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CHAPTER III

ORGANIZATIONS

SECTION I--MILITARY ASSISTANCE ADVISORY GROUP

(U) As of 15 December 1978, the MAAG monitored over 400 open Foreign Military Sales (FMS) cases with a value of over \$300 million. With the understanding that diplomatic relations would terminate on 1 January 1979, and all MAAG personnel be withdrawn from Taiwan by 30 April 1979, questions arose concerning MAAG functions after 1 January 1979, and how the security assistance program was to be administered after the departure of MAAG personnel.

(S) The Chief of the General Staff, Ministry of National Defense, Admiral Soong, had expressed a strong desire to retain some military presence on Taiwan past April 1979. One reason cited was the necessity to carry out President Carter's pledge to provide selected military equipment to Taiwan. Admiral Soong had negative feelings on replacing MAAG personnel with retired military personnel. Admiral Soong further stated to the Chief, MAAG, that he felt MAAG personnel could remain on Taiwan, even in a low key status.

(S) CINCPAC presented three options to the JCS to resolve the status of the MAAG. The recommended option was to retain the present organization under the new unofficial entity by replacing military incumbents with six civilians familiar with security assistance. A reduction to four personnel was suggested as Taiwan personnel gained FMS expertise.

(S) In early January 1979, CINCPAC expressed concern over the orderly transition of security assistance functions to the unofficial instrumentality. In particular, if MAAG personnel left Taiwan on 1 March 1979, a lack of U.S. personnel cognizant of Taiwan security assistance programs during the transition period would occur. To preclude this situation, CINCPAC advised the JCS of his intention to attach MAAG personnel to COMUSTDC effective 28 February 1979, the disestablishment date for MAAG China. Personnel would remain in-country through 30 April 1979.

(S/NOFORN) Reemphasizing the original recommendation for six billets to be MAAG-related, CINCPAC included this function in the 15 DOD-related spaces proposed for the newly named American Institute in Taiwan.

1. AMEMB Taipei 08602/211115Z Dec 78 (S), GDS 21 Dec 84.
2. CINCPAC 210514Z Dec 78 (S), DECL 20 Dec 84.
3. CINCPAC 092324Z Jan 79 (S), DECL 3 Jan 85.
4. CINCPAC 120210Z Jan 79 (S/NF), DECL 31 Jan 87.

Obtained under the  
Freedom of Information Act  
by the Nautilus Institute  
Nuclear Policy Project

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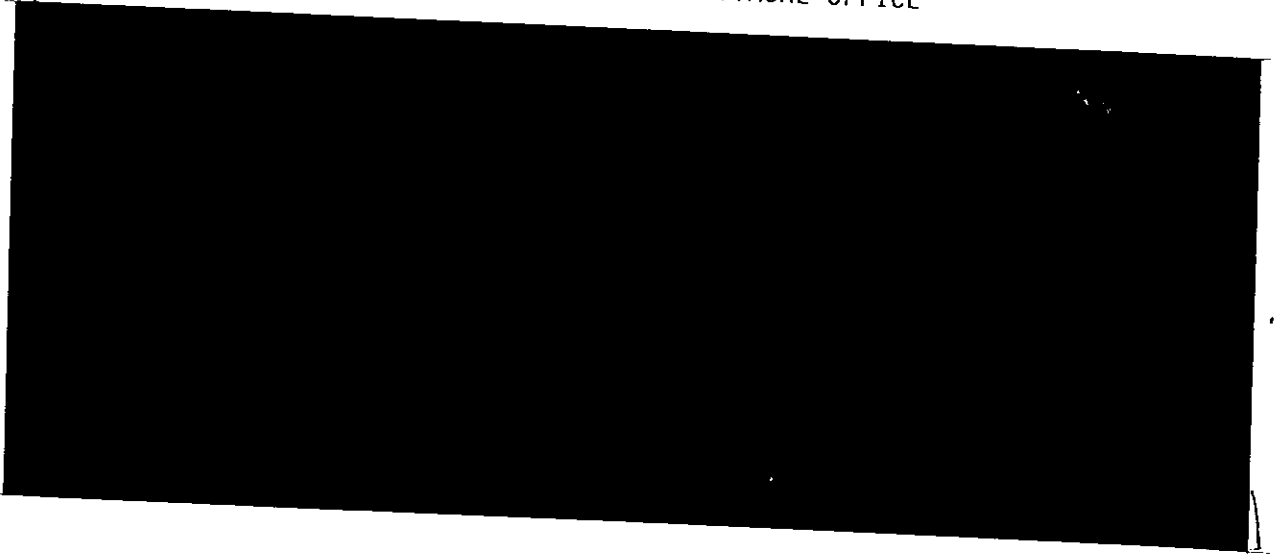
~~(C/NOFORN)~~ The JCS concurred with CINCPAC's plan to attach MAAG personnel to USTDC during the period 1 March-30 April 1979. The JCS emphasized that the official MAAG function would terminate with the closure of the Embassy on 28 February 1979 and no variation of MAAG should be utilized in identifying the USTDC MAAG personnel. COMUSTDC informed CINCPAC that Chief MAAG would become USTDC J44.

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1. JCS 200031Z Jan 79 ~~(S)~~, DECL 18 Jan 85; COMUSTDC 090840Z Feb 79  
~~(C/NE)~~, GDS-85.

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SECTION II--DEFENSE ATTACHE OFFICE



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1. JCS 200031Z Jan 79 (~~C~~), DECL 18 Jan 85.
  2. COMUSTDC 090840Z Feb 79 (~~C/NF~~) GDS-85.

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SECTION III--PROVISIONAL PLANS OFFICE

(U) COMUSTDC OPLAN 506X required the establishment of an administrative organization, in Hawaii, responsible to CINCPAC for actions related to the Mutual Defense Treaty (MDT) and other required actions/ coordination with Taiwan upon the disestablishment of the USTDC. The authorization to establish such an organization, tentatively called the CINCPAC Liaison Cell, was given by the Office of the Secretary of Defense on 4 January 1979.

b(1) (S) During the concept phase of developing such an organization, three options were considered by the USTDC staff.



(S//NOFORN) The first formal COMUSTDC proposal, identifying the mission/ manning of the CINCPAC Liaison Cell and those billets in the COMUSTDC FY 79 Joint Manpower Program (JMP) to be offered as compensation, was submitted to CINCPAC on 9 January 1979. The proposal identified 41 billets, all of which were not necessarily collocated within the cell. Examples were dual-hatted PACFLT, PACAF, and Defense Communications Agency Pacific communications personnel. This proposal did include three Government on Taiwan military liaison officers.

Establishment

(S//NOFORN) CINCPAC revised the COMUSTDC proposal, and recommended 24 billets to be collocated and administratively attached to CINCPAC headquarters. Some of the COMUSTDC proposed billets, not included in CINCPAC's submission, were recommended as part of the American Institute in Taiwan organization. The GONT military liaison officers were also not included because of the unusual nature of the U.S.-Taiwan unofficial relationship. The name of the organization was recommended for change to the Provisional Plans Office (PPO). COMUSTDC was tasked with submitting a proposed FY 79 JMP for the PPO with an effective date of 1 May 1979. The COMUSTDC-proposed PPO JMP was reviewed at CINCPAC and submitted with minor modifications to the JCS for approval. JCS approval, subject to technical review by the Services, was received on 6 March 1979. The PPO would phase down as

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1. JCS 151244Z Jan 79 (U).
  2. COMUSTDC Point Paper, undated (U).
  3. COMUSTDC 090830Z Jan 79 (S//NF), DECL Jan 87; COMUSTDC 300748Z Jan 79 (S//NF), DECL 87.

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requirements decreased and be disestablished by 1 January 1980. The accompanying chart, extracted from the CINCPAC PPO FY 79/80 JMP, displays the authorized billets.

Execution

~~(S/NOFORN)~~ The BATTERY PLATE plan (506X) called for an advance party to be formed and sent to CINCPAC from Taiwan on D-60 to establish the PPO. The accompanying chart identifies the billets selected to comprise the advance party. As functions were closed on Taiwan in late March and April 1979, personnel departed Taiwan and reported to CINCPAC. All 24 billets were filled by 30 April 1979 with the arrival of the Director, Colonel Jack H. Sandstrom, USAF, former COMUSTDC Chief of Staff.

Terms of Reference

~~(S)~~ A CINCPAC notice published the terms of reference for the Director, PPO, and made him directly responsible to the CINCPAC Deputy Chief of Staff. The Director's responsibilities and functions were:

- Coordinate U.S. Forces and military activities in support of the MDT with GONT.

b1/b5  
a/b [REDACTED]

- Coordinate U.S.-GONT military exercises and USN port visits to Taiwan.

- Provide a central location for residual actions related to withdrawal from Taiwan.

b1/b5  
a/b [REDACTED]

- Coordinate with appropriate agencies, as necessary, to provide liaison for communications, intelligence, landing rights, support agreements, Peace-time Aerial Reconnaissance Program coordination and other matters, as necessary.

- Provide recommendations, as appropriate, regarding present or future activities on Taiwan.

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1. CINCPAC 120210Z Jan 79 ~~(S/NE)~~, DECL 31 Jan 87; CINCPAC 011956Z Feb 79 ~~(S/NE)~~, DECL 31 Jan 86; CINCPAC 120259Z Jan 79 (U); COMUSTDC 070618Z Feb 79 (U); CINCPAC 160120Z Feb 79 (U); JCS 062335Z Mar 79 (U).
  2. J781 HistSum May 79.
  3. CINCPAC Notice S3020, Ser S131, of 20 Apr 79, Subj: Terms of Reference for the Director, Provisional Plans Office (U), DECL 12 Apr 85.

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- Coordinate directives and guidance concerning PACOM relationships with Taiwan.
- Maintain awareness of the overall defensive capability of Taiwan and of the factors affecting the readiness of Taiwan armed forces.

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## Provisional Plans Office PPO FY 79/80 Authorized Billets

<u>Title</u>	<u>Grade</u>	<u>Service</u>	<u>Notes</u>
<u>Director</u>			
Director	06	Air Force	
<u>Deputy Director</u>			
Deputy Director	05	Marine Corps	
Executive Assistant	03	Navy	
Clerk Typist	GS	Navy	1, 3
<u>Admin/Logistics Division</u>			
Chief	05	Navy	
Transportation Officer	04	Army	2
Admin Officer	01	Navy	
Admin Supervisor	E6	Navy	
Yeoman	E4	Navy	
<u>Operations Division</u>			
Chief	05	Navy	1, 2
Plans Officer	04	Marine Corps	
Intelligence Plans Officer	04	Marine Corps	
Operations Staff Officer	04	Air Force	1
Operations Staff Officer	04	Army	1
Comm-Elect Staff Officer	04	Army	1, 2
Air Defense Officer	03	Air Force	1
Yeoman	E5	Navy	
<u>Intelligence Division</u>			
Chief	04	Navy	
Naval Intelligence Analyst	04	Navy	
Political/Economic Analyst	03	Navy	
Air Intelligence Analyst	03	Air Force	
Ground Intelligence Analyst	E6	Army	1
Admin Clerk	E6	Air Force	
Admin Clerk	E5	Army	

Notes: 1 - Advance party; 2 - Filled by TDY for 60-90 days; 3 - Local hire.

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## SECTION IV--AMERICAN INSTITUTE IN TAIWAN

(U) The American Institute in Taiwan (AIT) was unlike any other organization connected with the United States Government. AIT was an unofficial instrumentality, in corporate form, whose sole purpose was to represent the people of the United States in conducting and carrying out programs, transactions and other relations (e.g. trade, cultural) with the people of Taiwan. AIT was incorporated in the District of Columbia as a private, non-profit corporation on 15 January 1979. Three retired senior foreign service officers were the trustees and one of them, Mr. David Dean, was the Director of the Institute's Washington Headquarters. Until the Taiwan omnibus legislation, H.R. 2479 (Taiwan Relations Act), was signed into law (PL 96-8) by President Carter on 10 April 1979, the AIT's legal basis was the President's 31 December 1978 memorandum concerning relations with Taiwan.

Organization and Function

(U) In order to carry out its mission, the AIT headquarters maintained liaison with U.S. Government agencies, state governments, private associations, business firms, and individual citizens. AIT's main overseas office AIT-Taiwan - or AIT-T was located in the former MAAG facilities in Taipei with a branch office in Kaohsiung. The Taipei office had 50 American employees and Kaohsiung 3, none of whom were U.S. Government employees. AIT also operated a cultural center and trade center in Taipei and a Chinese language school in Taichung. The AIT began operation on 16 April 1979, with the exception of the travel services section which opened a week later.

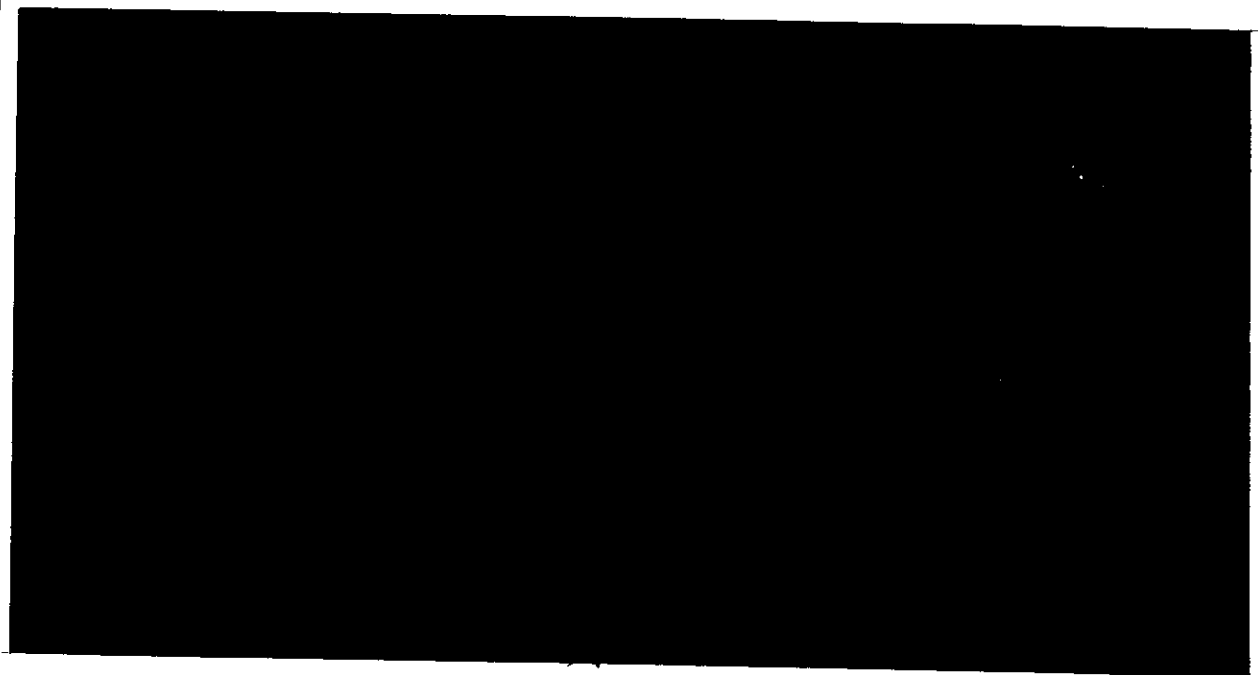
DOD-Related Billets

- 212-10-10
1. SECSTATE 300259Z Dec 78 (C), GDS 12/29/84; SECSTATE 040148Z Jan 79 (U); SECSTATE 100236Z Jan 79 (C), GDS 1/9/85; SECSTATE 122155Z Feb 79 (C); AIT Taipei 141150Z Apr 79 (U).
  2. CINCPAC 120210Z Jan 79 (S/NE), DECL 31 Jan 87; JCS 171657Z Feb 79 (C), DECL 16 Feb 85.



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CINCPAC-AIT Relationships

(U) Because of the uniqueness of AIT and the fact that it would be the sole U.S. instrumentality on Taiwan after 30 April 1979, CINCPAC conveyed to the JCS his perception of his responsibilities in carrying out DOD functions related to Taiwan and the procedures required to carry out day-to-day functions on 31 March 1979 (see Part II of this history for the JCS response).

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1. JCS 092340Z Mar 79 (~~C~~), DECL 9 Mar 85; CINCPAC 100530Z Mar 79 (~~C~~), DECL 10 Mar 85; CINCPAC 140309Z Mar 79 (~~C~~), DECL 10 Mar 85; JCS 310008Z Mar 79 (~~C~~), DECL 28 Mar 85; J135 HistSum Mar 79 (~~S~~), DECL 31 Jan 87.
  2. JCS 261603Z Apr 79 (U).
  3. CINCPAC 310420Z Mar 79 (~~S/NF~~), DECL 30 Mar 85.

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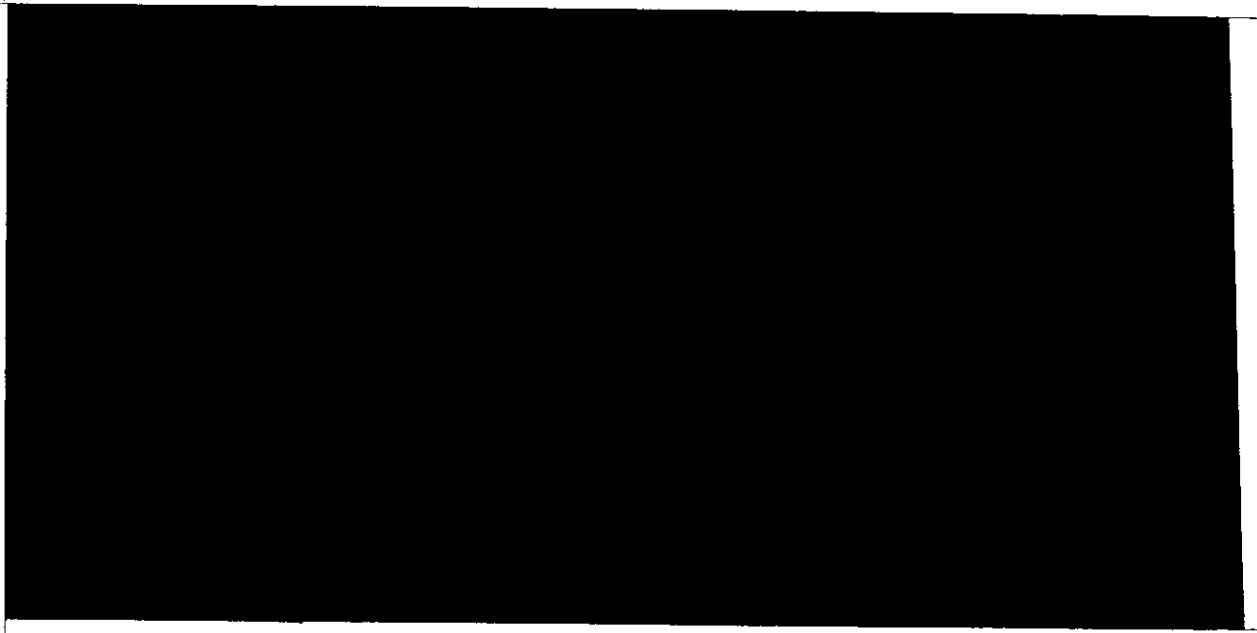
SECTION V--COORDINATION COUNCIL FOR NORTH AMERICAN AFFAIRS

(U) As a counterpart to the American Institute In Taiwan, which was established by the Taiwan Relations Act, the Government on Taiwan (GONT) announced on 15 February 1979 that it had established the Coordination Council for North American Affairs (CCNAA). The Taiwan Relations Act provided for the CCNAA to be extended the same number of offices and complement of personnel as were previously operated in the United States by the governing authorities on Taiwan prior to 1 January 1979. The GONT had 15 offices in the United States prior to 1 January 1979. They decided to maintain only nine of these facilities plus a home office in Taipei. The facility in Washington, D.C., was the main overseas office, with branches in New York, Atlanta, Chicago, Houston, Seattle, San Francisco, Los Angeles and Honolulu.

Military-Related Manning

(U) Retired General Wen, previously attached to the Taiwan China Embassy in Washington, remained at the Washington Office in the capacity of Chief, Military Procurement Division.

b1(4.9)



1. AMEMB Taipei 151315Z Feb 79 (U); AMEMB Taipei 160549Z Feb 79 (U); AMEMB Taipei 230936Z Feb 79 (U).
2. CINCPAC 241901Z Feb 79 (~~C/NF~~) BOM, DECL 23 Feb 86; JCS 091800Z Mar 79 (~~C/NF~~) BOM, DECL 9 Mar 85; COMUSTDC 191205Z Apr 79 (~~C~~), DECL 82; AIT Taipei 300933Z Apr 79 (~~C~~), GDS 30 Apr 85.



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## CHAPTER IV

### LOGISTICS

#### SECTION I--FACILITIES ENGINEERING

##### Real Property Disposal

(U) Article IV of the Status of U.S. Forces Agreement, (SOFA) stated the following in connection with disposal of real property:

- Areas and facilities shall be returned to GROC [Government of the Republic of China] whenever they are no longer needed,
- The U.S. Government is not obliged to restore facilities to the condition at the time of acquisition, and
- At the time of termination, the U.S. Government will be compensated by the GROC for any residual value, to include scrap value, of any installations or improvements developed by the U.S. forces at their expense if such installations or improvements have been or are to be sold, or if their use is desired by the GROC. Residual value, if any, shall be determined by mutual agreement between U.S. forces and appropriate Chinese authorities.

(C) Although Article IV apparently made real property disposal relatively straightforward, CINCPAC advised COMUSTDC that political and military considerations needed to be interfaced before decisions could be made in regard to removal of plant/systems equipment prior to returning basic buildings to Taiwan. The removal of specific plant/systems equipment could render the entire facility useless to the people of Taiwan. Although individual Services could satisfy their requirements by removing equipment from Taiwan facilities, it would not necessarily be appropriate, given the broader political implications at the national level concerning the withdrawal from Taiwan.

(C) In accordance with COMUSTDC OPLAN 506X, on 10 January 1979 the Commander, USTDC was designated executive agent for coordinating the return of areas and facilities to Taiwan and negotiating compensations for any improvements to such facilities which had been funded by the U.S. Government. Pending guidance from the JCS, COMUSTDC, assisted by a PACOM Withdrawal Assistance Team, was to determine what facilities and equipment (less communications-electronics, WRM and POL assets) would remain in-country;

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1. Status of United States Armed Forces in the Republic of China Agreement, signed 31 Aug 65, entered into force, 12 Apr 66.
  2. CINCPAC 100542Z Jan 79 (C), DECL 4 Jan 85.

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establish residual values for possible future reference; develop a memorandum of understanding (MOU) with AIT-T to lease all U.S.-held facilities until 31 December 1979; and develop an MOU with Taiwan authorities for assuming title of U.S. held facilities after 1 January 1980. All of these actions would take place without consulting Taiwan authorities until authorization was received. JCS authorization to discuss real property transfer and U.S. equipment removal with Taiwan authorities was received on 19 January 1979.

(C) Concurrently, COMUSTDC received a request from the Taiwan Foreign Affairs Service Department (FASD), Combined Service Forces (CSF), to assist them in complying with an MND directive to receive intact, and without compensation, any unneeded facilities the U.S. Forces were using.<sup>2</sup>

(C) On 21 January 1979, guidance was requested from the JCS regarding compensation for residual values of U.S. facilities on Taiwan. CINCPAC's position was that in developing guidance, the desire to maintain the best possible relations with the people on Taiwan, while attempting to receive a realistic return on the investment, should be taken into account. Past experience indicated that facilities developed for use by U.S. forces would rarely be used for their original purpose by Taiwan authorities. Thus, "residual values" could normally be well below acquisition or replacement costs even where generous allowances for depreciation were made. Four options regarding residual values were presented:<sup>3</sup>

I - Waive SOFA Article IV and receive no compensation;

II - Derive some residual values and, where appropriate, attempt to use the turnover of facilities as consideration for future services;

III - Attempt rigorously to negotiate residual values;

IV - Arrange for residual values to be negotiated, allowing AIT to serve as a quasi-landlord, renting out certain facilities to U.S. commercial enterprises until such time as the U.S. investment in improvements was amortized.

Option II was recommended in general, with Option I for selected facilities in which Taiwan authorities had shown interest and for which no compensatory trade-offs appeared possible.

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1. CINCPAC 100542Z Jan 79 (C), DECL 4 Jan 85; JCS 191644Z Jan 79 (C), DECL 19 Jan 85; CINCPAC 210510Z Jan 79 (U).
  2. Combined Services Forces, Foreign Affairs Service Dept, ltr of 15 Jan 79, Subj: Request for Information Concerning the Unneeded Facilities of U.S. Forces in Taiwan.
  3. CINCPAC 210301Z Jan 79 (C), DECL 19 Jan 85.

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(U) In early February 1979, COMUSTDC submitted a proposal dividing the facilities into three categories: Category 1 - required during the period 30 April-31 December 1979 in support of the MDT; Category 2 - required beyond 30 April 1979 to store and provide adequate security for excess property turned in for disposal; and Category 3 - not required in support of the MDT and could be transferred to Taiwan authorities prior to 30 April 1979.

(C) In mid-February 1979, CINCPAC forwarded COMUSTDC's proposal to the JCS dividing real property into three categories. CINCPAC stated his understanding that the concept of bailment was acceptable and that the term bailment could include U.S.-funded buildings and structures, located on GONT property, which would be transferred in title to the GONT under the SOFA on 31 December 1979 when the MDT commitment terminated. Unless otherwise directed, CINCPAC intended to commence negotiations for a bailment agreement with the GONT for category 1 facilities effective until 31 December 1979, with the intention that on 31 December 1979, title to the facilities would be transferred to the GONT by AIT in accordance with the SOFA. A bailment agreement strawman was submitted for approval. On 28 February 1979 the JCS concurred in general with the course of action proposed provided that negotiations, at least initially, were directed towards obtaining a fair return on investments and that additional costs or maintenance/security of U.S. property that would remain on Taiwan after 30 April 1979 be avoided. Accordingly, negotiations would be based on the SOFA provisions for transfer at a mutually agreeable residual value. Initial valuations would be determined by COMUSTDC and the CINCPAC assistance team, and adjusted by CINCPAC as necessary. AIT would accept accountability for all real property not transferred to Taiwan or which was included in bailment agreements. This was accomplished on 26 April 1979.<sup>2</sup>

#### Bailment Agreement (Category 1 Real Property)

(U) The initial meeting between U.S. and Taiwan military representative to discuss the bailment agreement was held on 7 March 1979. COL Ferrier, USTDC, headed the U.S. side while MAJ GEN Tseng, Director, FASD, led the Taiwan side. A paragraph-by-paragraph review of the bailment document was conducted. MAJ GEN Tseng asked for an explanation of the term bailor. COL Ferrier replied that the bailor took possession of the facilities without title, and both sides used and kept them in good condition. An MND representative asked if MND would be reimbursed for care of the bailed buildings. The reply was that building bailment was rather simple, maintenance relatively minor, and that the consolidated bench stock provided

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1. COMUSTDC 060856Z Feb 79 (C), DECL 1 May 79; CDR DPDR-PAC 171846Z Jan 79 (C), DECL 16 Jan 85.
  2. CINCPAC 160405Z Feb 79 (C), DECL 10 Feb 85; JCS 282246Z Feb 79 (S), DECL 27 Feb 85; HQ PACAF 080320Z Mar 79 (U); COMUSTDC ltr Ser 833 of 23 Apr 79, Subj: U.S. Military Real Property on Taiwan (U).

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with some of the buildings should offset the need for reimbursement. Regarding the final residual value of the bailed buildings, the U.S. position was that this should not be addressed at the time but should be handled under Article IV, SOFA. The Taiwan sentiment, on the other hand, was that residual costs could be amortized by maintenance performed for the duration of the MDT. Both sides agreed that AIT and CCNAA would sign the agreement as bailor and bailee respectively. The buildings discussed for bailment included those identified by USTDC on 6 February 1979, plus those at Tainan AB used by Air Asia Co. Ltd., to house USAF fire protection and aircraft runway barrier maintenance vehicles in support of flight test operations.

(6) On 14 April 1979, the JCS responded to the CINCPAC 16 February 1979 bailment strawman submission indicating it had been reviewed on an interagency basis, and that all changes necessary to accomplish the transfer between AIT and CCNAA had been incorporated. By that time, however, negotiations on Taiwan had evolved to a fourth revision and the JCS rewritten bailment agreement did not dovetail with current negotiating agreement changes. CINCPAC requested that COMUSTDC resolve the differences between the JCS-written agreement and the COMUSTDC revised agreement. COMUSTDC replied with suggested revisions to the JCS agreement. The JCS approved the recommended revisions subject to incorporation of certain wording changes. The JCS also stipulated that execution of the agreement in the Chinese language, in addition to English, would require additional review. On 17 April 1979, COMUSTDC submitted to FASD the fifth draft of the bailment agreement incorporating changes mandated by higher headquarters with those agreed to in discussions between FASD/MND and USTDC. The MND representative, at a meeting on 18 April 1979, requested that one paragraph be deleted. JCS concurrence and acceptance was received, a final version sent to MND and, on 26 April 1979, the AIT and CCNAA representatives signed the agreement.

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1. Memo for the Record of 8 Mar 79 (U), Subj: Initial meeting with FASD Representative on Bailment of USAF Buildings on Taiwan; J4 Taiwan Withdrawal Status Report of 8 May 79 (C), DECL 8 May 85, p. 115; DEC 9 AFCEM 140330Z Feb 79 (U).
  2. JCS 140030Z Apr 79 (C), DECL 13 Apr 85; CINCPAC 142253Z Apr 79 (C), DECL 13 Apr 85; COMUSTDC 151110Z Apr 79 (C/NF), DECL 15 Apr 85; JCS 152039Z Apr 79 (U); COMUSTDC ltr Ser 821 of 17 Apr 79, Subj: Proposed Bailment Agreement (U); Facilities Bailment Agreement dtd 26 Apr 79; Memo for Record of 19 Apr 79 (U), Subj: Discussions on Bailment of Facilities (U); JCS 182327Z Apr 79 (U); COMUSTDC ltr Ser 831 of 23 Apr 79 (U), Subj: Facilities Bailment Agreement (U); MND ltr LAN:145, (68) LOG-5-0801 of 24 Apr 79 (U), Subj: Draft of the Bailment Agreement.

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### DPDO-Related Facilities (Category 2 Real Property)

(U) The Defense Property Disposal Region-Pacific (DPDR- PAC) had requested that a number of facilities, either being used by the DPD Office (DPDO) Taipei at the time or required for additional space, be set aside for the remainder of 1979 for use in expediting the turn-in and minimizing transportation of property. These facilities, although excepted from the bailment agreement, were identified in this agreement as being retained by the AIT for use throughout the term of the agreement. Upon termination of the agreement, or when AIT no longer required them (actually, they would be used by Defense Property Disposal TDY civilians), the facilities would be transferred to the CCNAA.

### Transfer Agreement (Category 3 Real Property)

(U) When initially planning to transfer real property to the Taiwan authorities, COMUSTDC estimated original construction costs to be in excess of \$32 million and expected the Services to provide residual value estimates somewhere between 5 and 10 percent of the acquisition cost. The PACAF representatives on the CINCPAC assistance team (PAF-TAT) recommended to PACAF Headquarters that, in general, the residual value factors used for previous transfers of Air Force real estate on Taiwan be used again. These factors were percents of real property values as follows:

Code 1 - 10 percent - Useable Class A (adequate) - used to house the function for which currently designated through end position use.

Code 2 - 5 percent - Useable Class B (substandard) - structurally sound and could be raised to Class A.

Code 3 - 1 percent - Forced use (substandard) - could not practically be raised to Class A but because of necessity must be continued in use for a short duration.

Code 4 - 0 percent - Sterile - due to economic considerations, not considered appropriate for disposal.

(U) Following up on its 15 January 1979 letter, FASD advised COMUSTDC on 19 February that the MND had directed them to commence negotiations for the transfer of U.S. facilities in Taiwan. It was expected the transfer would be on a grant basis, under custody of the GONT in behalf of the U.S. Government, or sold to the GONT on a token sale basis. Token sale had previously been defined as \$1.00.

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1. DPDR-PAC 171846Z Jan 79 (S), DECL 16 Jan 85; Facilities Bailment Agreement dtd 26 Apr 79.
  2. USTDC J121 Memo of 22 De 78, Subj: Real Property; PA-TAT; COMUSTDC 130732Z Feb 79 (U).
  3. Combined Services Forces, Foreign Affairs Service Dept, ltr of 19 Feb 79, Subj: Transfer of U.S. Forces Facilities in Taiwan (U).

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(U) The February 1979 Taiwan withdrawal status report from COMUSTDC reported that tentative real property residual value computations had been completed. An initial meeting with the Deputy Chief of Staff, Logistics, MND, had been held and MND was in agreement with the concept proposed by TDC on 6 February 1979. On 6 March 1979, COMUSTDC provided FASD with the designations of the three categories of facilities and requested a meeting be held the next day to discuss disposition actions.

(U) During the first half of March 1979, COMUSTDC received formal documentation from the Air Force and Navy representatives on-island providing the original cost and residual value compensations for real property to be transferred in accordance with Article IV of the SOFA. This information was then passed to FASD. Air Force figures were \$16,912,796 and \$401,586 respectively while the Navy reported \$3,350,048 and \$97,685 respectively. The Army had transferred facilities to the Navy during the latter part of 1977 and had no accountability for real property on Taiwan.

(S) CINCPAC advised the JCS that the transfer agreement had been under consideration within the GONT bureaucracy for several weeks and steps were being initiated to move the agreement forward. Accordingly, RADM Moreau, CINCPAC Director for Logistics, requested RADM Linder, Commander, USTDC to approach ADM Soong, Chief of the General Staff, MND and the new FASD Director on a personal basis to expedite the negotiations. This approach had been successful during the WRM-POL negotiations. While the agreement was being negotiated, these categories of facilities were being receipted for by GONT units for custody as they became vacant.

(C/NOFORN) On 9 April 1979, COMUSTDC advised CINCPAC of a letter from MND to the Department of North American Affairs, Ministry of Foreign Affairs (MOFA), stating MND would ask U.S. Forces to transfer facilities on a no-compensation or on a token compensation basis. CINCPAC guidance on the USTDC position vis-a-vis no compensation/token compensation was requested. CINCPAC replied that guidance on that and related facilities matters would be discussed during RADM Moreau's visit to Taiwan. Meanwhile, however, COMUSTDC's formal discussions with FASD on the transfer agreement became stalemated and were elevated to the SOFA committee. In the presence of the Vice Minister of the MOFA and with the Assistant Deputy and Deputy Chief of

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1. COMUSTDC 010350Z Mar 79 (S), DECL 31 May 79; COMUSTDC ltr Ser 650 of 6 Mar 79, Subj: U.S. Military Facilities on Taiwan (U).
  2. COMUSTDC ltr Ser 658 of 8 Mar 79 (U), Subj: Excess United States Air Force Real Property on Taiwan; COMUSTDC ltr Ser 729 of 16 Mar 79 (U), Subj: Excess United States Navy Property; CDRUSACSG Ft. Shafter 161930Z Jan 79 (S), DECL 4 Jan 85.
  3. CINCPAC 310424Z Mar 79 (S), DECL 30 Mar 85; CINCPAC 310423Z Mar 79 (S), DECL 29 Mar 85; COMUSTDC 030145Z Apr 79 (S), DECL 21 Dec 87.



Staff, Logistics, MND present, ADM Soong advised there were no problems, just some minor changes that needed to be ironed out because of some difficulties in translating Chinese to English.

(U) The final facilities transfer meeting between U.S. and Taiwan military personnel occurred on 23 April 1979. MAJ GEN Tu, Assistant DCGS/LOG, MND, represented the Taiwan military while COL Ferrier, USAF, Assistant Chief of Staff for Personnel/Logistics, USTDC represented the U.S. Government. The meeting began with the residual value at \$499,271. After making deductions for facilities to be torn down, duplications on lists, and installed equipment missing, the residual value was reduced to \$448,716. MAJ GEN Tu made one last attempt to pay token compensation of one percent, but finally accepted COL Ferrier's figure of \$448,000. However, MAJ GEN Tu stated that payment would be deferred until 1 January 1980, at which time all the residual values could be settled upon by AIT and CCNAA. The transfer agreement was signed by AIT and CCNAA representatives on 26 April 1979.<sup>2</sup>

#### Other Facilities

(U) The war reserve materials and munitions storage facilities at Tainan, Ching Chuan Kang (CCK) and Chia-Yi Air Bases were addressed separately, with individual bailments and contracts, because of their political sensitivity and potential impact on the readiness of U.S. Forces in the PACOM. The same considerations governed the treatment of the POL facilities at CCK and those for the Taiwan-wide Integrated Joint Communications System. They are discussed elsewhere in this history.

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1. COMUSTDC 090530Z Apr 79 (~~C/NF~~), DECL 1 May 84; CINCPAC 110039Z Apr 79 (~~C/NF~~), DECL 10 Apr 85; J4 Taiwan Withdrawal Status Report of 8 May 79 (~~C~~), DECL 8 May 85, p. 120.
  2. USTDC/J1 Memo of 24 Apr 79 (U), Subj: Record of Meeting, USTDC J1/MND J4, 23 Apr 79, Residual Value; MND ltr LAN:144, (68) LOG-5-0803 of 24 Apr 79 (U), Subj: Deletion of Residual Value Compensation for East and West Compound Buildings/Facilities; MND ltr LAN:148, (68) LOG-5-0825 of 25 Apr 79 (U), Subj: Residual Value Compensation for U.S. Buildings/Facilities; Transfer Agreement dtd 26 Apr 79.

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## SECTION II--RESOURCE MANAGEMENT

### PACOM Taiwan Withdrawal Assistance Team

(U) As discussed previously, a PACOM withdrawal assistance team was organized and sent to Taiwan to assist COMUSTDC in completing timely and orderly withdrawal actions. Tasks assigned the team were: establish residual values for facilities; screen and identify assets for Service and other Defense Department needs; identify equipment necessary to support the MDT; preclude unrecognized/unauthorized shipments; and assist COMUSTDC in other areas as required. PACOM Service components were asked to nominate team members.

(U) Headquarters PACAF nominated six team members. CDRUSACSG advised that, because the Army had no accountability for real property on Taiwan, participation at that time did not appear warranted. CINCPACFLT responded that a Navy exchange and commissary assistance team and Navy audit service team were being provided to Headquarters Support Activity (HSA) Taipei to help close out. In lieu of providing assistance team membership, the Commanding Officer, HSA Taipei, was designated as CINCPACFLT representative to the PACOM assistance team. The Marines sent the base supply officer from Camp Butler, Japan. A total of 11 personnel, including three from CINCPAC and one civilian from the Defense Audit Service, Pacific comprised the team, arriving on Taiwan on 22 January 1979. The Chief, Logistics Plans and Policy Division, PACOM, was team chief. He also relieved the CQ, HSA as COMUSTDC J4 and remained on Taiwan until the end of April 1979.<sup>2</sup>

### Fuels

(S) On 15 December 1978 there were over 700,000 barrels of JP-4 and over 11,000 barrels combined of Diesel Fuel Marine (DFM), auto Motive Gas (MOGAS) and Aviation Gas (AVGAS) on Taiwan. This POL was located either in USAF bulk storage tanks at CCK AB (seven hill tanks with 55,000-barrel capacities each and two beach tanks with 100,000-barrel capacities each) or in the Taiwan pipeline. CINCPAC's position on this fuel was that it was required on-island to support the defense of Taiwan. If removed, and it became necessary to resume operations quickly, problems would occur in moving it through the 6-inch Taiwan pipeline. Although, if removed, it could be used as operating stock, the prepositioned war reserve material requirement (PWRMR) shortfall in theater would be increased because of insufficient tankage to accept it. CINCPAC's initial recommendation was to turn over the tankage and associated piping and pumping facilities to the Taiwan authorities. Title of the POL would be retained until termination of the MDT. A contract, through commercial means, for maintenance and quality

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1. CINCPAC 110349Z Jan 79 (U).
  2. CINCPACAF 132100Z Jan 79 (S), DECL Dec 85; CDRUSACSG 161930Z Jan 79 (S), DECL 4 Jan 85; CINCPACFLT 170004Z Jan 79 (U); CINCPAC 210302Z Jan 79 (S), DECL 19 Jan 85.

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surveillance until the expiration of the MDT would be required. At termination of the MDT, the POL could either be sold to the Chinese Petroleum Corporation for credit, payable in like amount of product at a future date sold to the Taiwan Air Force (TAF), or removed from Taiwan to be used as operating stock as tankage became available. The JCS agreed generally with the CINCPAC position and requested a withdrawal plan.

(S) CINCPAC requested Headquarters PACAF provide a plan that would satisfy all the issues associated with near-term retention of POL on Taiwan and eventual removal. PACAF provided a comprehensive reply. The PWRMR fuels on Taiwan were under the PACAF theater storage concept and therefore committed to support CINCPACAF OPLANS as well as the defense of Taiwan. The JP-4 on Taiwan represented 35 percent of PACAF's PWRMR. There was a 2 million barrel shortfall in theater JP-4 tankage, including the 920,000-barrel storage capacity on Taiwan. For the near term (through 31 December 1979) PACAF recommended retaining title to product and tankage, and letting a contract, with a military or civilian activity, to perform essential maintenance, management and quality control. Payment was preferred in product, using a surcharge arrangement that was being used at the time. For the mid-term (January 1980 through December 1982), the recommendation was to continue the near-term contract and withdraw the product as out-of-country tankage became available. For the long term (January 1983-on), PACAF suggested continuing the contract, and either withdrawing the remaining product or selling it to the GONT. PACAF reported minimal requirements for 115/145 AVGAS stocks on Taiwan and that it could be sold to the GONT or removed for consumption in-theater. CINCPAC approved PACAF's plan of action except for details regarding the method and timing of tankage title transfer. Since the JCS had already authorized direct coordination with Taiwan officials on removal of U.S.-owned WRM, CINCPAC authorized COMUSTDC to discuss POL matters with local Taiwan officials and provide the outcome of initial contacts.<sup>2</sup>

#### Fuels Agreement

(C//NOFORN) After discussions with MND fuels personnel on 25 January 1979, COMUSTDC reported that the GONT was receptive to the JCS-approved fuels proposals. COMUSTDC submitted a proposed bailment agreement which they intended to present during further negotiations with the TAF on 6 February 1979. The bailment would cover JP-4 only. COMUSTDC proposed to turn over ground fuels and 115/145 facilities under base facility negotiations and use the sale of these products as a negotiation position with the GONT. The proposed agreement would cease on 31 December 1982. COMUSTDC

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1. CINCPAC 180634Z Dec 78 (TS/NF) (BOM), DECL 16 Dec 84; JCS 032323Z Jan 79 (S), DECL 3 Jan 85.
  2. CINCPAC 090503Z Jan 79 (S), DECL 8 Jan 85; HQ PACAF 230500Z Jan 79 (S), DECL 19 Jan 85; CINCPAC 240350Z Jan 79 (S), DECL 23 Jan 85; CINCPAC 240551Z Jan 79 (S), DECL 23 Jan 85.

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strongly believed that bailment was the preferred approach for the following reasons: contracting would generate substantial expense to the United States while bailment would be virtually cost free; extension of the current POL arrangement would perpetuate government-to-government agreements past the 30 April 1979 cutoff; contractual arrangements would involve many associated major issues; and it was doubted that AIT would possess sufficient personnel, funds, expertise, etc., to properly fulfill legal requirements and insure contracts were properly performed. PACAF, however, did not agree that the bailment procedure was the appropriate vehicle to use because, under an existing agreement, the TAF already managed USAF POL under the DREU account. PACAF recommended that this agreement be continued and modified to add management of product at USAF facilities at CCK AB.

(U) Following a review of COMUSTDC's and PACAF's proposals, CINCPAC submitted a proposed POL agreement similar to the one prepared by COMUSTDC. The JCS concurred with the proposed agreement and authorized the USTDC to negotiate an agreement that would be signed by AIT and CCNAA. During March and April 1979 modifications were incorporated into the agreement before signing. The two major changes were a termination date one year sooner (December 1981 vice December 1982), and a surcharge payment in cash vice fuel for handling, storage operation, and maintenance of the fuel system. Charges averaged \$38,000 a month, which was considered a bargain. A payment system was developed involving activities such as CCNAA-T, AIT-T, 3rd Tactical Fighter Wing, Clark AB in the Philippines and the Bank of Taiwan. MOGAS was provided to the TAF as compensation for on-base tank farm support/security along with DFM to operate diesel generators. In addition, 372,754 gallons of 115/145 were traded for 503,206 gallons of JP-4. The fuels agreement was signed on 26 April 1979.<sup>2</sup>

#### Supply and Services

##### War Reserve Materiel (WRM)

(S//NOFORN) There were three general categories of WRM on Taiwan: ammunition (also referred to as munitions); bulk petroleum (POL); and other related combat support items such as aircraft fuel tanks, repair parts, and sheets and blankets. The POL category has already been discussed and will not be covered here. CINCPAC had been tasked in 1978 to identify any WRM items which could be relocated, and alternatives which would reduce the reliance on prepositioned WRM and still enable treaty commitments to be met. CINCPAC's view, with inputs from COMUSTDC and Headquarters PACAF,

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1. COMUSTDC 300919 Jan 79 (~~C/NF~~), DECL 30 Jan 84; HQ PACAF 030400Z Feb 79 (~~C/NF~~), DECL 2 Feb 85; CINCPAC 040302Z Feb 79 (U); COMUSTDC 050550Z Feb 79 (~~C/NF~~), DECL GDS-85.
  2. CINCPAC 140654Z Feb 79 (~~C/NF~~), DECL 10 Feb 85; JCS 170030Z Feb 79 (~~C/NF~~), DECL 16 Feb 85; PAFTAT/COMUSTDC 100815Z Mar 79 (~~C/NF~~), DECL 9 Mar 84; Fuels Agreement dtd 26 Apr 79.

b1  
indicatedRetrograde Operations

b1 (c) In early January 1979, the JCS provided the following guidance in order that a withdrawal plan for WRM could be prepared:

CINCPAC tasked PACAF to prepare the

1. JCS/J5 Memo (undated), Subj: Aircraft Contract Maintenance and War Materiel on Taiwan (U); CINCPAC 042026Z Oct 78 (TS), GDS-86; J42 HistSum Feb 79.
2. JCS 062157Z Dec 78 (S), DECL 5 Dec 84; HQ USAF 131530Z Dec 78 (S), DECL 31 Dec 86.
3. CINCPAC 180634 Dec 78 (TS/NF), DECL 16 Dec 84.
4. CINCPAC 192120Z Dec 78 (S), DECL 19 Dec 78; CINCPAC 200222Z Dec 78 (S), DECL 19 Dec 84; JCS 230055Z Dec 78 (S), DECL 22 Dec 84.

required, plan and asked that selection of items to be removed be kept to a minimum.

(U) The PACAF plan, known as the 60/40 plan, recommended that approximately 60 percent (5,600 S/Ts) remain on Taiwan while approximately 40 percent (3,900 S/Ts) be removed and redistributed within PACOM. CINCPAC concurred with the plan and requested JCS approval and permission for COMUSTDC to begin discussions on this subject with Taiwan authorities. On 27 January 1979, the JCS approved the plan and noted that COMUSTDC authority for direct discussions with Taiwan authorities had been provided on 19 January 1979. By this time, COMUSTDC had met with Admiral Soong (Chief of the General Staff, MND) and other GONT military and made a general presentation of the proposed plan. The main area of concern for the Taiwan military was the withdrawal of CBUs. CINCPAC informed COMUSTDC that CBUs were not on the list of munitions previously committed for sale or transfer to the GONT and were needed to fill PACOM operational requirements.<sup>2</sup>

(X) Project NORTH SEA was the name given to the removal of WRM munitions/non-munitions by surface transportation commencing 19 February 1979. The SS GREEN SPRINGS was utilized while docked at Kaohsiung. Rail cars were used to move 2,492 S/Ts of munitions from munitions storage areas at Tainan, Chia-yi and CCK Air Bases to Kaohsiung, and 242 S/Ts of non-munitions were also loaded. The operation was completed on 3 March 1979 without incident, accident, friction or security problems from start to finish. This cargo was delivered to Okinawa. The missile shipment of approximately 30 S/Ts by air from CCK AB to Clark Air Base in the Philippines was completed on 15 February 1979.<sup>3</sup>

#### Munitions Maintenance Contract

(C/NOFORN) Once the decision was made on which munitions would be left on Taiwan, amounting to approximately 7,400 S/Ts, it was necessary to determine how maintenance would be performed. The initial CINCPAC position had been to expand the maintenance contract with the TAF 2nd Air Depot. However, COMUSTDC proposed terminating this contract, effective 30 April 1979, and replacing it with a bailment agreement, similar to ones for the IJCS system and POL at CCK. The bailment would have a life of 8 months (until

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1. JCS 032323Z Jan 79 (X), DECL 3 Jan 85; CINCPAC 062341Z Jan 79 (X), DECL 5 Jan 85.
  2. PACAF 132000Z Jan 79 (S), DECL 5 Jan 85; CINCPAC 160457Z Jan 79 (X), DECL 13 Jan 85; JCS 271833Z Jan 79 (X), DECL 19 Jan 85; COMUSTDC 260551Z Jan 79 (X); CINCPAC 272202Z Jan 79 (X), DECL 26 Jan 85.
  3. COMUSTDC 090903Z Feb 79 (X), DECL 9 Feb 84; PAFTAT at COMUSTDC 110546Z Feb (C/NE), DECL 8 Feb 84; COMUSTDC 161000Z Feb 79 (C/NE), DECL 15 Feb 84; PAFTAT at COMUSTDC 031300Z Mar 79 (C/NE), DECL 3 Mar 84.

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31 December 1979), and at the expiration of the MDT, the munitions in storage (and facilities in which housed and maintained) would be offered to the GONT at residual value.

~~(C/NOFORN)~~ The proposed bailment agreement was reviewed and discussed by representatives of CINCPAC and PACAF in early February 1979. As a result, CINCPAC recommended to the JCS that the existing contract be modified to cover additional tasks and have a termination date of 31 December 1979. Some of the advantages leading to the contract vice bailment decision were: the contract existed; TAF was familiar with defense contractor procedures; U.S. control over Air Force munitions was assured; and PACAF/USTDC personnel were available to perform negotiations. On 17 February 1979, the JCS concurred with CINCPAC's recommendation. The cost of the contract was \$20,000 per month. Similar to the POL agreement, a payment system including CCNAA-T, AIT-T, TAF 2nd Air Depot, 3rd Tactical Fighter Wing, Clark AB in the Philippines and the Bank of Taiwan was developed. Defense Department civilian travel to Taiwan on a TDY basis was authorized for one individual to be the technical representative of the contracting officer and administer the contract. Quarterly visits were to be conducted. The munitions maintenance contract was signed by representatives of AIT and CCNAA on 26 April 1979.

#### Non-Munitions/Combat Support Items

(U) Very little of this material was shipped from Taiwan prior to 30 April 1979. PACAF informed the 6217th Air Base Squadron at CCK AB, on 30 January 1979, of the items to be left in place for the life of the MDT. Custodial responsibility was transferred to the TAF in April 1979 and was covered by the munitions maintenance contract for purposes of storage and security.

#### Programmed Depot Maintenance (PDM) on Taiwan

~~(S)~~ Since 1950, Air Asia, Ltd., in Tainan, Taiwan had performed depot level maintenance on PACOM aircraft. The promulgation of the 1972 Shanghai Communique initiated attempts to relocate the PDM facility from Taiwan. In 1978, the site selection process was accelerated, with Japan and Korea identified as possible locations. In August 1978, the President's National Security Advisor directed transfer to Korea by 1 March 1980. The name for this project was PACER DOT and, by 1 December 1978, the decision had been made to award the contract to Korean Airlines at Kim Hae. The President's

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1. COMUSTDC 010830Z Feb 79 ~~(C/NE)~~, DECL 31 Jan 83.
  2. HQ PACAF 080400Z Feb 79 ~~(C/NE)~~, DECL 5 Feb 85; CINCPAC 110531Z Feb 79 ~~(S)~~, DECL 8 Feb 85; JCS 171635Z Feb 79 ~~(C)~~, DECL 16 Feb 85; Munitions Maintenance Contract dtd 26 Apr 79.
  3. HQ PACAF 302145Z Jan 79 ~~(S)~~, DECL 30 Jan 85; 6217 ABS 270745Z Mar 79 ~~(C)~~, DECL 11 Mar 85.

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normalization announcement prompted a reevaluation of the Air Asia contract termination date.

PACER DOT

(S) CINCPAC advised the JCS that an abrupt termination of contract for PDM at Air Asia (30 April 1979) would have a significant impact on military readiness in the Pacific. PDM should be continued until the new PDM facility in Korea was fully operative (early 1980). Four courses of action were presented with the recommendation that Air Asia be fully recognized in negotiations as a commercial venture and be shifted politically from the perceived realm of U.S. military facilities into the economic sphere, with a view toward continuing work in progress until Kim Hae was ready. The completion date for PACER DOT was accelerated to match the termination of the MDT (31 December 1979). The JCS also advised that after 30 April 1979, contract administration would be performed by contract personnel. This decision was modified when authority was granted to allow seven DOD civilians at the Air Asia facility on a TDY basis from 1 May to 31 December 1979. The U.S. Navy requested that full contract administration support be provided by USAF contract personnel from 30 April 1979 to completion of Navy aircraft/ component rework. At this time the Navy had one DOD civilian assigned to the Taiwan PDM operation. CINCPAC concurred with this position and authorized direct coordination between the Air Force Logistics Command (AFLC) and CINCPACFLT. The Air Force did assume Navy support.<sup>2</sup>

Excess U.S. Government Property Disposal

(C) The initial concern of CINCPAC regarding property disposal was that there was a tendency to overlook disposition of equipment in withdrawal planning. The situation involving Taiwan would be especially difficult due to the circumstances of the withdrawal and the U.S. reliance on the GONT agencies for transportation, storage, packing, crating, etc. Unless an early agreement was reached with Taiwan authorities, the U.S. Government could lose control over titled material. Four courses of action were recommended to the JCS: convert two military spaces to civilian spaces; insure that disposal actions identified Grant Aid/FMS U.S. military equipment; increase Defense Property Disposal Office, Taipei (DPDO-T) spaces via TDY during the final disposition stages; and insure that DPDO-T actions were included under future commercial activities and authorized in legislation.<sup>3</sup>

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1. CINCPAC J4232 HistSum Dec 79 (S), DECL 16 Jan 86; Z. Brezinski Memo, 3 Aug 78 (S), Subj: U.S. Programmed Depot Maintenance Facilities and War Reserve Materials on Taiwan, GDS-86.
  2. JCS 032323Z Jan 79 (S), DECL 3 Jan 85; HQ USAF 211930Z Feb 79 (U); CINCPAC 180634Z Dec 78 (TS/NE) (BOM), DECL 16 Dec 84; CINCPAC J4 Taiwan Withdrawal Status Report, dtd 8 May 79 (S), DECL 8 May 85, p. 24.
  3. CINCPAC 180634Z Dec 78 (TS/NE) (BOM), DECL 16 Dec 84.

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(C) During initial meetings between CINCPAC and the Defense Property Disposal Region-Pacific (DPDR-PAC), problems associated with disposal of property during the Thailand withdrawal and lessons learned from that experience were reviewed. The most significant point emphasized was that disposal operations would have to continue beyond the withdrawal date of U.S. Forces (30 April 1979) in order to dispose of U.S. property in accordance with statutory/regulatory requirements and the Disposal Agreement between the United States and Taiwan of 1959. Several aspects of the disposal program, e.g., DOD screening and sales on an accelerated basis, were identified as matters requiring higher level decisions before operational plans would be finalized. Concurrently, COMUSTDC advised military commands on Taiwan that all foreign excess property generated in Taiwan must be disposed of through DPDO-T and the Central Trust of China (CTC), or be shipped off island. Excess property could not be sold to the general public or donated to individuals or organizations by generating activities.

(C) By the end of December 1978, CINCPAC had submitted a proposed concept of operations. Disposal phase-down operations would be in three stages: receipt of excess turned in by U.S. Forces through 30 April 1979; final processing and disposition; and disposal of excess MAP property continuing indefinitely. The latter two stages would be conducted under the auspices of AIT-T. Property disposal operations after 30 April 1979 would be provided as soon as the concept of U.S. activities on Taiwan was further defined.

#### Reutilization Program

(C) In order to insure that the reutilization program was completed by 30 April 1979, authorization to conduct an accelerated screening was requested. In essence, secondary and non-standard items would be screened by the Defense European and Pacific Redistribution Activity (DEPRA) and DPDO-T simultaneously. U.S. commands on Taiwan would provide a list of projected excess major items to the appropriate military department for screening. Inventory managers (IMs) would provide disposition instructions within 15 days. The duration of DPDO-T screening of non-reportable assets would be 5 days in lieu of 14 days. The reportable item criterion would be increased from \$500 to \$2,000 and DEPRA screening time for these items would be reduced from 45 to 30 days. The JCS advised that items having been screened through DEPRA need not be screened by DPDO-T and concurred in all other CINCPAC proposed changes. The JCS, in coordination with OASD (MRA&L) and the Defense Logistics Agency, recommended that screening and disposal procedures begin immediately.

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1. DPDR-PAC 190153Z Dec 78 (C), DECL 18 Dec 84; COMUSTDC 221050Z Dec 78 (U).
  2. CINCPAC 280337Z Dec 78 (C), DECL 23 Dec 84.
  3. CINCPAC 280337Z Dec 78 (C), DECL 23 Dec 84; JCS 152226Z Jan 79 (C), DECL 12 Jan 85; CINCPAC 170355Z Jan 79 (U); DPDR-PAC 200140Z Jan 79 (U).

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(U) In response to a COMUSTDC request, CINCPAC and DPDR-PAC provided additional guidance regarding accelerated screening and associated time frames. Specifically, the in-service screening completion date was 15 February 1979; surviving items would be reported to DPDO-T and the IM/DEPRA as required by 19 February 1979; all screening was to be completed by 15 March 1979. Non-DOD organizations authorized assets from the DPDO would claim them on 15 March 1979; all remaining items would be sold by DPDO-T. Further, DPDR-PAC would provide a list of all items available for reutilization to its DPDOs in PACOM for review by Service organizations. COMUSTDC informed CINCPAC/DPDR-PAC of the general plan to implement the DEPRA/IM/intratheater screening of assets.

(U) Screening was accomplished in accordance with guidance and time frames established and all reutilization actions were completed by mid-April 1979. Approximately 2,000 line items valued at \$3.6 million were reutilized by DOD activities or transferred to other federal agencies.<sup>2</sup>

#### Sales Program

~~(S)~~ The sales program and options thereto were first addressed by CINCPAC/DPDR-PAC in late December 1978. In essence it was proposed to continue emphasis on sales to Taiwan under the country-to-country agreement provisions of "right of first refusal." Remaining items, if not sold on a competitive bid, would be sold on a negotiated sales basis. This sales program would extend beyond the 30 April 1979 withdrawal date and envisioned AIT management of the program subsequent to that date. If the sales program could not be extended beyond the withdrawal date other options were proposed. The JCS responded that additional guidance regarding disposal operations after 30 April 1979 would be provided at a later date. The JCS had earlier advised that, for planning purposes, all DOD contacts with officials on Taiwan would be through AIT-T. All activities continuing beyond 30 April 1979, such as DPDO-T, must be accomplished through commercial contract. No temporary duty to Taiwan would be authorized for DOD personnel; however, clarification of this was being sought.<sup>3</sup>

(U) In early February 1979, COMUSTDC, in coordination with DPDR-PAC, DPDO-T and the PACOM assistance team, proposed that upon completion of Service/DEPRA/DPDO-T screening, residual foreign excess personal property (FEPP) be offered in a one-time sale to the CTC at a negotiated percentage of the acquisition value of the property. COMUSTDC pointed out that this was in lieu of normal line-by-line item offering but was within the guidelines of prescribed directives and previously furnished guidelines for the

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1. CINCPAC 080129Z Feb 79 (U); COMUSTDC 130908Z Feb 79 (U).
  2. DPDR-PAC Memo, 3 Mar 80 (U), Subj: Defense Property Disposal Operations - Taiwan.
  3. CINCPAC 280337Z Dec 78 ~~(S)~~, DECL 23 Dec 84; JCS 152226Z Jan 79 ~~(S)~~, DECL 12 Jan 85, JCS 111722Z Jan 79 ~~(S)~~, DECL 10 Jan 85.

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Taiwan withdrawal. Approval for this proposal and authority to discuss it with representatives of the GONT Ministry of Foreign Affairs (MOFA) was requested. CINCPAC authorized COMUSTDC to commence informal discussions with the MOFA and requested JCS and DPDS comments on the sales proposal. The JCS concurred with this proposal provided that CTC agreed to purchase the property at a price equal to past negotiated sales with CTC.

(S) COMUSTDC reported that the one-time sale proposal to the GONT of FEPP was submitted to the MOFA on 23 February 1979. However, on 1 March 1979, COMUSTDC reported that an informal reply from the MOFA indicated a high probability of non-acceptance. Therefore, FEPP would be disposed of in accordance with existing disposal procedures if a one-time sale could not be arranged. When this one-time sale could not be agreed on, another proposal was developed. This proposal called for a sale to the Taiwan armed forces by conducting three separate negotiated sales with the MND on 6, 20, and 26 April 1979. Residual property not purchased at the conclusion of these sales would still require a sale with CTC and thereafter a one-time competitive negotiated sale. These MND sales were conducted as scheduled; however, the results were disappointing in that the number of items and proceeds were minimal.<sup>2</sup>

#### Disposal Operations (Sales) after 30 April 1979

(S/NOFORN) It was necessary to plan for some type of disposal operation after 30 April 1979 to provide for the sale and disposal of excess material, generated during the withdrawal operation, that could not be accomplished by 30 April 1979. DPDR-PAC developed a conceptual plan which included disposal operations as one of the functions to be performed by AIT-T. It was recommended that two U.S. civilian positions (four if DOD civilians could not go to Taiwan on TDY) and nine local national positions be included in AIT-T's manpower authorizations. This plan was concurred with by the JCS and the Defense Logistic Agency. CINCPAC had previously identified to the JCS a requirement for two billets within AIT-T to support disposal operations.<sup>3</sup>

(S) DPDR-PAC advised they had been informed that individuals dedicated to the property disposal functional element probably would not be included within the AIT-T's organizational structure but that case-by-case authority could be granted for continuation of certain functions beyond 30 April 1979 on a TDY basis. DPDR-PAC estimated that 90-120 days would be required to conclude disposal actions and requested that DPDS forward a requirement for

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1. COMUSTDC 020927Z Feb 79 (U); CINCPAC 080129Z Feb 79 (U); JCS 130043Z Feb 79 (U).
  2. COMUSTDC 230911Z Feb 79 (U); COMUSTDC 010850Z Mar 79 (S), DECL 87; CDR DPDR-PAC 240131Z Mar 79 (C), DECL 23 Mar 85.
  3. CDR DPDR-PAC 240135Z Jan 79 (C), DECL 23 Jan 85; DLA 061458Z Feb 79 (C), DECL 23 Jan 85; CINCPAC 120210Z Jan 79 (S/NE), DECL 31 Jan 87.

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six civilians for TDY to Taiwan to the Defense Logistics Agency for coordination with the Secretaries of State and Defense.

(C) DPDR-PAC's understanding was confirmed when the JCS identified property disposal functions as one of the reasons for retaining DOD civilians on Taiwan on a TDY basis. On 4 April 1979 the Office of the Assistant Secretary of Defense (International Security Affairs) authorized the Defense Logistics Agency to send up to six DOD civilians on TDY status for less than 180 days, after 30 April 1979.<sup>2</sup>

#### Household Goods Shipments

(C) The withdrawal from Taiwan involved approximately 1,700 personnel (sponsors and dependents) along with their household goods (HHG). The movement of HHG was not considered insurmountable as long as packouts commenced early (the local Taiwan moving companies could move 8 to 10 households per day). If necessary, TDY teams could be sent to Taiwan to assist in packing and shipping HHG.<sup>3</sup>

(S/NOFORN) Included in the proposed withdrawal plan, OPLAN 506X, were the following HHG movement milestones: by 31 January 1979, 20 percent removed; by 28 February, 40 percent; and by 31 March, 100 percent. This schedule was subsequently modified by CINCPAC and JCS to: 20 percent by 28 February; and 100 percent by 31 March. The initial problem with movement of HHG was the delay in receipt of orders by personnel and then setting up packouts. As orders were received packouts were established, with an attempt to minimize the period of time required to have families live in temporary quarters prior to departing Taiwan.<sup>4</sup>

(C) The first estimate from COMUSTDC on the number of HHG shipments was approximately 500 at maximum weight allowance. The first status report submitted by COMUSTDC, at the end of January 1979, advised that 110 HHG shipments had been packed out with 390 remaining. By the end of February, 439 shipments had been packed out and the estimate had grown to 627. By the end of March, 799 HHG shipments had been packed out. Reasons for the increased number of HHG shipments over the initial estimate of 500 were split shipments by some households and secondary shipments generated by local furniture deliveries made after primary shipments were completed. All told, 804 HHG shipments were made by 10 April 1979.<sup>5</sup>

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1. CDR DPDR-PAC 030142Z Mar 79 (S), DECL 2 Mar 85; CDR DPDR-PAC 072233Z Mar 79 (S), DECL 7 Mar 85.
  2. JCS 062032Z Mar 79 (C), DECL 5 Mar 85; DLA 161954Z Apr 79 (C), DECL 31 Dec 85.
  3. CINCPAC 180634Z Dec 78 (TS/NE) (EX), DECL 16 Dec 84.
  4. COMUSTDC 170800Z Dec 78 (S), REVW 20 Dec 86; CINCPAC 270345Z Dec 78 (S/NE), REVW 22 Dec 78; JCS 301745Z Dec (C), DECL 28 Dec 84.
  5. CINCPAC J4 Taiwan Withdrawal Status Report, 8 May 79 (C), DECL 8 May 85, p. 70-72; COMUSTDC 010815Z Feb 79 (C), DECL 85; COMUSTDC 010350Z Mar 79 (S), DECL 31 May 79; COMUSTDC 030145Z Apr 79 (S), DECL 31 Dec 87.