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P29.  
RELEASED IN PART  
B1, 1.4(B), 1.4(D)

**2005 US/UK POL-MIL TALKS**

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B1

UNITED STATES DEPARTMENT OF STATE  
CLASSIFIED BY DEPT. OF STATE, L. R. LOHMAN, DAS, A/ISS  
REVIEW AUTHORITY: FRANK H PEREZ  
CLASSIFICATION: CONFIDENTIAL REASON: 1.4(B), 1.4(D)  
DECLASSIFY AFTER: 5 SEP 2030  
DATE/CASE ID: 01 DEC 2006 200503422

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ISSUE PAPER  
LITIGATION UPDATE

- • (SBU) Agree that the U.S. and UK should continue to keep each other updated on the status of legal issues.

**Background**

(SBU) U.S. and UK legal advisors will present updates on the status of ongoing lawsuits.

BANCOULT VS UNITED STATES, ET AL: This class action suit was filed in the District of Columbia District Court in December 2001. It was a class action suit on behalf of approximately 4,400 Chagossians and their direct descendants. The suit alleged forced relocation; torture; racial discrimination; cruel, inhuman and degrading treatment; genocide; intentional infliction of emotional distress; negligence and trespass arising from their relocation from Diego Garcia and surrounding islands to the Seychelles and Mauritius in order to create the BIOT. Plaintiffs claimed that the U.S. "appropriated" their land and its discriminatory hiring practices prevent them from getting jobs on the island. They sought an injunction against the U.S. to stop it from continuing such actions, and monetary damages. In December 2004, the District Court dismissed the complaints against the individuals based upon statutory immunity, dismissed the complaints against the U.S. based upon sovereign immunity, lack of standing and the political question doctrine, and denied the plaintiffs' request for an injunction.

COURONNE (new case since the 2004 Talks): Since last year's Pol-Mil talks 50 Chagossians arrived at London Gatwick Airport destitute and asserting a right to receive UK public assistance (housing, benefits, etc.). Later, another 50 arrived. This has little direct relevance to the U.S. but is a major case for HMG because it tests whether residents of UK overseas territories are entitled benefits within the UK. An ongoing judicial review of their claims is not expected to be completed until after Christmas 2005. Should the Chagossians win this case, it is believed another 2,000 Chagossians are prepared to settle in the UK at taxpayer expense.

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BANCOULT: In 2004, HMG introduced orders in counsel citing economic and security reasons why the Chagossians should not be allowed to follow through on their plans to resettle the outer islands. In this suit, Chagossian plaintiffs challenge HMG's right to exercise these orders in counsel. The first hearing was in June 2005 and the case is scheduled to go to court on December 6. HMG is prepared to appeal should the Chagossians prevail in the court of initial review.

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ISSUE PAPER  
CABLE AND WIRELESS  
INTERNET/TELEPHONE SERVICE

- • (SBU) The U.S. proposes that the two sides conduct a joint review of island internet service and the issues raised by C&W.

**Background**

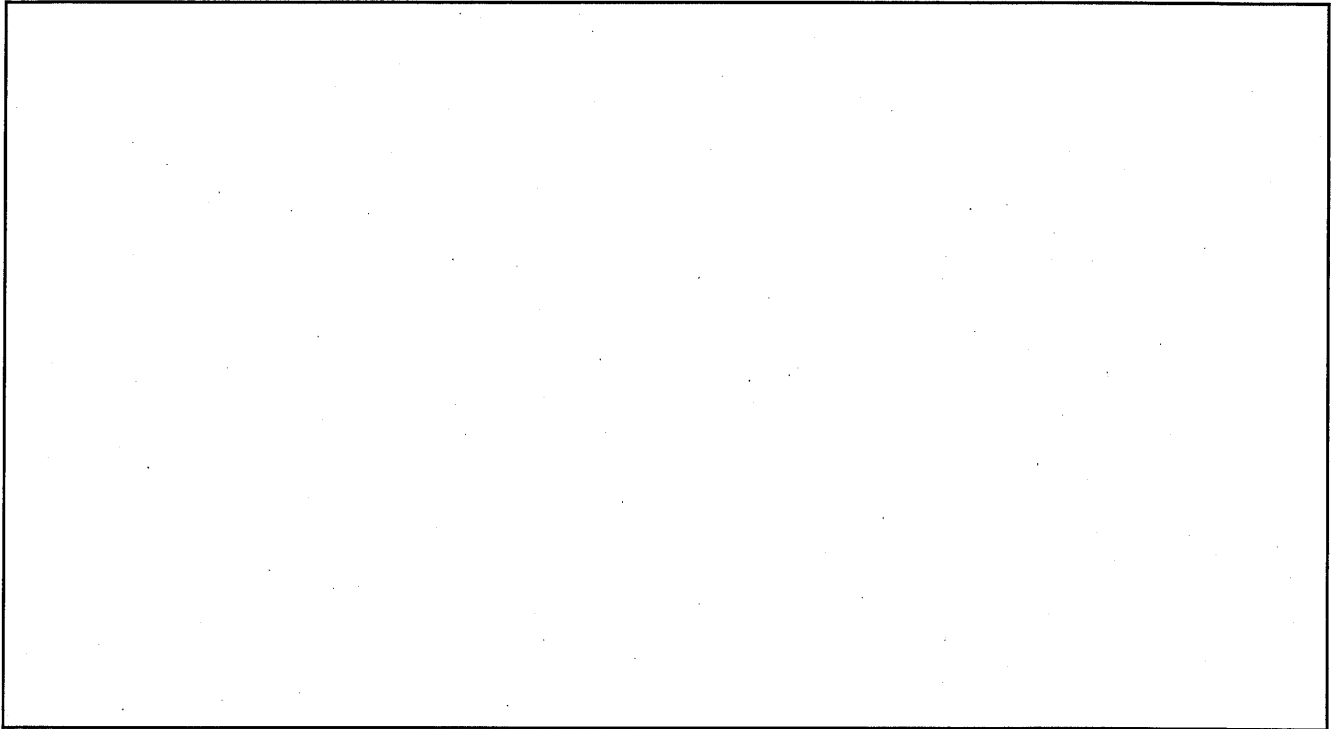
(SBU) Cable and Wireless is concerned that recent installation of a U.S. military network allowing access to the internet is making the company's UK-granted local commercial concession unprofitable. In 2003, C&W charged that they were losing revenue because U.S. Military Sealift Command (MSC) ships were permitting use of their BEST (Bandwidth Efficient Satellite Transport) communications system as an alternative means for routine personal internet service. However, a U.S. investigation revealed that the MSC ships were not allowing use of the BEST system for routine personal purposes, but only for personal emergencies. Cable and Wireless charges a rather high rate for its service. Personal high-speed internet service is offered at \$250 per month billed to subscribers living in rooms at the BOQ and BEQ. The U.S. Navy pays \$20,000 a month for C&W's internet access in several public buildings, recreation services and clubs.

(SBU) C&W is also concerned that some islands resident, particularly Filipino contract workers, are using VOIP (voice internet protocol) to circumvent C&W's telephone service to the island by making phone calls via the C&W high speed service.

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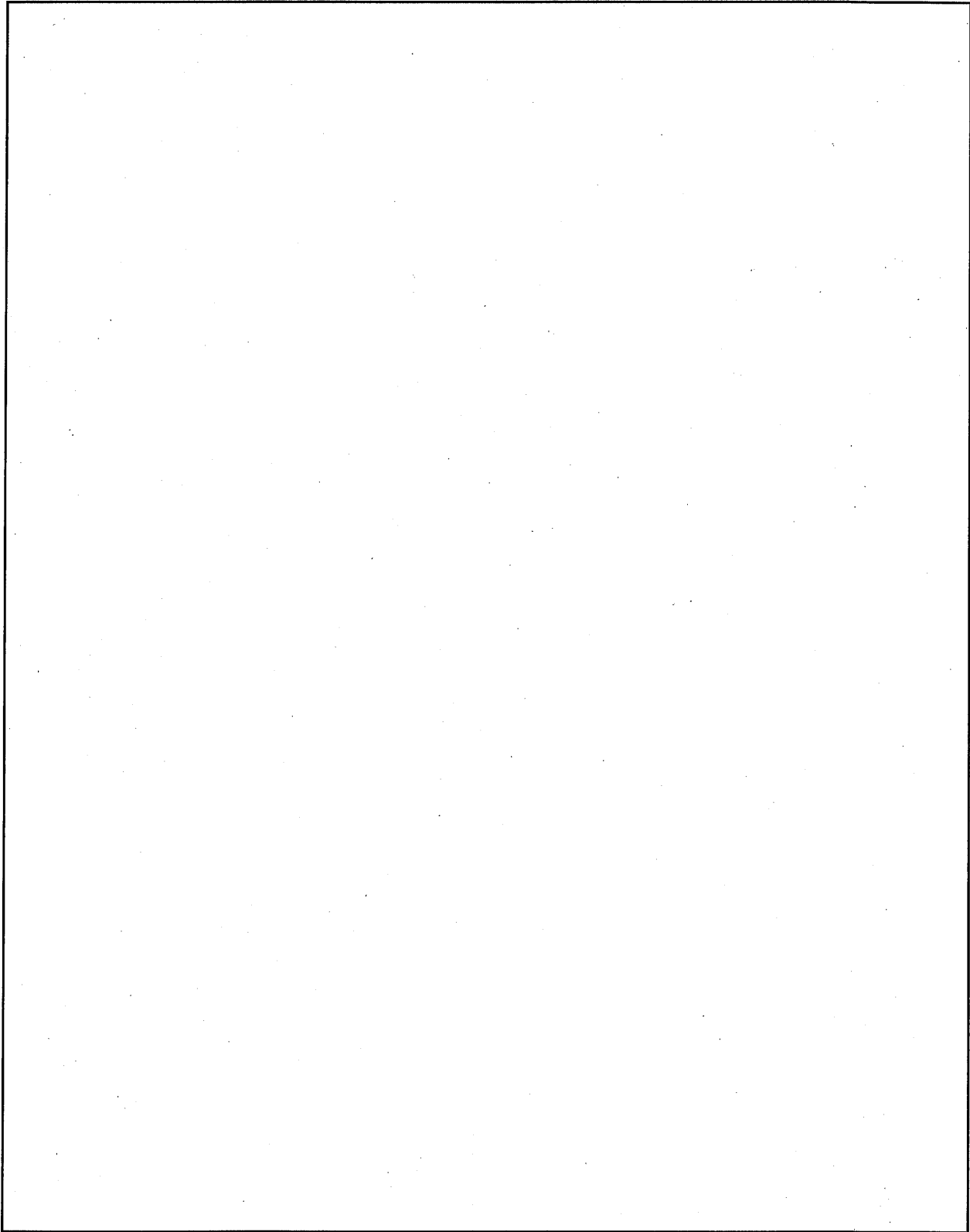
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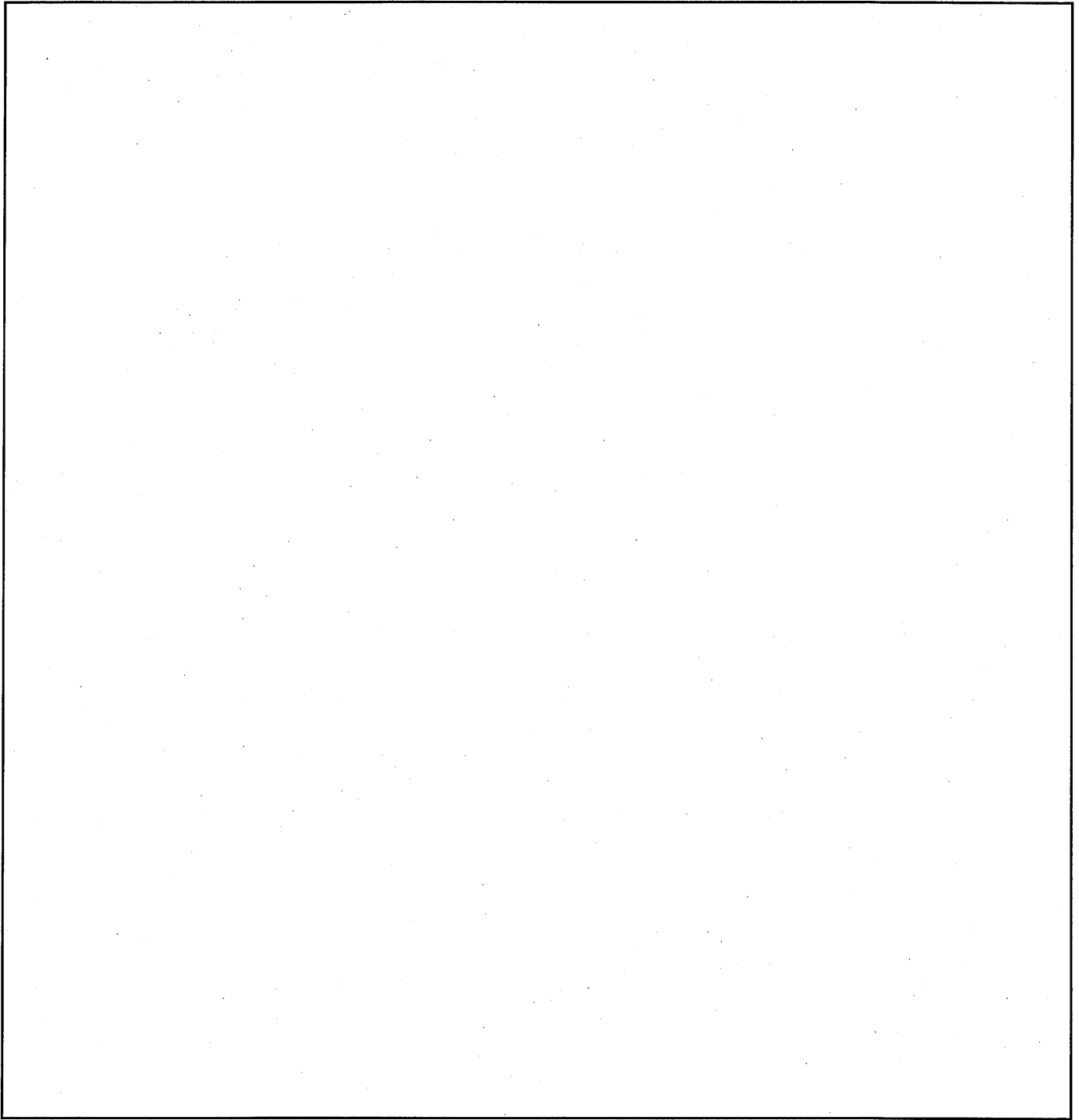
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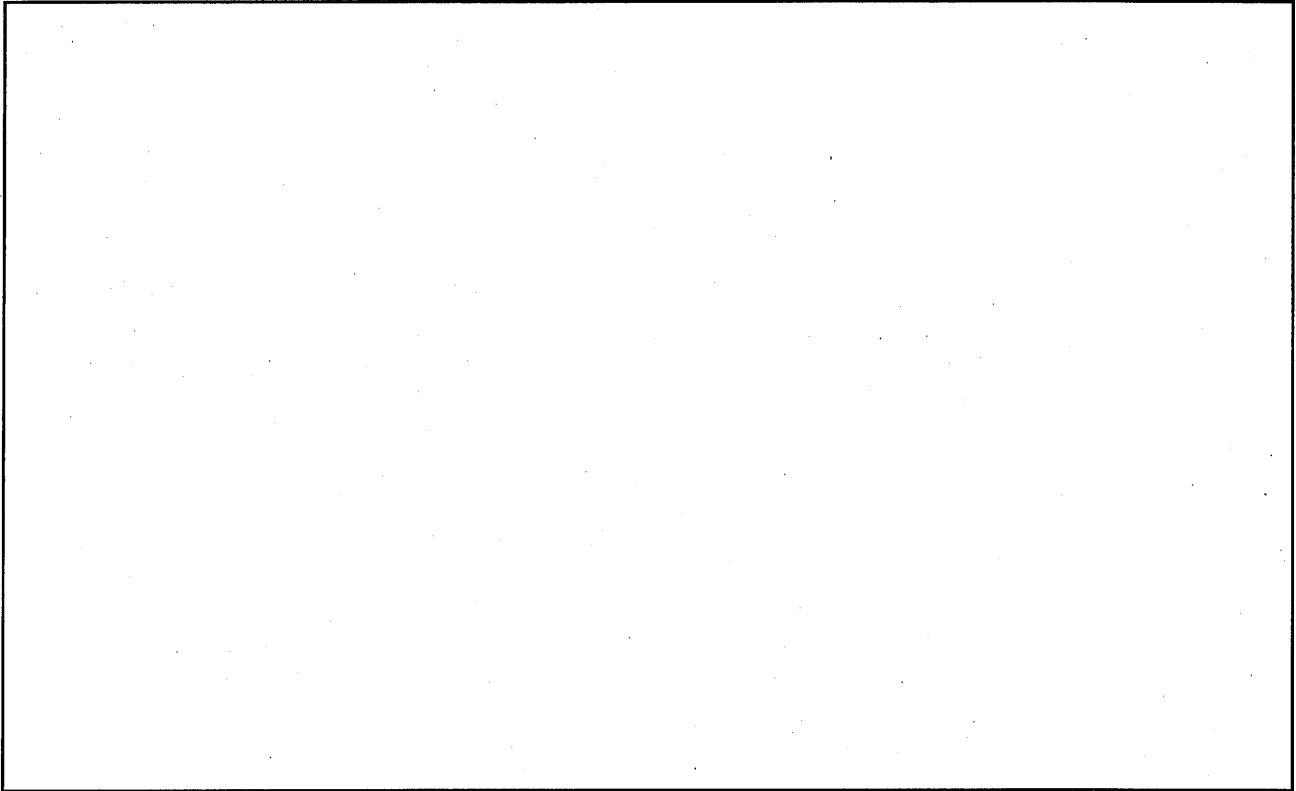


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ISSUE PAPER  
ENVIRONMENTAL ISSUES

- c • (SBU) U.S. agrees that that environmental concerns will be addressed in the proposed new U.S. MILCON projects and in ongoing real property maintenance and upgrades;

- (SBU) U.S. to continue its superb environmental stewardship in Diego Garcia. U.S. current and future efforts regarding Diego Garcia's environmental issues will be to:
- Increase the standards to ensure that we not only maintain our excellent record of environmental stewardship but also improve our policies and practices for the future.
  - Develop a contingency plan that addresses prevention, response, recovery and restoration. We have to be able to move swiftly and with certainty. We should have a public awareness mechanism inform the public of our efforts--- covering short, near and long-term impacts.

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(SBU) The idea of using OTEC technologies to support electricity and water needs on Diego Garcia was first raised in 1992. Since then, shore-based OTEC technologies for Diego Garcia were considered in two previous projects that were cancelled for various reasons. The current project began in FY2002 under the Office of Naval Research (ONR) Small Business Innovative Research (SBIR) Program and is in its Preliminary Design & Project Economics Phase. Based on feedback to previous OTEC considerations, the proposed concept – i.e., using an offshore floating production platform and horizontal directional drilling under near shore areas - was formulated to specifically address stakeholder concerns such as environmental sensitivities regarding possible coral reef damage and protected sea turtle habitat. The proposed OTEC project would bring substantial benefits to Diego Garcia by improving the island quality of life with a high quality freshwater supply; reducing electric power demands; reducing fossil fuel requirements and air emissions; and reducing base operating equipment and personnel requirements. The U.S. Navy would also realize substantial initial cost savings and future cost avoidances as a result.

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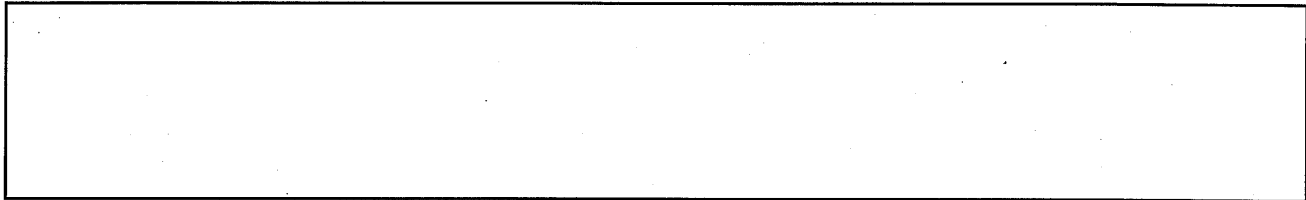
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ISSUE PAPER  
U.S. CONTRACTOR SUPPORT/HIRING PRACTICES

- (SBU) The U.S. will continue to ensure that on-island hiring practices are fair and equitable and in accordance with formal agreement, and continue to strive for the 60 person employment goal - but not at the expense of unfair hiring practices, maintaining the hiring premise of "to the maximum extent practicable."

**Background**

(SBU) The 1966 Exchange of Notes requires U.S. contractors to make use of employees from Mauritius and Seychelles "to the maximum extent practicable."



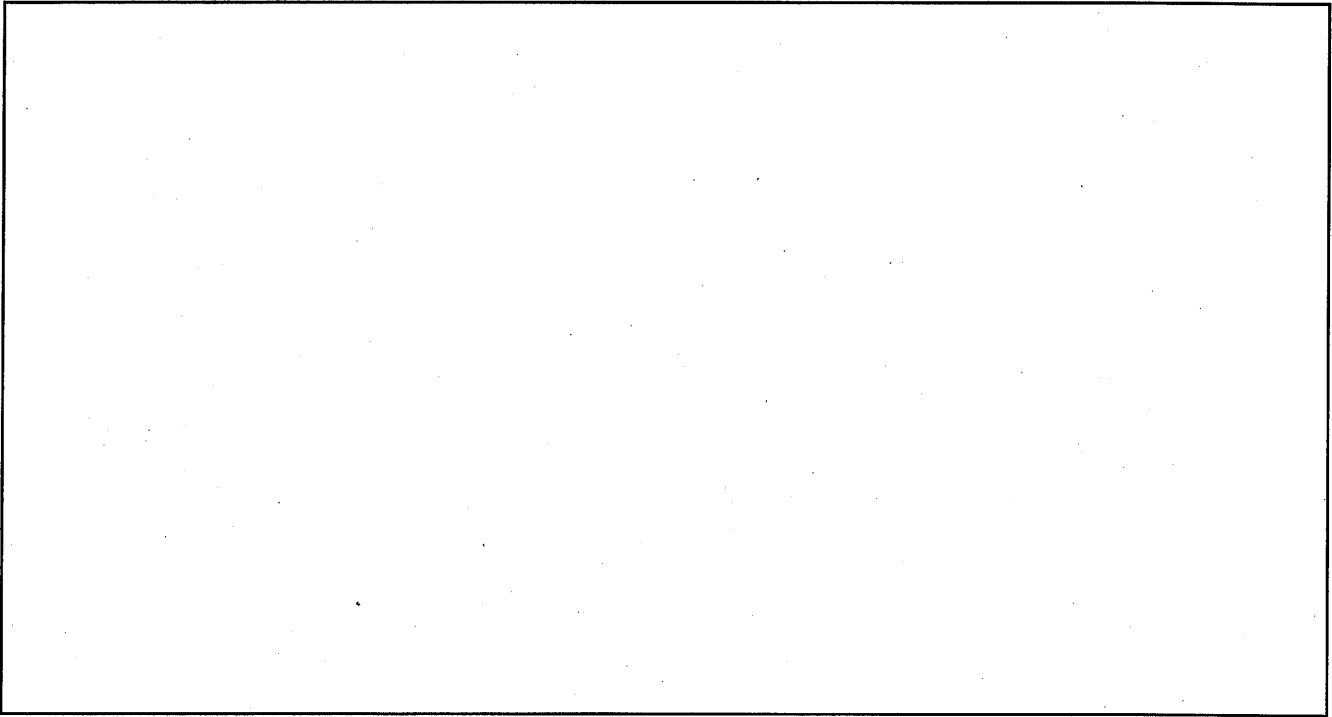
(SBU) The present workforce is composed predominantly of Filipino workers retained by the incumbent contractor under overseas employment contracts, due to their willingness to accept lower wages. Naval Support Facility (NSF) has no input into hiring of contract personnel but does decide who is hired as an Overseas Grade (OG) Director. DG-21 actively seeks Mauritian employees.

(SBU) The workforce is hired from U.S., U.K. or Third Country National (TCN) sources. Before a subcontractor or workers from a third country are introduced, the appropriate administrative authorities of the two Governments (U.K. and U.S.) are to be consulted. The list of allowable countries from which labor is imported is subject to change by the British Government. The U.S. Navy grants final entry approval.

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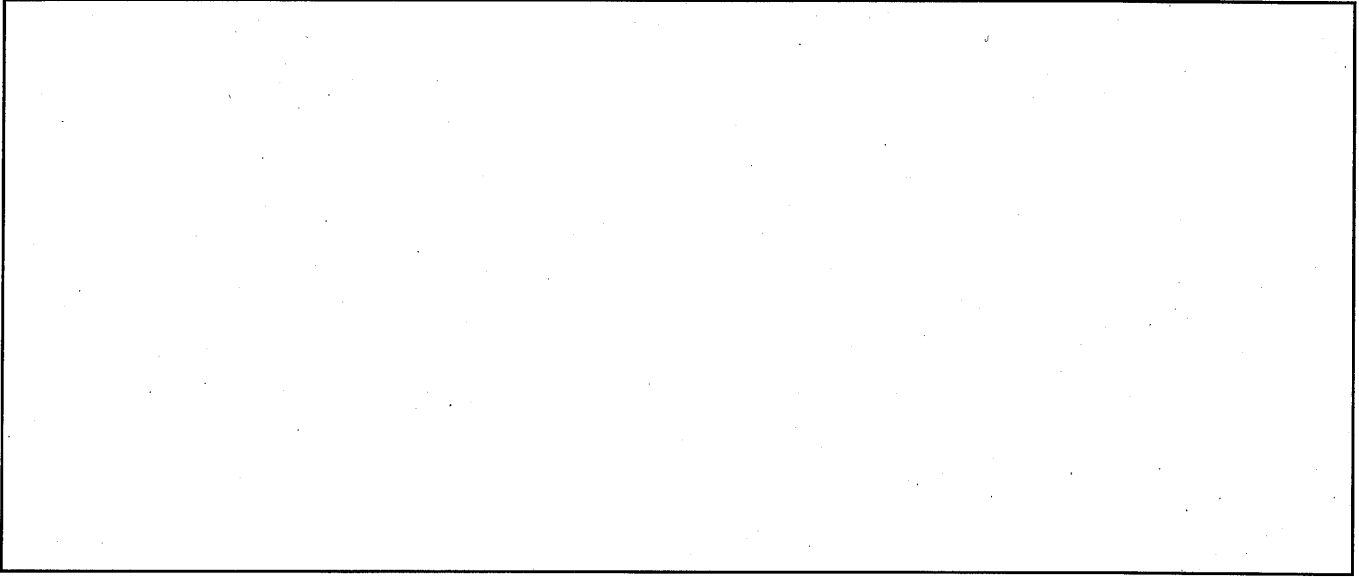
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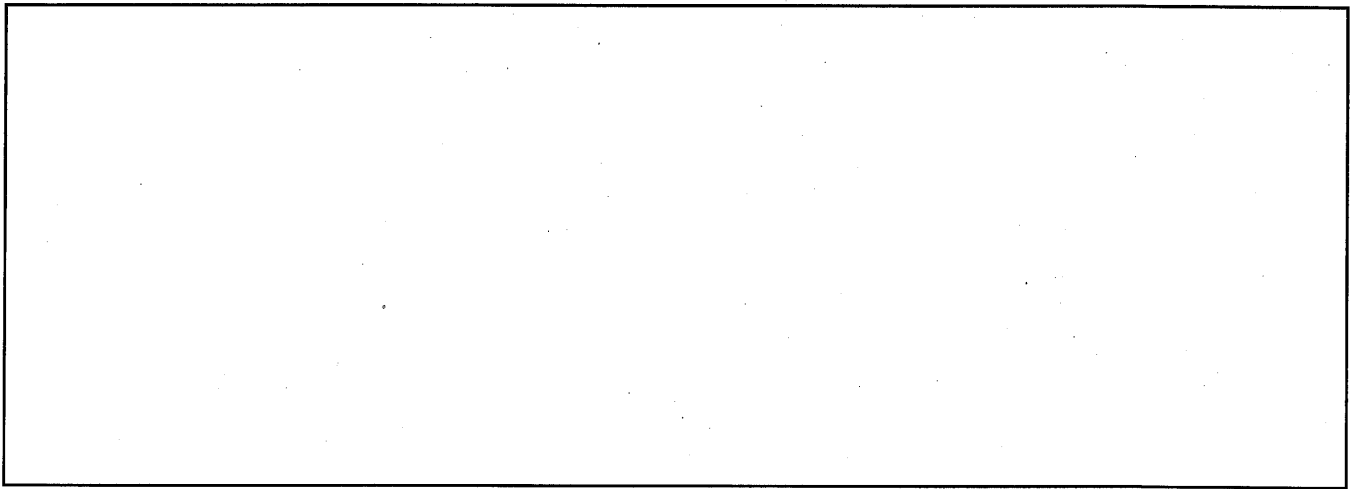
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