1. THE MILITARY SITUATION IN HUE, AS OF MID-MORNING 2 FEBRUARY, IS AS FOLLOWS:

A. THE USMC BATTALION SOUTH OF THE PERFUME RIVER CONTROLS THE LCU RAMP (LANDING ZONE), THE MACV COMPOUND AND SECTOR HEADQUARTERS WHICH IS ADJACENT. IT ATTEMPTED TO MOVE OUT EARLY THIS MORNING AND ENCOUNTERED HEAVY RESISTANCE, TOOK HEAVY CASUALTIES AND, BECAUSE IT RAN OUT OF 90MM AMMUNITION, STOPPED ITS ADVANCE.

B. GENERAL LAM, COMMANDING GENERAL I CORPS, HAS APPROVED BOMBING OF SELECTED TARGETS IN THE CITY, STARTING WITH "SMALL" BOMBS AND THEN GETTING BIGGER.

C. THERE ARE FIVE ARVN BATTALIONS COMMITTED TO THE LIBERATION OF HUE. AN AIRBORNE BATTALION WAS PUT INTO THE
HOSPITAL AREA WITHIN THE CITADEL, ADJACENT TO ARVN FIRST DIVISION HEADQUARTERS; AN AIRBORNE BATTALION IS APPROACHING HUE FROM THE NORTH; ONE BATTALION IS TRYING TO GET INTO THE CITADEL FROM THE WEST AND ANOTHER FROM THE EAST, BOTH MEETING HEAVY RESISTANCE.

D. THERE HAS BEEN DISCUSSION OF COMMITTING A U.S. FIRST AIR CAVALRY BATTALION INTO THE CITADEL THIS AFTERNOON.

E. IN THE MACV COMPOUND THERE WERE 14 AMERICAN CIVILIANS WOUNDED, OF WHOM 8 WERE MEDEVACED; AS WELL AS 11 MACV MEMBERS MEDEVACED.

F. SPORADIC MORTARING OF THE MACV COMPOUND CONTINUES.

2. DISSEM: NO LOCAL DISSEM.

REPORT CLASS CONFIDENTIAL NO FOREIGN DISSEM