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DEPARTMENT OF THE NAVY OFFICE OF THE SECRETARY WASHINGTON, D. C. 20350

Serial 001533

FEB 4 1986

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MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subj: Diego Garcia (U)

Encl (1) Description of proposed Fleet Support Activity for Diego Garcia

- 1. Attached is a preliminary outline of the Navy's proposed Fleet Support Activity for Diego Garcia. The total cost is estimated in the neighborhood of \$45 million with on-site construction commencing in the summer of calendar 67.
- 2. Although the request for the first increment of military construction funds would not appear until the FY 68 budget, it would be necessary to obtain funds for engineering planning (about \$1 million) from FY 67 military construction appropriations.

3. Your approval of the overall concept is requested. Upon receipt of such approval, I will initiate the appropriate programming actions.

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MEMO RANDUM

Establishment of a Minimum Fleet Support Facility on Diego Garcia (S)

The Navy's commitment in the Western The Problem. Pacific requires the movement of CVAs and supporting forces through the Indian Ocean. In the face of this requirement, access to the littoral for bunkering is diminishing because of such political factors as neutralist sentiment as well as opposition to anything thought to resemble the old colonial These same political factors also are limiting our access to U.K. bases in the area. In addition, communications in the Indian Ocean are tenuous, with no present satisfactory coverage of the mid Indian Ocean area by either Asmara or the Philippines. Lack of fueling facilities and immediately responsive communications, while not prohibiting naval operations, tend to limit operational flexibility and require diversion of underway support ships from other equall important commitments.

As highlighted by the U.K. review of its role East of Suez, it is increasingly evident that the United States will have to increase its military presence in the Indian Ocean littoral in order to maintain stability and to compensate for the reduction of British power in the area.

If the Navy is to fulfill its present tasks efficiently and prepare with prudence for the future, we must start now to establish in the Indian Ocean an austere fleet support facility.

- Site. The most promising site for such a facility is Diego Garcia, the principal island of the Chagos Archipelago. It is the most centrally located island in the Indian Ocean and is physically satisfactory. The U.K. has recently grouped the Chagos Archipelago and several other islands into the British Indian Ocean Territory in order to reserve them for future, joint US-UK defense use. By grouping together these small, sparsely populated islands, the U.K. hopes to reduce the vulnerability of defense facilities there to political attack. We expect soon to conclude a satisfactory agreement with the U.K. on terms of access and use of the islands. As part of the agreement, the U.K. would undertake to compensate and move the population of those island areas where construction of defense facilities was to take place. In the case of Diego Garcia this involves about 400 people, mostly contracted nonresident personnel working the coconut plantations.
- 3. Requirements. We have reviewed the responses of the cognizant unified and specified commanders to a JCS request for a statement DUWNGWADING AT 12-YEAR INTERVALS

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of their current requirements in the Indian Ocean. Based on these responses, we find the need for a minimum fleet support facility which would include brick and mortar projects as follows:

- a. POL storage of 655,000 bbls. (480,000 NSFO, 160,000 JP-5, 10,000 AVGAS, 5,000 MOGAS) which includes enough storage to accept usual tanker resupply.
- b. Deep water anchorage facilities for one CVA task group (1 CVA and 8 DD), five to seven auxiliaries and replenishment tankers.
 - c. An air strip to support logistic and transiting aircraft.
- d. Austere communications facility adequate to support the air strip as well as maintain a link with Asmara and the Philippines, and transiting ships.
- e. Berthing and messing facilities for approximately 250 men. (The manning of the fleet support facility is tentatively based on a one-year unaccompanied tour)
 - f. Recreational facilities.
- 4. Cost and Construction. The total cost of such a facility would be about \$45 million. This includes a 2.5 geographical cost factor. It would take about 36 months to make the facility operational and about 48 months to complete it. A more detailed breakdown of the required facilities and their cost is contained in Tab A. A preliminary sketch map of the location of facilities on the island is contained in Tab B.
- 5. Financing. FY 1968 is the earliest that the support facility could be regularly programmed. Planning for the project should be included in the first stage of the budget cycle—the preparation of the Navy Program and Objectives—which will be completed within the next two to three weeks. (There is already a milcon item of \$250,000 earmarked for Diego Garcia in the FY 1968 budget). If construction is to begin early in FY 1968, site surveys will have to be completed prior to that time. These would require FY 1967 funds and none are programmed for that purpose at present.
- 6. Balance of Payments. Balance of payments problems could be reduced if it were possible to purchase labor and basic materials from Ceylon, India and Pakistan since they are excess or near excess currency countries.

- 7. UK Participation. The U.K. has stated an interest in locating a POL facility on Diego Garcia to support its East of Suez commitments. It is inhibited from programming money partly because of the high cost of the supporting facilities. If the U.S. were to permit joint use of its own support facilities, the U.K. might be induced into sharing the cost of the POL and related facilities. This would reduce the overall cost to the U.S. but, more important, would tend to confirm the U.K. commitment in the area.
- 8. Existing and Future Requirements. We have tangible requirements in the Indian Ocean now. It is not likely that these will decrease. We are unlikely to acquire a more favorable site anywhere in the Indian Ocean than Diego Garcia. We should plan now for the orderly development of a fleet support facility before the need for it reaches emergency proportions with attendant higher costs. The plan outlined is for a minimum facility which meets our existing requirements. It does not attempt to meet contingency or mobilization requirements which have been cited by several of the unified commanders and are reflected in the compendium of foreign base requirements, "United States Base Requirements Overseas" (USBRO). On the other hand, while the proposed facility is austere, it is of sufficient scope to provide a nucleus around which to build an altogether adequate defense base.

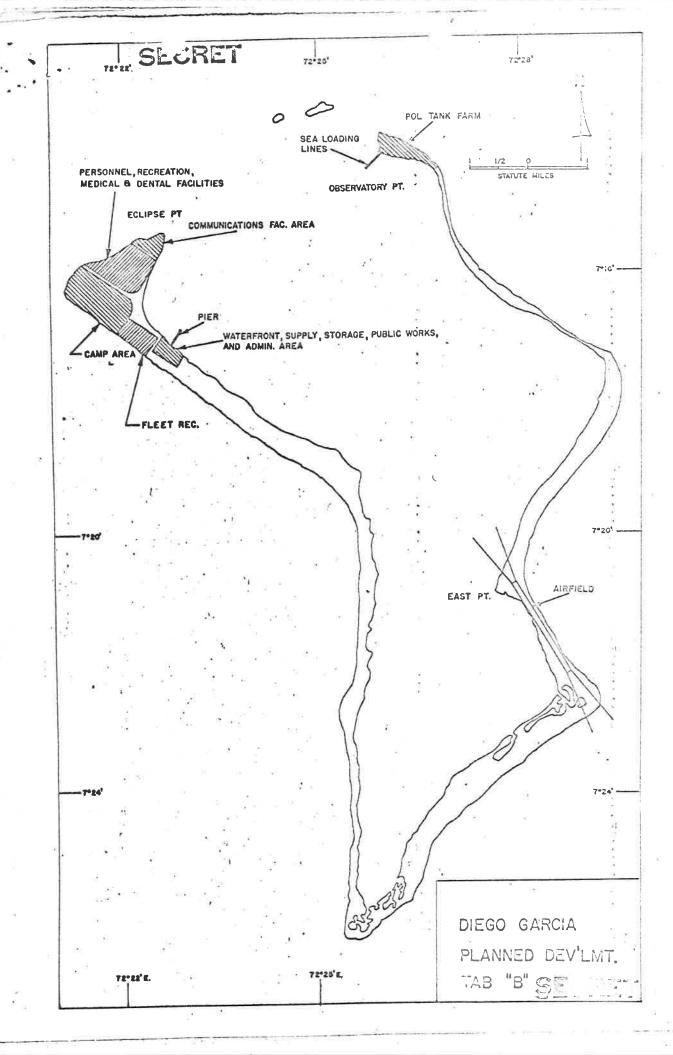


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TAB A

Minimum Fleet Support Facility on Diego Garcia

Item	Cost (Millions of Dollars)	Manpower Requirements
1. Above ground POL Storage of 655,000 bbls. (480,000 NSFO, 160,000 JP-5, 10,000 AVGAS, 5,000 MOGAS) and austere fueling facility.	5.7	14
2. Dredging to 55 ft.	12.5	-
3. Waterfront facilities including mooring buoys and finger pier.	3.0	_
4. Air strip 9000 ft. with associated support.	6.4	26
5. Austere communications station: 2 ship-to-shore terminals, one of them multi-channel and both with frequency diversity; 1 air-to-ground and flight following point-to-point terminal; 2 DCS trunks; and 2 harbor frequencies.	5.8	. 55
6. Utilities, Public Works and Maintenance including desalinization equipment.	.3.7	71
7. Personnel support.	2.5	25
8. Recreation.	2.2	-
9. Medical/Dental.	.3	8
10. Supply (local support)	2.5	35
ll. Administration.	. 2	12
12. TOTAL	44.8	246



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MEMORANDUM FOR THE SECRETARY OF THE NAVY

Encl: (1) Proposed Memorandum to the Secretary of Defense with enclosure

- As a follow-up to your discussion of Indian Ocean problems with the Secretary of Defense on 28 January, you requested a memorandum on the establishment of a minimum fleet support facility on Diego Garcia.
- The memorandum is enclosed herewith together with a covering memorandum for your signature to the Secretary of Defense.

HORACIO RIVERO
Vice Chief of Naval Operations

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MEMO RANDUM

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