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THE DEPUTY SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

DECLASSIFIED  
PA/HO Department of State  
E.O. 12958, as amended  
May 4, 2006

17 APR 1973

Honorable Kenneth Rush  
Deputy Secretary of State  
Department of State  
Washington, D. C. 20520

Dear Ken:

(S) As a change to our planned timetable for withdrawal of our communications facilities at Kagnev and relocation to Diego Garcia, budgetary constraints compel us to phase-out of Kagnev earlier than we previously projected.

(S) Our original plan was to withdraw from Kagnev in the FY 1976-78 time period, depending principally on how quickly the Diego Garcia upgrade could be accomplished. Budgetary constraints necessitate advancing the Kagnev withdrawal to FY 1974, with a goal of having all U.S. military personnel out by the end of June 1974. This will allow earlier realization of the \$12 million annual saving to our Defense budget. At the same time, we would also hope to be able to expedite completion of the Diego Garcia upgrade to limit as much as possible the duration of the degradation of our communications service in the area.

(S) Even though we plan certain interim adjustments to our communications facility in Greece, there is no way to avoid a temporary degradation completely. Extended coverage from Greece cannot be relied upon, even for an interim period, because higher priority requirements in the Mediterranean are likely to preempt the adjusted coverage, and any permanent augmentation is infeasible because of the need for additional acreage. Planned improvements in the satellite program, useful for properly equipped subscribers, will also help relieve the high frequency traffic load to some degree. We might also consider temporary augmentations by mobile communication units.

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Classified by Asst SecDef (Telecom), DoD  
SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE OF  
EXECUTIVE ORDER 11652. AUTOMATICALLY DOWNGRADED  
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There will thus be operational risks during this interim period, were a serious contingency to develop in the area. The degradation would be unacceptable for a long period, but we believe the indicated ad hoc adjustments should adequately limit the risks involved. Our need, of course, is to foreshorten this period as much as feasible by accelerating the Diego Garcia upgrade.

(S) We appreciate that a political problem in our relations with Ethiopia might be posed by early withdrawal from Kagnaw. We believe, however, that on balance the cost effectiveness benefits as well as the security situation in Eritrea and the uncertainties that might follow from the demise of the Emperor support this decision. We would, of course, be acting within the terms of the 1953 base agreement and the 1955 lease that call for a one year notification. Also, consistent with the original plan, STONEHOUSE would remain indefinitely, as conditions allow, as well as MYSTIC STAR and AFTAC. We still plan on providing contractor operations/support for those functions at a level of several million dollars a year, to include the use of a contractor-operated Defense Satellite Communications System earth station. We anticipate that the communications support for STONEHOUSE, MYSTIC STAR, and AFTAC can accommodate any residual communications support that may be required by the Consulate in Asmara after the Department of State's communications activity closes at the end of FY 1974. Such support would be available until the STONEHOUSE-MYSTIC STAR-AFTAC functions are relocated/deactivated, by which time the Consulate itself might be closed, based on the limited number of Americans there in Asmara.

(S) In order to realize fully the significant budgetary savings and at the same time limit the period of degradation to our communications capability, I would hope that the scenarios already developed by our staffs for discussions with the British and notification to the Ethiopians could be amended accordingly and quickly implemented so that we can raise this proposal with Congress in the course of presentation of Navy's FY 1974 MILCON budget.

Sincerely,

Bill Clement

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