One of these was whether, if all DOD personnel were withdrawn by 30 April 1979, any DOD personnel would be allowed to return to Taiwan.

~~(S)~~ Initial DOD guidance on policy issues was provided to CINCPAC by the JCS in early January. Concerning the presence of DOD personnel on Taiwan after 30 April 1979, the JCS advised there would be no DOD representation on Taiwan for any reason, including TDY. CINCPAC Headquarters supported a reclama on this subject pointing out that there were many areas with unknowns which could require TDY by DOD experts and contract monitors to provide efficiency and protection of DOD interests. Some of the areas were planning functions to support the Mutual Defense Treaty, Foreign Military Sales case work, Programmed Depot Maintenance (PDM) contract monitoring and Defense Property Disposal operations.1

Official Travel

~~(S)~~ The JCS reclama to OSD had resulted in some policy changes on travel to Taiwan by U.S. Government officials. Specific guidance regarding military and civilian travel was provided by the JCS and the Secretary of Defense.2

~~(S)~~ There would be no official travel to Taiwan by uniformed military personnel after 30 April 1979.

~~(S)~~ Subject to case-by-case approval, a limited number of DOD civilian could travel to Taiwan on a TDY basis both in 1979 and beyond to perform such functions as acting as trouble shooters for previously supplied U.S. military equipment; supervising contract work at the PDM facility; administering contracts for war reserve materiel; and performing property disposal and installation transfer functions. Two procedures would apply. DOD civilians remaining for more than 179 days would be separated from their government service and be assigned to and included in the personnel ceiling limit of the American Institute in Taiwan. This requirement was waived for the seven personnel authorized to remain to supervise the PDM facility. DOD civilians remaining for less than 180 days, or visiting Taiwan, were to be placed on a TDY basis by their parent organization.

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1. JCS 111722Z Jan 79 ~~(S)~~, DECL 10 Jan 85; CINCPAC 170054Z Jan 79 ~~(S)~~, DECL 15 Jan 85.
 2. JCS 062032Z Mar 79 ~~(S)~~, DECL 5 Mar 85; SECDEF 132005Z Apr 79 ~~(S)~~, DECL 11 Apr 85.

~~SECRET~~

~~CONFIDENTIAL~~

(U) The preceding chart displays the withdrawal of sponsors (military/DOD civilians) and dependents from Taiwan from 1 January through 30 April 1979.

Port Calls

(U) Normal passenger movement in and out of Taiwan was through the Aerial Port of Embarkation (APOE) at Taipei. However, no central office on Taiwan was responsible for all port calls.

(S) CINCPAC recommended to the JCS that the APOE be retained as long as possible, preferably as long as the MDT was in force. In that event, PACAF advised that Military Air Command (MAC) APOE personnel would require augmentation to support the withdrawal requirements. This augmentation would be necessary at Tainan and Taichung in addition to Taipei.

(U) During the early phases of the withdrawal, port call issues were not a major problem. As dependent waivers to stay increased, it was realized that close control during the March-April period would be necessary. COMUSTDC assigned one officer, full time, to be the central point of contact on all port call issues. This function continued until 15 April. The following also contributed to port call problems: change in orders by military personnel centers altered reporting dates/ locations and, therefore, port call dates; seat availability differed from the 60-day forecast provided by MAC; commanders' decisions (after reassessing their mission phase-down progression) that individuals could leave earlier or later than originally planned; and special circumstances such as births, deaths, adoptions, passport or visa problems. Beginning in mid-March 1979, COMUSTDC prevented further changes in port calls by assuming total functional control and close liaison with the Kadena (Japan) Personnel Reservation Center. The center had sent two personnel TDY to Taipei and they provided an invaluable service. Further, COMUSTDC notified the military personnel centers that no further order modifications would be accepted. In the end, a daily name list was maintained. The assumption by COMUSTDC of the port control function earlier in the withdrawal period would have lessened confusion and provided for a more efficient operation.

-
1. CINCPAC J4 Taiwan Withdrawal Status Report, 8 May 79 (S), DECL 8 May 85.
 2. COMUSTDC 160900Z Mar 79 (U); COMUSTDC Terminal Command History, 1 Jan 78-30 Apr 79 (S), p. 40, DECL 30 Apr 85.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Unofficial Travel

(C) Both DOD civilian and military travel to Taiwan in a leave or pass status was authorized. Civilian clothing was required. Neither the conduct of official business nor contact with local authorities in an official capacity was authorized.

~~CONFIDENTIAL~~

SECTION III--LOCAL NATIONAL CIVILIAN WORKFORCE

(U) Following President Carter's 15 December 1978 announcement that all U.S. Forces activities in Taiwan were to be phased out by 30 April 1979, actions were initiated to lessen the impact on U.S. and Local National (LN) civilian employees. The successful drawdown of Department of Defense civilian employees was covered in Section I. This section will describe actions taken associated with LN employees.

Outplacement Program

(S) The Office of the Secretary of Defense (OSD) suggested that an aggressive outplacement effort be initiated to assist Chinese national employees of DOD in obtaining other employment. COMUSTDC requested and CINCPAC tasked the PACOM Component Services to nominate candidates for 60 day temporary duty to set up and lead such a program in Taiwan. A PACAF U.S. civilian personnel specialist, with former experience in Taiwan, was assigned to COMUSTDC in late January for two months. Local resources were used and innumerable contacts were made with private sector firms and host government officials at various island locations. The program resulted in 300 successful documented placement actions out of the 1,367 LNs employed by the U.S. Forces in December 1978.

Special Separation Payments

(C/NOFORN) Within days of the President's withdrawal announcement, employee representatives from all Taiwan activities petitioned U.S. Forces with a number of demands to compensate them for the unexpected and imminent loss of their livelihood. Demanded for each employee (appropriated and non-appropriated fund) were a \$20,000 spiritual compensation (for the loss of reputation and based on Chinese law and custom); increased severance pay benefits ranging from one month's pay for 1 to 5 years of service to 3 month's pay for over 20 years of service; payoff of all accrued unused sick leave; all payments in lump sum by 31 January 1979; no RIF actions taken until after Lunar New Year (mid-February 1979) and the same separation date for all, preferably 30 April 1979.²

~~(C/NOFORN)~~ The USTDC Joint Labor Affairs Committee (JLAC) met in emergency session on 4 January 1979 to consider these demands and other LN reduction related matters. In general it was agreed that any changes in compensation practices should be based on the prevailing practice principle.

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1. SECDEF 022127Z Jan 79 (S), DECL 28 Dec 84; COMUSTDC 050227Z Jan 79 (S); CINCPAC 060221Z Jan 79 (S), DECL Jun 79; CINCPAC 120340Z Jan 79 (S), DECL Jun 79.
 2. COMUSTDC 181335Z Dec 78 (S), GDS 84; COMUSTDC 230400Z Dec 78 (S/NE), GDS/C/82; COMUSTDC 290751Z Dec 78 (S/NE), DECL 23 Dec 84.

Supplemental compensation should recognize that LN employees had lost benefits by not being covered by old age pension provisions of the host government Labor Insurance Act (LIA). The LIA had been a prevailing private sector practice since 1970. U.S. Forces were in the process of subscribing to the plan at the time of President Carter's announcement.

~~(C/NOFORN)~~ JLAC members agreed that additional benefits were warranted, but any revision of the severance pay table itself would be counterproductive. Therefore, the members agreed that the additional compensation should be in another form, one that avoided excessive administrative problems and yet took into account both length of service and prevailing practice. JLAC members recommended that employees be paid one month's salary for each year of service since 1970, based upon the maximum insured LIA wage in effect for those years. LN employees had also not received medical insurance coverage, since they were not enrolled under LIA. Yet they had been encouraged to accrue sick leave to use for major illnesses or injuries. Compensation proposed ranged from one month's salary for 500 hours or less accrued sick leave up to six months' salary for over 2,500 hours accrued sick leave. The members also agreed not to issue RIF notices until 1 February 1979.¹

(U) COMUSTDC agreed with the recommendations of the JLAC and submitted proposals to the PACOM Joint Labor Policy Committee (JLPC) on 10 January 1979. The estimated total cost of the supplemental severance pay was \$1.5 million and for the accrued sick leave \$.89 million. COMUSTDC considered that of the three options (supplemental severance pay, accrued sick leave, supplemental severance pay plus accrued sick leave) suggested, the supplemental severance pay was the most supportable under the prevailing practice principle.²

(U) While the PACOM JLPC was reviewing the JLAC proposals, COMUSTDC submitted further clarification of the issues and a modification to the sick leave option. He stated that in his view a perceived insufficient settlement package would deter and impede the withdrawal from Taiwan; there was adequate justification as well as a moral obligation to grant some LIA benefits and partial sick leave payments; and withholding partial sick leave payments would probably result in inordinate use of sick leave by LN employees during the critical withdrawal period. Based on the above he submitted an alternative proposal to the sick leave recommendation: payment for 35 percent of all accrued sick leave regardless of time of employment. The new criteria was identified as more equitable, easier to implement and served to motivate the employee to remain on the job throughout the withdrawal period. Cost estimates remained the same.

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1. COMUSTDC 100737Z Jan 79 ~~(C/NE)~~, DECL 10 Jan 83.
 2. COMUSTDC 100936Z Jan 79 ~~(C/NE)~~ DECL 1 May 79.
 3. COMUSTDC 190123Z Jan 79 ~~(C/NE)~~ DECL 1 May 79.

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(C) On 20 January 1979 CINCPAC submitted the COMUSTDC request for expanded severance payments to OSD, advising that the PACOM JLPC supported the view of U.S. Forces on Taiwan. CINCPAC noted that the U.S. Embassy Taipei concurred in the need to provide additional severance compensation to LN employees because of unusual circumstances. Pacific Fleet Headquarters and the U.S. Army CINCPAC Support Group concurred with the expanded severance payments. Pacific Air Forces Headquarters believed that unused accrued sick leave should be paid at 100 percent vice the 35 percent rate. It was their opinion that the 100 percent rate would minimize the risk of a large percentage of the LN work force taking extensive sick leave during critical stages of the withdrawal. PACAF was also interested in continuing the goodwill of the former LN employees past 30 April 1979 to support operations (munitions, POL, facilities). Also, the expanded severance pay request constituted an important means for the host government to judge the United States Government's integrity in connection with the withdrawal. A decision on the request, by 30 January 1979, was requested.

(U) The OSD reply came on 22 February 1979. Authorization was given to pay each employee, separating after 30 January 1979, a month's salary for each year of service since 1970. It was justified because of the failure of U.S. Forces to enroll LN employees in the Chinese LIA program which had been available since 1970. The accrued sick leave payment was denied, based in part on the precedent-setting nature such a policy would have in relations with other countries with larger, more highly paid, local labor forces.

Work Disruptions

(C) From January to April 1979, several employee work disruptions occurred and there were isolated instances of employees not reporting for duty. In the main, however, the LN workforce was stable, loyal, and contributed well to the close-down operations. The JLAC had previously agreed not to issue RIF notices until 1 February 1979. When an answer from OSD on special separation payments was not received by this date, COMUSTDC reported that over 270 RIF notices could have already been issued and another 200 should be issued by 16 February 1979. The delay was costing DOD activities (primarily in non-appropriated fund areas) excessively in funds and in meeting activity closure schedules. With no decision by mid-February 1979, notices were issued. This action resulted in disruption in functions, mass requests for leave without pay, sit downs and refusals to work. In response to this reaction to the issuance of RIF notices the CINCPAC Chief of Staff urged the Deputy Assistant Secretary of Defense MRA&L (Civilian Personnel Policy), for an early, favorable decision on the compensation proposal.³

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1. CINCPAC 202021Z Jan 79 (C), DECL 10 Jan 83.
 2. SECDEF 221815Z Feb 79 (C), DECL upon approval for release to LN employees.
 3. CINCPAC 072335Z Feb 79 (C), DECL 10 Jan 83; COMUSTDC 150710Z Feb 79 (C), DECL 85; CINCPAC 160031Z Feb 79 (C), DECL 10 Jan 83.

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(U) Employee morale was low as the workforce in December 1978 comprised the longest-employed (average U.S. Forces length of service about 12 years) key members, with average age about 45. (RIFs over the years had reduced the workforce from a high of 5,000 in 1970.)

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