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CHAPTER IV

LOGISTICS

SECTION I--FACILITIES ENGINEERING

Real Property Disposal

Defense Property Disposal Office-Related Facilities

(U) The requirement for DPDO-related facilities, including warehouses at Sung Shan Air Base, Hsi-Chih, and CCK Air Base was estimated to be four months. Because of the minimum time required, AIT-T requested AIT-W's view on bailing these facilities to CCNAA as quickly as possible. In mid-June 1979, DPDR-PAC advised that property disposal operations had proceeded as planned and all property would be disposed of by the end of June 1979. AIT-T advised AIT-W, in early August 1979, that the MND had informally expressed interest in having these facilities transferred to CCNAA if the United States no longer had a need for them; instructions about when and how to proceed in transferring them was requested. AIT-T was aware that \$47,701 was the calculated residual value but, from past experience, doubted that full payment for the facilities would be made. CINCPAC, in coordination with PACOM components who shared an interest in the facilities, advised that no further U.S. requirements for them existed and supported AIT-T's request to initiate transfer action.

(U) The Washington reply was that AIT-T should seek an amendment to the bailment agreement to bail the DPDO properties to CCNAA. In addition, the bailment amendment should include an agreement to pay 90 percent of the \$47,701 residual value at the end of the agreement period. AIT-T believed that this approach was unrealistic because the bailment agreement provided for transfer of facilities for which neither AIT nor the Taiwan Armed Forces had a need; the Taiwan Air Force wanted to build barracks at Sung Shan AB and if bailed, the facilities would be maintained as is. Additionally, early transfer would produce a learning curve which would be helpful in transfer actions later in the year. CINCPAC supported the AIT-T rebuttal, noting further that transfer negotiations for all remaining property/facilities on Taiwan should begin not later than 1 October 1979. CINCPAC also clarified that the 90 percent of residual value figure mentioned was coincidental (beginning residual values minus those not required by Taiwan authorities) and should not be used during future negotiations. CINCPAC also offered to assist AIT-T, including preparation of draft transfer agreements.

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1. AIT Taipei 300542Z Apr 79 (U); DPDR-PAC 132304Z Jun 79 (S), DECL 13 Jun 85; AIT Taipei 090533Z Aug 79 (S); CINCPAC 172324Z Aug 79 (U).
 2. SECSTATE 301429Z Aug 79 (S), GDS 8/29/85; AIT Taipei 040737Z Sep 79 (S); CINCPAC 122332Z Sep 79 (S), DECL 7 Sep 85.

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

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~~SECRET~~Property Transfer Agreement

(U) The transfer of DPDO related facilities was overtaken by the need to work on transferring all U.S. property (less petroleum products and storage facilities) on Taiwan. AIT-W requested CINCPAC to prepare a comprehensive draft message on all aspects of property disposal issues. The draft message was submitted on 16 October 1979 and included specific instructions to AIT-T to negotiate and wrap up actions by 15 December 1979. This draft message was never released; however, it provided valuable information to AIT-T personnel involved in real property transfer negotiations.

~~(C/NOFORN)~~ The USAF was the primary owner of residual military assets on Taiwan. Besides being interested in the turnover of property they were also concerned with the feasibility of removing selected WRM/supply/ equipment items (triple ejector racks, chaff, etc.). Before official guidance was promulgated on disposing of property on Taiwan, PACAF began developing a plan called BATTERY PLATE Wrap-up, which among other things, covered the transfer of real estate/structures to the GONT.

~~(S)~~ On 17 November 1979, the JCS reported that appropriate DOD agencies were preparing instructions to their subordinate units on final property disposal on Taiwan. For real property, the transfer would be effected between AIT and CCNAA on 1 January 1980, and would include all property bailed to Taiwan in accordance with the provisions of the bailment agreements. Communications (IJCS) and WRM munition maintenance contract facilities were included, as well as the MDT-related bailed facilities and DPDO-related facilities. Personal property not removed from Taiwan, remaining in these facilities, would also be transferred. The International Security Assistance Act of 1979 (PL 96-92), signed by the President on 29 October 1979, authorized the transfer to Taiwan, under such terms and conditions as the President deemed appropriate, of WRM and non-WRM property. For real property, residual values would be an important element of negotiations. By telephone, on 20 November 1979, the JCS informed CINCPAC that obtaining money for personal property was desired, but the primary emphasis should be placed on real property.

~~(S)~~ Concurrent with the JCS guidance, the Secretary of State advised AIT-T to assist in the upcoming transfer actions and authorized contacts directly with DOD agencies and CCNAA to dispose of DOD property. On 4 December, AIT-T met with CCNAA-T and Taiwan military representatives. The Taiwan representatives considered the residual values set for the munition facilities to be too high because most of the buildings were very old.

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1. J78/Memo/C24-79, 16 Oct 79, Subj: Facilities Bailment Negotiations ~~(S)~~, DECL 31 Oct 80, SECSTATE 161704Z Oct 79 (U).
 2. HQ PACAF 222100Z Oct 79 ~~(C/NF)~~, DECL 17 Oct 85; AIT Taipei 290922Z Oct 79 ~~(C)~~; HQ PACAF 140100Z Nov 79 ~~(C/NF)~~, REVW 7 Nov 99.
 3. JCS 170620Z Nov 79 ~~(S)~~, DECL 14 Nov 85.

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further, the residual values of facilities transferred in April 1979 had worked out to about 2 percent of cost. They indicated that the U.S. communications system would probably not be operated but that a residual value for the facilities would be negotiated. The residual values for general facilities (MDT/DPDO related) were also considered to be too high. The next meeting was scheduled for 11 December 1979.

(S/NOFORN) Prior to that meeting, CINCPAC sent a message to AIT-T reviewing the previous guidance and providing answers and comments regarding questions and discussions at the 4 December 1979 meeting. CINCPAC reiterated that residual values must be negotiated, but that facilities not intended for future use by the GONT could be excluded. Computed residual values for an opening bargaining position, prior to any adjustment for exclusion of facilities, would be: DPDO - \$47,701; MDT bailed - \$180,062 (\$174,076 - Air Force, \$5,986 - Navy); munitions contract - \$137,249; communications bailment - \$227,947. Personal property not removed by U.S. Services was considered to have zero residual value and eligible for cost free transfer commensurate with Services/JCS approval. It was further recommended that personal property be used to obtain equitable negotiated residual values for the facilities and assistance from the GONT in areas such as packing, crating, handling and transportation of property to be removed from Taiwan.

(C/NOFORN) At the 11 December 1979 meeting the Taiwan representatives presented their residual value offers for all facilities as follows: MDT bailed - \$48,725; communications bailment \$44,261; munitions contract - \$48,176; DPDO - \$17,102. Equipment/property in the bailed buildings was desired cost-free. The Taiwan residual values offer was slightly over 2 percent of the original cost while the U.S. values were about 6 percent. Taiwan wanted to defer the final negotiated payment until 1 January 1981 because the money was not in their current budget. Prior to commenting on the Taiwan proposal, CINCPAC informed the JCS that he was unaware of any formal direction given by the Office of the Secretary of Defense to the Services covering all aspects of property disposal. As the 31 December 1979 deadline approached, it would be necessary to make detailed decisions regarding disposition values and issue appropriate instructions to AIT-T negotiators. Accordingly, unless otherwise directed, CINCPAC proposed to represent the remaining DOD interests and assume authority for making the "end position" decisions. CINCPAC recommended a zero value for personal property remaining in facilities and all facilities not to be used by MND for purposes intended be accepted. CINCPAC also proposed that any offer made by the GONT for the remaining facilities which exceeded 25 percent of the U.S. offer be accepted. Following are comparisons of the U.S. and Taiwan position on all facilities:

1. SECSTATE 171853Z Nov 79 (S), GDS 11/16/85; AIT Taipei 040728Z Dec 79 (S), GDS 12/04/85.
2. CINCPAC 081845Z Dec 79 (S/NF), DECL 6 Dec 85.

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Facility	Original Value	DOD Computed Value (Percent)	Taiwan Offer (Percent)
General	\$2,281,389	\$174,075 (7.6)	\$ 48,725 (2.1)
Communications	2,500,765	131,668 (5.3)	44,261 (1.8)
Munitions	1,686,036	137,249 (8.1)	48,176 (2.9)
DPDO	661,085	43,533 (6.6)	17,102 (2.6)
Totals	\$7,129,275	\$486,526 (6.8)	\$158,264 (2.2)

CINCPAC was unaware of any rationale which supported the Taiwan position that a two percent residual value for all property had been agreed upon by U.S. and Taiwan representatives in April 1979. The agreed upon residual value of \$448,000 for Category 3 property had only coincidentally been about two percent. In addition, the present property being negotiated merited a higher residual value than property previously transferred. Should full residual value not be obtainable, CINCPAC recommended that initially, an approximate 50 percent value (general - \$87,000, Communications - \$65,000, munitions - \$68,000 and DPDO - \$21,000, total - \$241,000) be sought, with a fall-back to any offer between this 50 percent position and the GONT offer. Deferred payment until 1 January 1981 was supported.

(S) During the third meeting, a final facilities figure of \$200,000, subject to approval by higher authority, was agreed upon. This figure was not identified by category of facility, but did include all related installed equipment and personal property, less communications equipment, not covered by other transfer agreements. CINCPAC agreed with the negotiated value. The JCS reply to the 13 and 15 December 1979 CINCPAC proposals stated that it was intended to dispose of property on Taiwan for as good a price as possible. Regardless of price, however, except for POL property or products, no DOD property would be retained on Taiwan after 21 January 1980. The CINCPAC negotiating strategies met that requirement.

(U) On 26 December 1979, the Secretary of State directed AIT-T to complete the transfer actions based on the agreement format and the value (\$200,000) previously provided. The transfer document was signed by AIT and CCNAA representatives on 31 December 1979.

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1. AIT Taipei 110619Z Dec 79 (U); CINCPAC 132322Z Dec 79 (C/NE), DECL 8 Dec 85; CINCPAC 152123Z Dec 79 (C/NE), DECL 14 Dec 85.
 2. AIT Taipei 180515Z Dec 79 (U); CINCPAC 200107Z Dec 79 (U); JCS 212031Z Dec 79 (S), DECL 18 Dec 85.
 3. SECSTATE 331442 of 26 Dec 79 (U); Property Transfer Agreement dtd 31 Dec 79.

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SECTION II--RESOURCE MANAGEMENT

Fuels Agreement

(U) The fuels agreement, unlike the other bailment agreements and contracts, did not terminate on 31 December 1979; however, there was an initial requirement to discuss this agreement during facility transfer negotiations. This requirement existed because certain liquid oxygen equipment needed elsewhere in the Pacific theater had been left on Taiwan in support of the F-4 Programmed Depot Maintenance (PDM) contract at Air Asia. This equipment needed to be removed and the associated bailed buildings transferred to the GONT. Also some of the fuel related facilities were in the bailment agreement and they would either be transferred or kept with the fuels agreement.

Property Title Discussions

~~(S/NOFORN)~~ In the initial JCS guidance in November 1979, the only statement regarding the fuels agreement was that bulk JP-4 fuel would continue to be withdrawn as storage became available in PACOM. A telephone call to the JCS disclosed that the State Department was seeking to divest the U.S. Government of title to all bailed real property on Taiwan effective 1 January 1980. If this did happen, then title to the CCK tank farm would pass to the GONT for residual value and PACAF would have to lease the tanks. PACAF had budgeted only for services to maintain the property and for quality control, and considered it vital to continue the fuel storage agreement as written, at least through December 1981. Renegotiations at the time could have resulted in vast price increases. CINCPAC went on record supporting the PACAF position for retaining title to the CCK tank farm until programmed military construction projects for replacement tankage in PACOM could be completed.

~~(S/NOFORN)~~ PACAF suggested that accountability for the fuels-related facilities be transferred to the AIT. CINCPAC advised the JCS of his support for this proposal, which would permit continuation of the fuels agreement, protect U.S. interests, and preclude a costly lease-back arrangement. Transfer to AIT also could satisfy possible State Department insistence that the United States legally divest itself of title to all real property on Taiwan. PACAF was tasked by Headquarters USAF to prepare a talking paper for a meeting between Mr. Armacost (ASD/ISA) and the National Security Council staff on the fuel facilities. After meetings in Washington D.C., the JCS, on 13 December 1979, concurred with CINCPAC/ PACAF recommendations to continue the bailment agreement on the POL facilities until the agreement terminated on 31 December 1981. However, in order to avoid the potential for undesirable political complications arising from POL-

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1. JCS 170620Z Nov 79 ~~(S)~~, DECL 14 Nov 85; HQ PACAF 220415Z Nov 79 ~~(S/NF)~~, REVW 21 Nov 99; CINCPAC 240223Z Nov 79 ~~(S/NF)~~, DECL 24 Nov 85.

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associated property transfer negotiations in late 1981, discussions for the eventual turnover of POL facilities were to begin as soon as possible, be completed by 30 April 1980 and made accessory to the existing agreement. Since there was a strong possibility that all JP-4 would not be removed from Taiwan by December 1981, negotiating strategies were to include reasonable lease-back of the facilities after December 1981 until the POL was withdrawn.

Supply and Services

War Reserve Materiel (WRM)

~~(S)~~ The International Security Assistance Act of 1979 (PL 96-92) authorized the transfer to Taiwan of WRM property under such terms and conditions as the President deemed appropriate during 1980. This included both munitions and non-munitions. The JCS, on 17 November 1979, informed CINCPAC that the Office of the Secretary of Defense would direct the appropriate Service secretaries to remove any WRM, munitions and non-munitions, considered essential by the Services for use elsewhere (e.g., housekeeping kits, F-4 ejector racks and chaff), and to transfer cost-free to Taiwan all other U.S.-owned WRM, munition and non-munitions, on Taiwan. Materiel withdrawn would be shipped by commercial means, involve no supplemental TDY DOD civilians and be completed by 31 December 1979.²

Munitions

(U) Part B of the PACAF BATTERY PLATE Wrap-up Plan dealt with the transfer of PACAF munitions on-island to the GONT. By late November 1979, PACAF had provided an inventory of munitions and a transfer method to convey the property to the GONT thru AIT-T. Upon CINCPAC's request to AIT-T to implement the cost-free transfer, AIT-T prepared and submitted to AIT-W a proposed munitions transfer agreement. CINCPAC originally concurred with the agreement format. Later, it was recommended to modify the agreement to cover all WRM, both munitions and non-munitions. The value of the transferred munitions was \$10.3 million. The transfer agreement was signed by representatives of AIT and CCNAA on 31 December 1979, effective 1 January 1980.³

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1. HQ PACAF 261900Z Nov 79 (U); CINCPAC 301655Z Nov 79 (~~S/NE~~), DECL 28 Nov 85; HQ PACAF 020400Z Dec 79 (~~S/NE~~), DECL 1 Dec 99; HQ PACAF 020445Z Dec 79 (~~S/NE~~), DECL 1 Dec 99, JCS 130445Z Dec 79 (~~S~~), DECL 7 Dec 85.
 2. JCS 170620Z Nov 79 (~~S~~), DECL 14 Nov 85.
 3. HQ PACAF 140100Z Nov 79 (~~C/NE~~), REVW 7 Nov 99; HQ PACAF 280320Z Nov 79 (~~C/NE~~), REVW 21 Nov 99; CINCPAC 292121Z Nov 79 (U); AIT Taipei 030817Z Dec 79 (~~C~~), GDS 12/03/85; CINCPAC 040011Z Dec 79 (U); CINCPAC 200107Z Dec 79 (U); WRM Transfer Agreement dated 31 Dec 79.

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Non-Munitions

(~~S/NOFORN~~) Part A of the PACAF BATTERY PLATE Wrap-up Plan dealt with the disposal of non-munitions WRM at CCK AB. Materiel was identified either as essential to the PACAF combat mission or USAF needs, or as materiel excess to PACAF/USAF. PACAF requested that items such as ejector racks and chaff be moved to Tainan AB and turned over to Air Asia for containerization and shipment along with other Air Force Logistic Command (AFLC) materiel being retrograded from the F-4 Programmed Depot Maintenance contract. The excess items would be transferred to the GONT if not economical to move. Additionally, liquid oxygen plant equipment retained under the fuels agreement to support the F-4 PDM operation would also be moved.

(~~C/NOFORN~~) HQ AFLC's response to movement of this materiel was not encouraging because Air Asia was operating at maximum capability in packing, crating and shipping the PDM equipment. Some of the WRM, on a non-interference reimburseable basis, would be moved prior to AFLC's non-essential equipment (desks and chairs). The AFLC representative at Taiwan had estimated that nineteen 40-foot containers would be required to ship the PACAF materiel. AFLC was willing to ship 2 of the estimated 19 containers. PACAF countered that their calculations showed that only eight containers were required and requested a reevaluation of the requirements. PACAF also requested that CINCPAC obtain a ruling on whether materiel required to be moved from Taiwan would meet the 31 December 1979 withdrawal date if it was in the hands of a U.S. commercial firm (E-Systems and their subsidiary, Air Asia).²

(~~C~~) CINCPAC supported the PACAF position that if U.S. property were delivered to a U.S. agent, the requirement to complete withdrawal of materiel by 31 December 1979 would be met. CINCPAC, while requesting JCS consent, urged PACAF to first, physically remove by 31 December 1979, or second, deliver to Air Asia, clear through customs, and book for shipment. The JCS concurred with this approach on 13 December 1979.³

(U) Having received authority from the Office of the Assistant Secretary of Defense (International Security Affairs), PACAF sent a DOD civilian supply representative to Taiwan to assist in identifying and shipping PACAF/USAF-required materiel. As a result a smooth operation was conducted which resulted in more assets being shipped than planned, and three days ahead of schedule. A total of 11 containers was shipped. This did not include the 500-gallon liquid oxygen tank and two samplers, which would be

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1. HQ PACAF 140100Z Nov 79 (~~C/NF~~), REVW 7 Nov 99; HQ PACAF 220415Z Nov 79 (~~S/NF~~), REVW 21 Nov 99.
 2. HQ AFLC 282330Z Nov 79 (~~C/NF~~), REVW 28 Nov 99; HQ PACAF 301900Z Nov 79 (~~C/NF~~), REVW 26 Nov 99.
 3. CINCPAC 050245Z Dec 79 (~~C/NF~~), DECL 3 Dec 85; JCS 130445Z Dec 79 (~~S~~), DECL 7 Dec 85.

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shipped later, or the BAK-12 arresting gear. The GONT had previously stated that the BAK-12 system belonged to them. In December 1979 they dropped that position, but requested that it remain on Taiwan until an FMS case delivery, scheduled for the summer of 1980, was completed. PACAF agreed to this request contingent on certain conditions. The TAF advised they could not meet those conditions and requested that the BAK-12 be removed as soon as possible. The barrier was to be removed by commercial contract.

Programmed Depot Maintenance on Taiwan

PACER DOT

(U) The last F-4 aircraft receiving PDM at Air Asia under Project PACER DOT departed Taiwan in early December 1979. All government-furnished property as well as associated support equipment (except for the runway barrier) were shipped out by late December 1979. The transition from Air Asia to Korean Air Lines was accomplished in a very condensed one-year time frame with a minimum of problems and no discernable loss in PACOM operational effectiveness.²

Excess Property Sales

Sales Program

(U) With the sales to MND being minimal, two negotiated sales to the Central Trust of China on 14 and 24 May were conducted. These sales completed the program and all property was removed from U.S. Government disposal facilities by the end of June. The DPDO-T was closed on 28 June 1979, substantially ahead of schedule, and the two DOD civilians TDY to Taiwan departed by that date. From February through June 1979, 4,885 line items of usable property, valued at \$4.2 million acquisition cost, and 869 short tons of scrap material were sold. Approximately \$387,000 was collected as proceeds from the sales.³

Excess MAP Property

(U) Reversionary rights to equipment provided to Taiwan under MAP were transferred cost free. See Section III.

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1. HQ PACAF 080200Z Dec 79 (U); AIT Taipei 200708Z Dec 79 (U); HQ PACAF 212329Z Dec 79 (C/NF), REVW 18 Dec 99; HQ PACAF 120202Z Jan 80 (U); HQ PACAF 251900Z Jan 80 (U).
 2. J4232 HistSum Dec 79 (S), DECL 16 Jan 86; DIR MAT MGT Hill AFB 211730Z Dec 79 (U).
 3. CDR DPDR-PAC 092241Z May 79 (U); CDR DPDR-PAC 080211Z Jun 79 (U); CDR DPDR-PAC 300142Z Jun 79 (U).

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SECTION III--SECURITY ASSISTANCE

Foreign Military Sales (FMS)

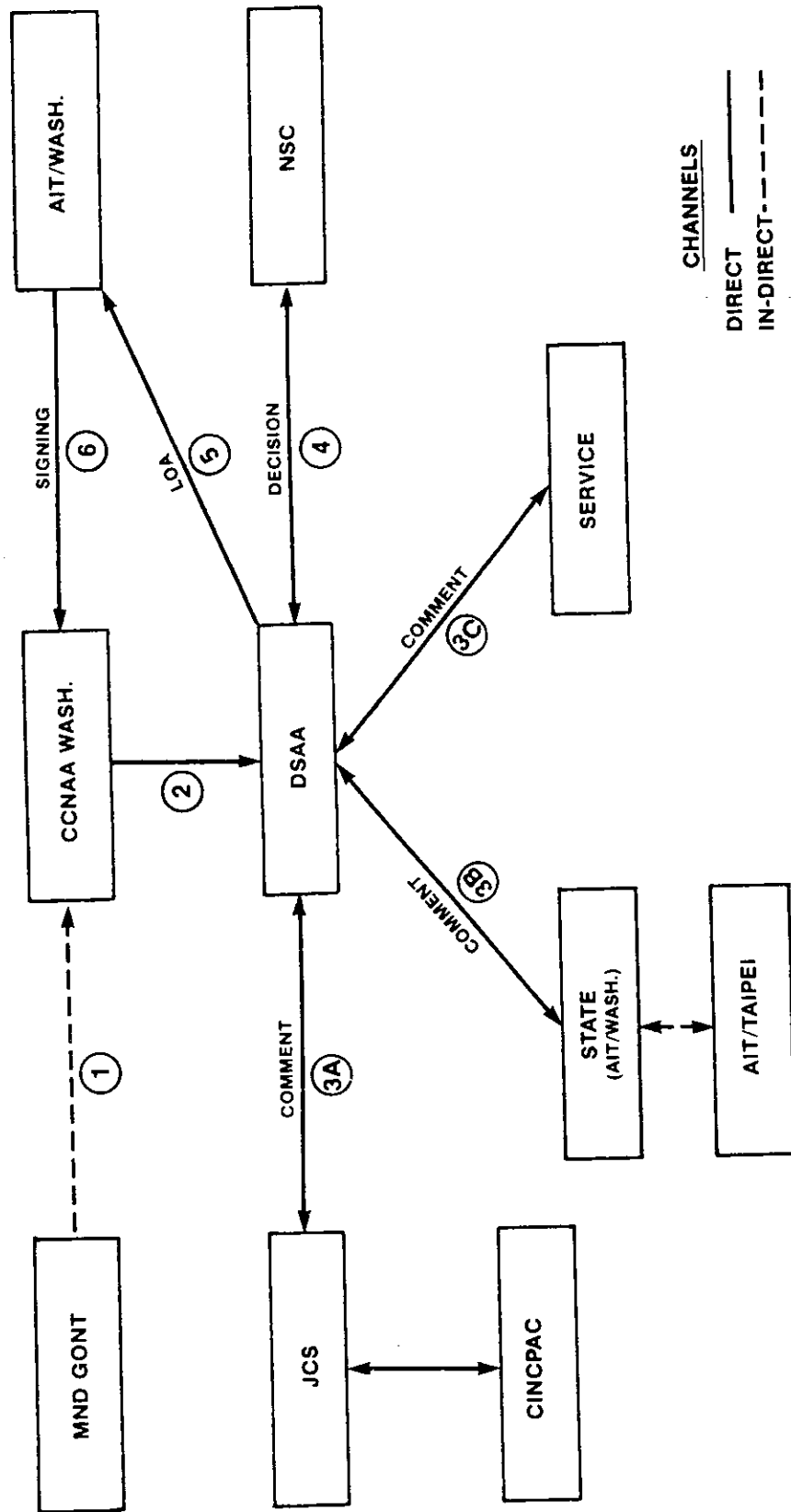
~~(C)~~ In mid-July 1979, the Office of the Assistant Secretary of Defense (International Security Affairs) (ASD/ISA) promulgated specific procedures with respect to Taiwan FMS. Requests would be submitted by CCNAA-W to the appropriate DOD element (i.e., to Military Departments in the case of support items and to OSD/Defense Security Assistance Agency for others) for direct reply. Requests direct to AIT-T were not encouraged but, if received, would be forwarded without comment or recommendation to AIT-W with information copies to the appropriate DOD element. CINCPAC concurred with these procedures provided they followed the Military Assistance and Sales Manual that called for the JCS and CINCPAC to receive information copies to allow for appropriate military evaluation. This position was submitted to the JCS to obtain an amendment to the procedures in order that the JCS and CINCPAC roles were clearly recognized. The JCS advised that AIT-W and AIT-T had agreed to include CINCPAC as an information addressee on all message traffic between them concerning security assistance. Additionally, the processing of new requests for major defense equipment would include JCS input for which CINCPAC recommendations would be sought. The accompanying chart depicts the routing of Taiwan FMS transactions.

(U) On 22 June 1979, the President signed Executive Order 12143 which gave AIT and CCNAA authority to perform as unofficial representatives of their governments. From that date, until 1 September 1979, new FMS cases, case amendments, and case modifications totaling approximately \$598 million were signed by AIT. Those actions marked the resumption of FMS case processing, the first since 1 January 1979.

~~(S/NOFORN)~~ The above did not include Taiwan's request for essential weapons and equipment to be purchased in 1980. In August 1979, the MND submitted to the Defense Procurement Division, CCNAA-W a letter containing 15 major weapon items for forwarding to DOD. In accordance with established procedures, CINCPAC submitted recommendations on these requested weapon systems in October 1979. Admiral Weisner personally endorsed to the Chairman, JCS, General Jones, the release of the requested systems to the GONT. In particular, an improved fighter, HARPOON, improved CHAPARRAL and STANDARD missiles were identified as urgent requirements. The dollar ceiling for 1980 sales to Taiwan, of approximately \$700 million, was expected to limit the quantity of some of the requested items.

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1. SECDEF 132354Z Jul 79 ~~(C)~~, DECL 11 Jul 85; CINCPAC 211727Z Jul 79 ~~(C)~~, DECL 21 Jul 85; JCS 281627Z Jul 79 ~~(C)~~, DECL 24 Jul 85.
 2. Executive Order 12143 of 22 Jun 79, Subj: Maintaining Unofficial Relations with the People on Taiwan, AIT-W ltr of 31 Aug 79, Subj: Status of FMS Cases.
 3. AIT Taipei 072333Z Aug 79 ~~(C)~~, GDS 08/07/85; CINCPAC 191720Z Oct 79 ~~(S)~~, DECL 11 Oct 85.

TAIWAN FMS TRANSACTIONS



CHANNELS

DIRECT

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(S) On 7 November 1979, Gen Wen (CCNAA-W) and three other Taiwan service representatives met with General Graves, Director of the Defense Security Assistance Agency, and other DOD, State Department and AIT-W officials to discuss 1980 sales.

Taiwan Military Training

(S) In accordance with the new procedures governing the training of Taiwan military personnel by U.S. personnel in-country or in CONUS military schools, no additional justification was required for those FY 79 training courses which started and ended in 1979. Training requirements extending into 1980, and all FY 80 training required an additional review. In mid-May 1979, the JCS advised that action had been initiated by DOD to seek approval for technical courses which extended into 1980 and clearly conformed to published guidelines. Professional courses which extended into 1980 could not be addressed without further justification. In view of the delay in establishing the technical section of AIT-T, the JCS requested CINCPAC's concurrence in cancelling all FY 79 professional courses which extended into 1980. However, AIT-T requested authority to contact CCNAA-T to determine those professional courses for which the GONT wished to resubmit a request with proper justification. To assist and support AIT-T personnel in their attempt to gather training data, CINCPAC provided AIT-T with a recommended list of information to obtain. Concurrently, CINCPAC strongly recommended to the JCS that the decision to cancel any training be deferred until AIT-T could report their findings and requested the JCS to pursue the possibility of accelerating courses normally ending in January 1980 to 1979. The JCS agreed to a short extension of time but indicated that chances for continuing professional training for Taiwan students were remote. The JCS also advised accelerated graduation appeared infeasible.

(S) In early June 1979, AIT-T advised that CCNAA-T had been informed of MND interest in retaining as many of the professional courses extending into 1980 as possible. When no input was received from Taiwan by mid-June 1979, the JCS suggested that courses believed justifiable should be considered for inclusion in the FY 80 training program, rather than as special cases. AIT-T made recommendations for two courses to be continued on 23 June 1979. CINCPAC supported AIT-T's recommendations and added one course. The JCS mid-July 1979 reply stated that time did not allow one of the courses to be taken in FY 79 and that, along with the CINCPAC

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1. J4/Memo, 12 Oct 79, RADM Bird to Admiral Weisner, Subj: GONT Request for New/Additional U.S. Weapons Systems (C/NE); Chief, Liaison Division, CHNAA-H, Memo TM/79-105, 14 Nov 79, Subj: Briefing Material on ROC Armed Forces Weapon Requirements.
 2. JCS 232300Z Mar 79 (S), DECL 23 Mar 85; CINCPAC 281840Z Mar 79 (S), DECL 26 Mar 85; JCS 171219Z May 79 (S), DECL 15 May 85; AIT Taipei 180859Z May 79 (S), GDS 5/18/85; CINCPAC 182305Z May 79 (S), DECL 18 May 85; CINCPAC 192215Z May 79 (S), DECL 18 May 85; JCS 251425Z May 79 (S), DECL 22 May 85.

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recommended course, it should be added to the FY 80 training package. The remaining course was available during 1979. With the 1979 training requests completed, the JCS urged recommendations for the FY 80 package by 31 July 1979.

(U) The FY 80 Taiwan Armed Forces Training Program request was submitted to the JCS by CINCPAC on 3 August 1979. The package contained 130 training courses of which 98, or 75 percent, received CINCPAC support. The final approval/disapproval decision resulted in 90 courses being approved.²

~~(C)~~ On 9 August 1979, the ASD/ISA amplified the procedures governing the training of Taiwan personnel in U.S. military installations. It was determined that this new guidance would not be utilized for the FY 80 training program previously submitted, but would be used for the FY 81 submission. AIT-T reported that the reaction by the Taiwan military to the new procedure could best be characterized as bewilderment and dismay. Essentially, they had no concept of how to commercialize their military training on the scale called for under the new procedure. With AIT-T guidance, the GONT prepared an early submission of their training requirements for FY 81 to be used as a shopping list. The list was submitted to the Secretary of Defense, via CINCPAC, for review and agreement in principle, thereby providing an opportunity to concentrate justification and contracting efforts. Courses were listed by categories as follows:

Category I - Training which can only be obtained at U.S. military training facilities;

Category II - Training which will be sought from commercial sources;

Category III - Training which will be incorporated in existing Taiwan military training facilities.

Of the total of 159 courses listed, 86 were Category I, 59 were Category II and 14 were Category III. AIT-T's review recommended 11 of the 86 Category I's be shifted to Categories II or III.³

~~(C)~~ Although this approach was not wholly in keeping with DOD guidance, AIT-T considered the massive effort required, with scant expertise, to immediately commercialize all military training to be impractical.

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1. AIT Taipei 080836Z Jun 79 (U); JCS 131852Z May 79 ~~(C)~~, DECL 12 Jun 85; AIT Taipei 230146Z Jun 79 (U); CINCPAC 290422Z Jun 79 ~~(C)~~, DECL 26 Jun 85; JCS 131753Z Jul 79 ~~(C)~~, DECL 5 Jul 85.
 2. J466 Talking Paper, 2 Aug 79, Subj: FY 80 Taiwan Armed Forces Training Program; CINCPAC ltr 466, Ser 1898 of 3 Aug 79 (U), Subj: Taiwan Armed Forces FY 80 Training Program (U).
 3. SECDEF 092234Z Aug 79 ~~(C)~~, DECL 8 Aug 85; AIT Taipei ltr of 8 Nov 79 (U), Subj: Training for Taiwan Military Personnel.

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Rather, AIT-T recommended that the FY 80/81 training programs be considered as transitional, leading to greater dependence on local and commercial training. As it was, the Taiwan military did initially place 46 percent of their training requirements in the non-U.S. military facility category. The unofficial review conducted in Washington, D.C., resulted in 44 Category I¹ courses being identified as possible candidates for Categories II and III.

Military Assistance Program

(U) In guidance provided in mid-November 1979 regarding property disposal on Taiwan, the JCS advised that the Office of the Secretary of Defense was directing cost-free transfer of reversionary rights to equipment provided to Taiwan under MAP. Direction to transfer MAP equipment was given on 6 December 1979 under authority of Executive Order 12163.²

1. Ibid.

2. JCS 170620Z Nov 79 (~~S~~) DECL 14 Nov 85; JCS 212031Z Dec 79 (U).

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NOT RELEASABLE TO FOREIGN NATIONALS

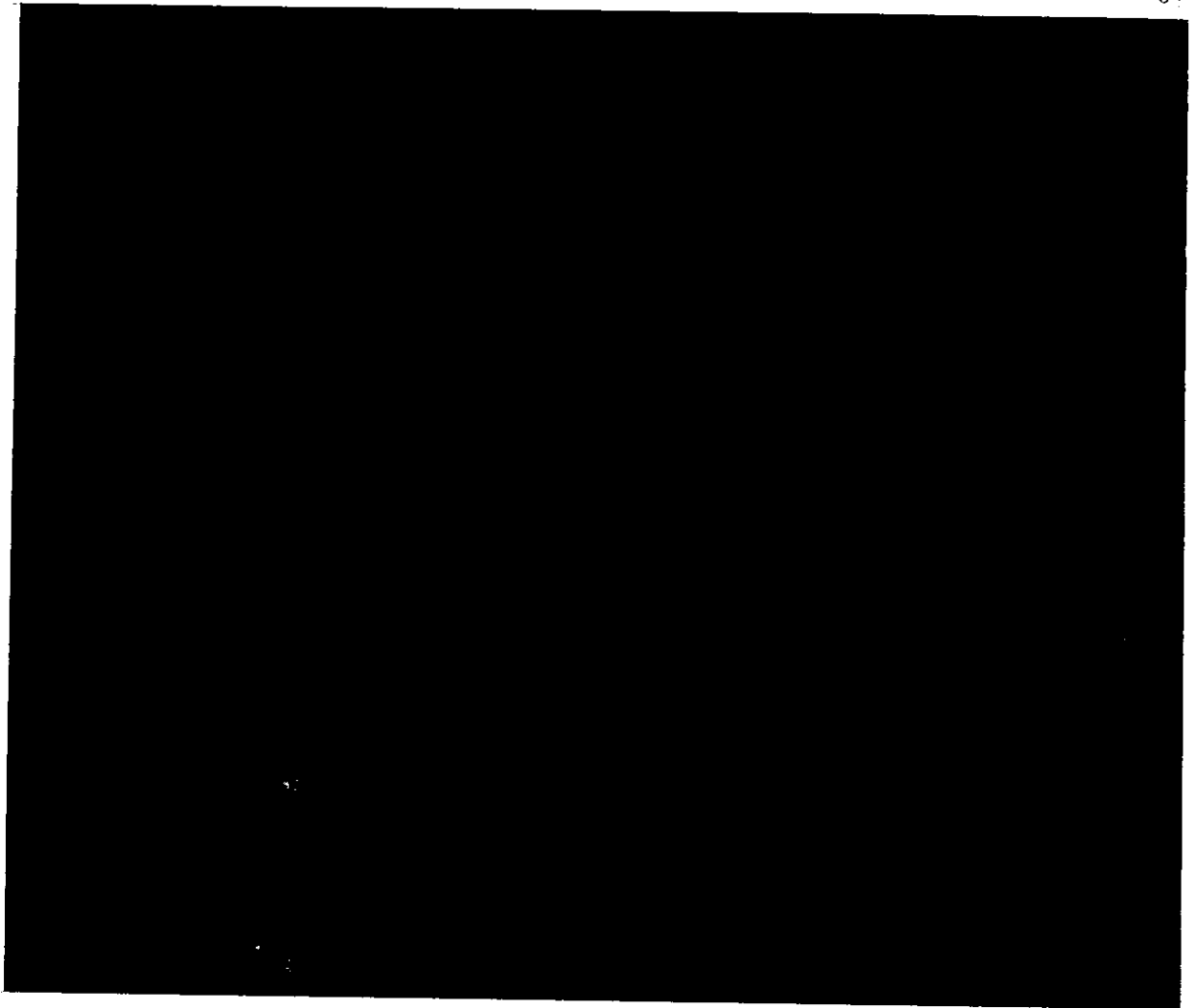
CHAPTER V

COMMUNICATIONS--ELECTRONICS

SECTION I--INTEGRATED JOINT COMMUNICATIONS SYSTEMS BAILMENT

Transfer Agreement

b1,1.5(e)



1. Communications Bailment Agreement, dtd 24 Apr 79; AIT Taipei 110619Z Dec 79 (U); CINCPAC 081845Z Dec 79 (~~S/NE~~), DECL 6 Dec 85; CINCPAC 152123Z Dec 79 (~~C/NE~~), DECL 14 Dec 85; AIT Taipei 180515Z Dec 79 (U).
2. Communications Bailment Agreement, dtd 24 Apr 79; CINCPAC 302121 Nov 79 (~~C~~), DECL 29 Nov 85; AIT Taipei 040728Z Dec 79 (~~C~~), GDS 4 Dec 85; AIT Taipei 110619Z Dec 79 (U); CINCPAC 132322Z Dec 79 (~~C/NE~~), DECL 8 Dec 85.

~~CONFIDENTIAL~~

NOT RELEASABLE TO FOREIGN NATIONALS

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(U) The transfer of the communications facilities and equipment was included in the property transfer agreement, signed by AIT-T and CCNAA-T representatives on 31 December 1979.

1. Property Transfer Agreement, dtd 31 Dec 79.

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SECTION II--SUBMARINE CABLE SYSTEM

(U) There were three submarine communication cables in the Pacific which would be excess to DOD needs by the end of 1980. One of these was the cable from Camp McCauley, Taiwan, to Hamby Field, Japan (Okinawa), along with its associated cable head equipment. Known as the Integrated Joint Communications System-Pacific (IJCS-PAC), the submarine cable was owned by the U.S. Air Force. The associated cable head equipment, on Taiwan, was included in the IJCS bailment. The bailment agreement provided for CCNAA to have first option on purchasing the cable head equipment on 1 January 1980.¹

(U) CINCPAC was unaware of any need to retain this submarine cable past the termination of the U.S.-Taiwan Mutual Defense Treaty and advised Headquarters USAF accordingly. On 20 November 1979, CINCPAC requested PACAF to transfer the cable to DPDR-PAC effective 1 January 1980. CINCPAC was to insure that all circuits riding the cable were terminated prior to 1 January 1980. This action was based on JCS guidance provided on 17 November 1979, along with other property disposal guidance. PACAF processed transfer paperwork on 21 November 1979.²

(U) IJCS Cable Head Equipment, included in the bailment agreement, has been assigned a residual value of \$4,600. AIT-T was informed that, should CCNAA not wish to purchase, DPDR-PAC desired to include it with the IJCS cable sale. During the first property negotiations between AIT-T and CCNAA-T, the Chinese expressed no interest in purchasing this equipment.³

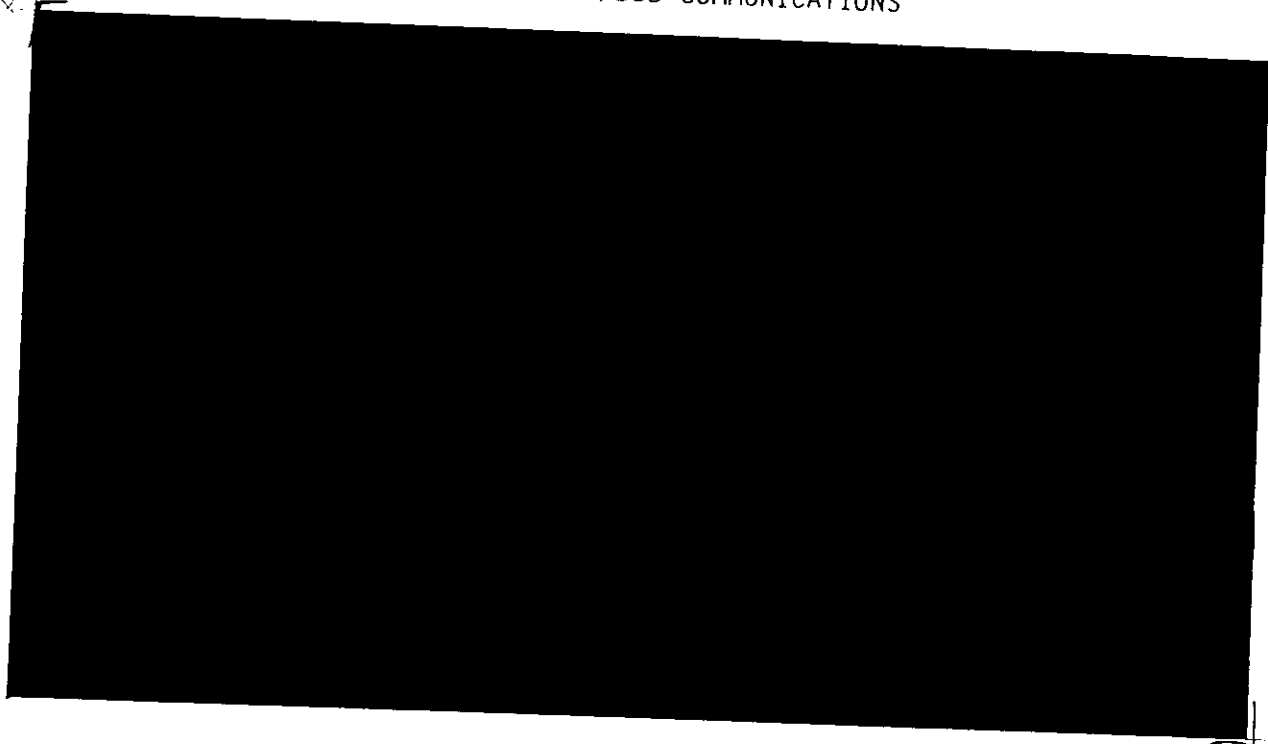
(U) As previously discussed, AIT-T accepted the Taiwan offer of \$42,475 for all communication equipment less the cable head equipment. CINCPAC advised AIT-T to remind CCNAA-T that, although the facility containing the cable head equipment would be transferred to them on 1 January 1980, the equipment contained therein would be transferred to DPDR-PAC for subsequent sale to a commercial company. This sales process could take up to six months and would require AIT-T involvement. DPDR-PAC requested AIT-T to transfer accountability for the equipment to them by 10 January 1980, but for AIT-T to provide for continued security. AIT-T was also requested to identify a property disposal custodian. The documents transferring accountability of the cable head equipment to DPDR-PAC were prepared and mailed in March 1980.⁴

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1. HQ USAF 082100Z Aug 79 (U).
 2. CINCPAC 250211Z Aug 79 (U); CINCPAC 201951Z Nov 79 (C), DECL 20 Nov 79 JCS 170620Z Nov 79 (S), DECL 14 Nov 85; HQ PACAF/DCMG ltr of 21 Nov 79 (U), Subj: Transfer/Disposition of IJCS Sumarine Cable.
 3. CINCPAC 302121Z Nov 79 (C/NE), DECL 29 Nov 85; AIT Taipei 040728Z Dec 79 (C), GDS 4 Dec 85.
 4. CINCPAC 152123Z Dec 79 (C/NE), DECL 14 Dec 85; DPDR-PAC 150046Z Dec 79 (U); DPDR-PAC ltr of 28 Dec 79 (U), Subj: Turn-in of Property to Defense Property Disposal Office; AIT Taipei 110718Z Mar 80 (U).

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SECTION III--AIT/DOD COMMUNICATIONS



1. CINCPAC 230410Z May 79 (S), No DECL; J5325 HistSum Aug 79.
2. SECSTATE 191933Z Jun 79 (C), GDS 12 Jun 85; AIT Taipei 220321Z Jun 79 (C), GDS 22 Jun 85.
3. CINCPAC 021945Z Nov 79 (C), DECL 17 Oct 85; AIT Taipei 060605Z Nov 79 (C), GDS 6 Nov 85; CINCPAC 101904Z Nov 79 (C), DECL 9 Nov 85; J242/Memo/2700/2-80 of 4 Jan 80 (U), Subj: AIT/CINCPAC Secure Voice Circuit; CINCPAC 170016Z Jan 80 (U).

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CHAPTER VI

MILITARY OPERATIONS

SECTION I--EXERCISES

FRESH LOOK

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(S) The only exercise conducted during the last eight months of 1979 was FRESH LOOK, a United States Command Post Exercise (CPX) conducted from 31 July to 2 August. FRESH LOOK was two-phased. [REDACTED]

[REDACTED] Phase two was an in-house CPX with response to scenarios developed during the seminar phase.
[REDACTED]

Search and Rescue

(S) AIT-T was requested by MND, through CCNAA-T, to forward an invitation, through AIT-W, for U.S. military aircraft to participate in a combined Search and Rescue (SAR) exercise on 25 and 26 September 1979 at Chia Yi AB. CINCPAC informed the JCS that this SAR exercise was highly desirable since it was humanitarian in nature and different from other combined military operations or exercises. CINCPAC was prepared to support this exercise if Washington level approval could be obtained.³

(S) The JCS reminded CINCPAC of the Secretary of Defense's restriction against combined military exercises with Taiwan which remained in effect. Ways of maintaining SAR capability under existing agreements/procedures with Taiwan were under consideration, but with the short lead time until the planned exercise, approval could not be obtained.⁴

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1. J7831/Memo/S1-79 of 4 Jun 79 (S), COL Sandstrom to MAJ GEN Solomon, Subj: Requests for Approval to Conduct CPX FRESH LOOK as Presented (U), DECL 1 Jan 80; J02/Memo/S6-79 of 12 Jun 79 (S), Subj: Exercise "FRESH LOOK" Directive (U), DECL 1 Jan 80.
 2. J78/Memo/S16-79 of 7 Sep 79 (S), COL Sandstrom to LT GEN Poston, Subj: Exercise FRESH LOOK (U), REVW 12 Oct 97.
 3. AIT Wash DC 190557Z Sep 79 (U); CINCPAC 200103Z Sep 79 (S), DECL 19 Sep 85.
 4. JCS 241252Z Sep 79 (S), DECL 21 Sep 85.

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(U) In the event a future exercise was being considered, the JCS requested sufficient time to allow for Washington-level staffing.

Taiwan Strait Patrols

(U) 1 These patrols continued after all forces were withdrawn from Taiwan.

1. COMSEVENTHFLT 081544Z May 79 ~~(C)~~ DECL 30 Jun 79.

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SECTION II--SHIP VISITS

(U) With the withdrawal of all U.S. Forces from Taiwan, AIT-T assumed the responsibility for coordinating visits of USN ships to Taiwan, with the USS MAUNA KEA (AE-22) visit (22-24 May 1979) being the first.

(S) On 31 May 1979, the JCS approved two of the three proposed June visits and offered to authorize a third visit if a surface ship was substituted for the submarine USS GRAYBACK (SS-574). This was done and approved by early June 1979.

U.S. Navy ship visits to Taiwan during the fourth quarter 1979 and beyond were considered to be extremely important. For this reason, a fourth quarter 1979 schedule was submitted in September 1979 by CINCPAC. The reply from the Chairman, JCS, on 11 October 1979, was that at this time, the national policy was that ship visits to Taiwan would not be permitted. When the U.S. policy toward China and Taiwan became more clearly defined, the JCS would look for an opportunity to raise the issue again. CINCPAC recognized

1. AIT Taipei 050813Z May 79 (U).
2. JCS 312042Z May 79 (S), DECL 21 May 85; JCS 071946Z Jun 79 (S) DECL 5 Jun 85.
3. CINCPAC 132156Z Jun 79 (S), DECL 13 Jun 85; ADMIN CINCPAC 280010Z Jun 79 (S), DECL 27 Jun 85; JCS 301602Z Jun 79 (S), DECL 28 Jun 85; CINCPAC 081945Z Jul 79 (S) (BOM), DECL 6 Jul 85; JCS 131723Z Jul 79 (S) (BOM), DECL 12 Jul 85.

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that the issue had been strongly supported by the JCS; any further effort at the time would be counterproductive. However, in order to be prepared to submit ship visit schedules on short notice, CINCPAC requested CINCPACFLT to continue to submit quarterly schedules.

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1. CINCPAC 142225Z Sep 79 (~~S~~), DECL 12 Sep 85; JCS 112359Z Oct 79 (~~S~~) (BOM), DECL 11 Oct 85; COMSEVENTHFLT 300546Z Nov 79 (~~S~~), DECL 30 Jun 80; J73/Memo/S226-79 of 19 Oct 79 (~~S~~), LCOL Moss to MAJ GEN Solomon, Subj: Taiwan Ship Visits (U), DECL 19 Oct 85.

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SECTION III--AIRCRAFT LANDING RIGHTS

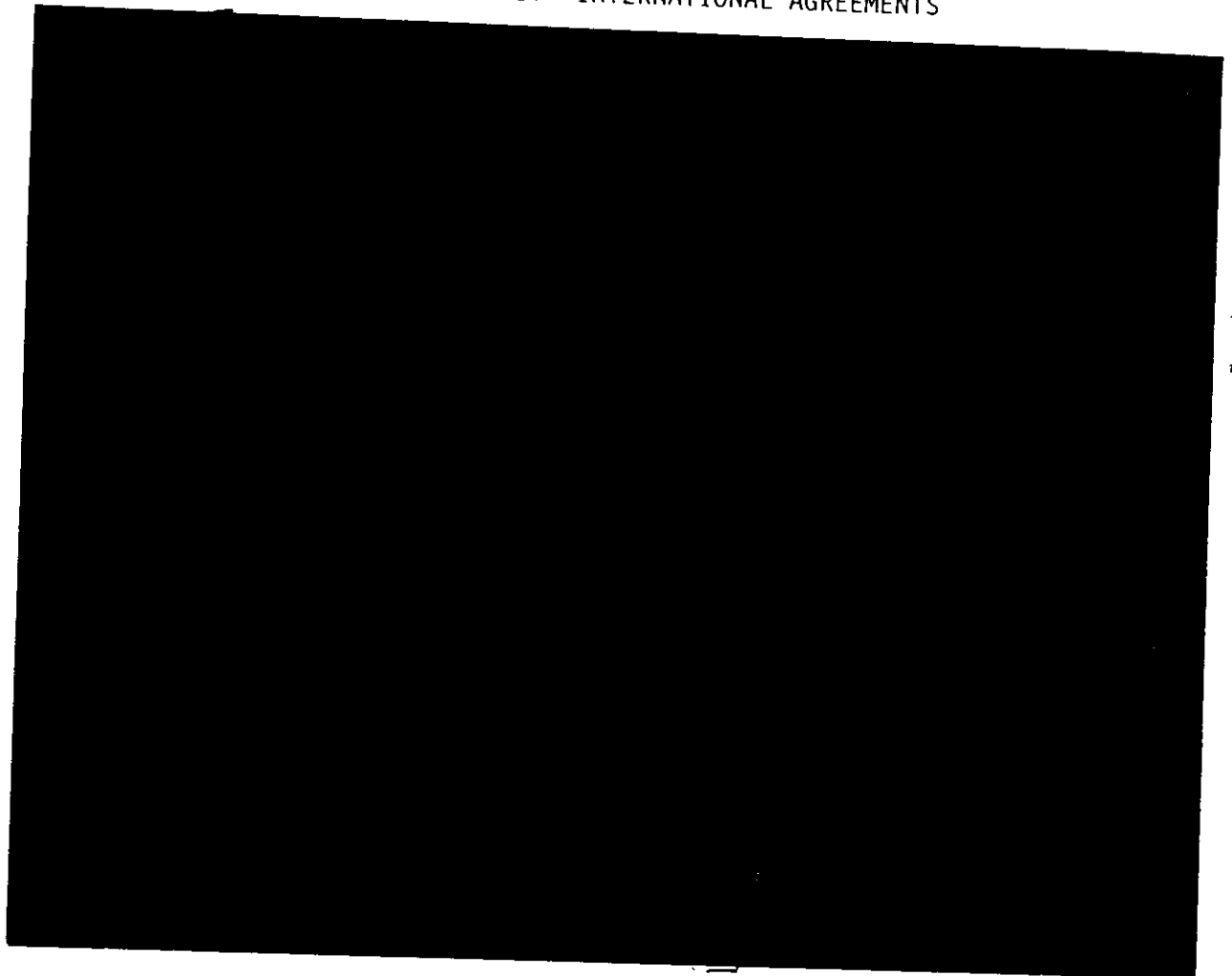
(U) A favorable decision on landing rights was not received during 1979. With the exception of U.S. Congressional delegations traveling aboard U.S. military aircraft landing at Taiwan airfields and two U.S. military aircraft providing medical evacuation services, U.S. military aircraft were not allowed to land on Taiwan for operational considerations.

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1. J51 Point Paper, 14 Jan 80 (~~S~~), Subj: Taiwan Landing Policy, DECL 31 Jan 86.

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SECTION IV--INTERNATIONAL AGREEMENTS



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1. CINCPAC 160114Z Aug 79 (~~S~~), DECL 14 Aug 85.
 2. J51 Point Paper, 12 Jan 80 (U), Subj: Military Related International Agreements with Taiwan; CINCPAC 250051Z Sep 79 (~~S~~), DECL 14 Sep 85; CINCPAC 080354Z Dec 79 (~~S~~), DECL 28 Nov 85; CINCPAC 011156Z Jan 80 (~~S~~), DECL Dec 85.

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