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DRAFT
SWJosephson/ejc
4/12/60

4/20 Sent to GM
by D. Ink.
Progress
check
4/21
Sent to Chairman
by G.M.

Dear Mr. Gates:

May 7 EPG Cost
Planning

In Acting Chairman Floberg's August 29, 1959 letter to Secretary
McElroy and in your October 29, 1959 letter to me the AEC and DoD established
agreement that the Eniwetok Proving Ground (EPG) activity could be reduced
in scope to a 12-month readiness status. That, of course, has since been
accomplished.

Because the likelihood of resuming surface nuclear testing at
EPG in the future is so small, Chief, DASA, Commander, JTF-7, and the
Director of Military Application, AEC, last month appointed a Joint Study
Group to reappraise requirements for EPG, and readiness status and functions
of JTF-7. The report of that Joint Study Group, short title RETO, prepared
on March 31, 1960, concluded, in part, that the EPG should be placed in a
caretaker status. I concur in that conclusion and would like to implement
it as soon as practicable in order to further reduce AEC costs at EPG.

In the coming months we may find that the AEC ~~programmatic~~ ^{programmatic} need for the
EPG will disappear completely. If the Department of Defense has requirements
for retaining Eniwetok and Bikini Atolls, it would be economically advantageous
to arrange a non-reimbursable interdepartmental transfer of the plant
facilities and the equipment out there before the AEC puts the Proving
Ground in caretaker status. Otherwise, when the equipment and supplies now
stored at EPG are declared excess, probably several million dollars worth will
be disposed of -- equipment which might handily fulfill possible DoD require-
ments in the EPG.

Therefore, I would appreciate knowing ^{by EPG} of your interest in ^{acquiring} ~~retaining~~
the EPG for possible DoD use. Additionally if the DoD has no requirement

This material contains information affecting the
national defense of the United States within the
meaning of the Espionage Laws, Title 18, U.S.C.,
Secs. 793 and 794, the transmission or revelation
of which in any manner to an unauthorized person
is prohibited by law.

DEPARTMENT OF ENERGY DECLASSIFICATION REVIEW	
DETERMINATION (CIRCLE NUMBER(S))	
1 CLASSIFICATION RETAINED	
2 CLASSIFICATION CHANGED TO	
3 COMMENTS, OLD DATE CLASSIFIED INFO	
4 COAUTHOR'S NAME	
5 CLASSIFICATION CANCELLED	
6 CLASSIFIED INFO BRACKETED	
1ST REVIEWER DATE: 4/12/60	NAME: Kelt
AUTHORITY: EAC, CIA, AEC, DoD	2ND REVIEWER DATE: 4/12/60
NAME: Kelt	AUTHORITY: AEC
NAME: D. Josephson	

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for the EPG, your concurrence is requested in removing ^a specified degree
of readiness for test resumption there, so that the Commission can ^{begin immediately to} dispose
of the equipment now stored in EPG and place the plant facilities in
caretaker status until ←

complete withdrawal is indicated.

Chaunien McLong

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