

**Budget Committee Report**  
14 and 15 March 1991  
Washington, D.C.

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1.1 The Budget Committee met in Washington, D.C. on 14 and 15 March 1991. *Ans'd*.....  
Members present were James Briden as chair, Hans Dürbaum, Arthur Nowell, Ralph Moberly, and Garrett Brass (acting for James Austin). Present for part of the time were Philip Rabinowitz, Audrey Meyer, and Rick McPherson (TAMU), Roger Anderson and Xenia Golovchenko (LDGO), and Thomas Pyle and Ellen Kappel (JOI).

1.2 The National Science Foundation had provided a target figure for Fiscal Year 1992 of \$41.4M from U.S. and partner-country funds.

2. FORWARD LOOK

2.1 The BCOM has an important task beyond the one of recommending to JOI, on behalf of the Executive and Planning Committees, an appropriate distribution of funds with which to carry out the Program Plan for the next fiscal year. As it has in recent years, BCOM identified efforts to advance drilling, core recovery, and logging that will be required in years beyond FY92, and attempted to identify special operating funds to accelerate those efforts. Within a total budget of \$41.4M we could identify only \$1.81M for these important expenditures (4.6% of our allocations to TAMU and LDGO). The JOIDES advisory structure, in particular TEDCOM, DMP, and PCOM, has indicated that the present rate of development will delay and perhaps preclude attacks on many important scientific problems.

2.2 After its evaluation of the program and the rate of technological developments, EXCOM in 1988 had projected that total costs for each fiscal year in the late 1980s and early 1990s should be about \$1M more than the budgetary target figures given them by NSF. BCOM estimates that the minimum figures for fiscal years 1992, 1993, and 1994 are expected to be \$42.5M, \$44M, and \$45M respectively, assuming low inflation. Additional funds should be dedicated to projects designed to improve the scientific return from operations planned for the early phases of the Long Range Plan. We ask JOI to pursue all these avenues with the National Science Foundation to secure these additional funds required for the successful pursuit of the highly ranked scientific objectives identified by JOIDES. (ACTION: JOI)

3. PROPOSALS TO BCOM

3.1 The draft budgets proposed to BCOM were:

TAMU	\$36,010,100
LDGO	4,022,794
JOI/JOIDES	1,504,688
MRCs	<u>70,000</u>
Total	\$41,607,582

3.2 Additionally, BCOM had to address an unfunded carryover of \$307K from FY90 into FY91, principally attributable to LDGO.

- 3.3 Following preparatory Private Session, presentations were made by the prime contractor and the chief subcontractors on March 14. Particular attention was focused in the TAMU presentation on the Special Operating Expenses items with emphasis on technological development, particularly Phases II and III of the Diamond Coring System, and on completing the catch up of the publications. We noted that the second manuscript coordinator who was funded last year to assist in the catch up has been incorporated in the base budget. It is unclear whether this second person will be required once the catch up is complete in FY92. Included in the TAMU SOE request was support for expanding the Gulf Coast repository by completing the refrigeration. This item had been deferred from last year. The 4% increase in the SEDCO day rate reflects an anticipated PPI adjustment.

Concern about escalating fuel costs last fall resulted in a special allocation from NSF to meet anticipated costs in FY91. NSF has also indicated that it will consider requests for a special supplement directed only to increased fuel costs should such a circumstance occur in FY92. At the direction of NSF, the budget presented was based on a fuel price of \$200 per metric ton.

- 3.4 The LDGO presentation focused on their request for a significant increase in base budget, the rationale for which was founded on a rise in demand for logging products, especially the increased work-load derived from the addition of FMS data. The wireline packer has been put on hold, and LDGO proposes to spend only \$80,000 of the \$180,000 in the FY91 SOE budget; they requested to carry forward the remainder for tool development in FY92.

Because of a very heavy work-load, LDGO has also proposed to drop the second year of membership (\$9,000) in the Conoco Consortium for comparative assessment of logging tools. The LDGO request included the Schlumberger logging subcontract, which had a 6.4% increase.

- 3.5 The JOI/JOIDES presentation noted the uncertainty in the JOI overhead due to variation in the total volume of JOI business. The budget presented for FY92 for the JOIDES Office had unavoidably been prepared without the direct input of the head of the JOIDES Office.
- 3.6 There was no presentation on the MRC, which is in the second year of a two year project approved last year.

#### 4. RECOMMENDATIONS

- 4.1 The Committee moved into executive session and focused its immediate attention on the importance of engineering development, not only within the SOE but also the core budgets. The Budget Committee considered the rate of technological progress in ODP under the target budget figures to be slower than is healthy for the program. Several million dollars per year more could be very well spent. As a consequence, BCOM recommends that priority technology enhancement initiatives should be identified amounting to \$1.1M to be implemented if the target figure were raised from \$41,400K to \$42,500K (see paragraph 2.2). The opportunity to propose such enhancements should be extended to all parts of the ODP community and not restricted to the subcontractors. (ACTION: JOI)

The importance of significant timely progress on the Diamond Coring System was emphasized. The Committee felt that the status of each project in engineering

development should be evaluated. Rather than the slower progress on many fronts that is presently being achieved, PCOM should evaluate each in terms of the advice of its panels and the schedules presented by TAMU and consider which should be terminated and which should be identified for rapid development. (ACTION: JOI to PCOM)

The Budget Committee therefore recommends the following allocations, with comments in paragraphs 4.2 - 4.6:

	<u>BASE</u>	<u>SOE</u>	<u>TOTAL</u>
TAMU	\$34,254K	\$1,551K	\$35,805K
LDGO	3,810	140	3,950
JOI/JOIDES	1,450	—	1,450
MRC	70	—	70
Additional Technological Developments	<u>—</u>	<u>125</u>	<u>125</u>
Total	\$39,584	\$1,186	\$41,400

**Standard Operating Expenses**  
(in \$K)

	<u>REQUESTED</u>	<u>PROPOSED</u>
<b>TAMU</b>		
1. Publications: additional volumes	\$120	\$70
2. Repository refrigeration	91	91
3. a) Recoating drill pipe	125	—
b) Hess Deep or            )		
c) DCS (additional to    )	350	350
4 below)                )		see later
4. II DCS	660	660
III DCS	120	220
5. Forklift	30	—
6. Scientific Equipment	<u>160</u>	<u>160</u>
	\$1,656	\$1,551
7. Science Operations	189	
8. Drilling Operations	715	
<b>LDGO</b>		
1. High-Temperature Tool	140	140
<b>Additional Technological     Developments</b>	<u>—</u>	<u>125</u>
	\$2,700	\$1,816

Compare with target SOE based on 4% TAMU + LDGO: \$1,590

- 4.2 TAMU. BCOM was pleased that once again the base-budget requests were very close to the target figures and responded effectively to the Science Plan. For TAMU, BCOM proposes that the base budget be set at \$34,254K, that is \$100K less than requested. Moreover, the recoating of the drillpipe and any addition to the special provision for publications (see items 1, 3a of SOE table and notes below) must be met as priority items within this base. Reductions in the base budget should not come from the high-priority categories of engineering and publications.

BCOM recommends top priority be maintained to completing the catching up on publications, to achieve removal of the backlog and steady-state publication ("Initial Reports"-12 months, "Scientific Results"-36 months after the end of the leg) by the end of FY92. It therefore accepts this SOE bid which should be the last that is required for this purpose. However, BCOM noted that "Initial Reports" for Leg 132, 136, 137, and "Scientific Results" for Leg 124E would be small, and therefore reduced the budget provision without lowering priority.

BCOM also endorsed top priority SOE for the core repository refrigeration, Hess Deep, Diamond Coring System and scientific equipment (items 2, 3b, 4 and 6 of SOE table) with some qualifications—see below.

- The core repository refrigeration clearly cannot be delayed again and must be implemented in FY92.
  - BCOM approved the request for \$350K for Hess Deep drilling but suggested that if Hess Deep is deferred, the funds to support it should be carried forward to the year in which it is actually drilled rather than being automatically transferred to the DCS Phase III project.
  - On the Diamond Coring System, BCOM accepted the advice that Phase II of the DCS development and trials (operating from the derrick) is necessary and urgent, but also that transfer to the rig floor (Phase III) should be explored as rapidly as possible to minimize the time to eventual completion of this project. BCOM therefore approved these bids in full, and enhanced the provision for Phase III in the knowledge that TAMU's bid had been limited by their perception of money available.
  - While BCOM agreed on the allocation of \$160K SOE for scientific equipment, it was not fully satisfied with the prioritisation of items within this request and item 7 (Science Operations). BCOM recommends reconsideration by the Advisory Structure. In particular, it was suggested that TAMU staff convey cruise report and Co-Chiefs' Meeting recommendations to PCOM regarding priorities for shipboard scientific equipment (ACTION: JOI, PCOM, TAMU). Scanning and recoating of drillpipe is a sensible and economic step; it is regarded by BCOM as a proper component of ongoing re-stocking and refurbishment and therefore not eligible for SOE except possibly in a year when there is headroom in the budget for "buying ahead." It is an essential item which should be done within the base Base Budget in FY92.
- 4.3 LDGO-BRG. The Budget Committee was pleased with the accomplishments of the Borehole Research Group over the last year but expressed concern over the cost overrun. BCOM recommended that the cost overrun not be carried forward into FY92 but that \$100K of unexpended FY91 SOE funds be reprogrammed to cover part of the

overrun which was the result of genuinely special expenditure of high priority and mostly totally unavoidable. JOI and LDGO should find ways of meeting the remainder of the overspend in FY91. (ACTION: JOI, LDGO)

BCOM recognized the increase in demand on BRG's time and recommended granting most of LDGO's requested increase to their base budget. Within this, it recommends that three of the additional personnel requested should be added. The Committee expects that this increase in personnel should be sufficient, if used creatively, to cover the increase in BRG's task and did not approve a fourth position. The Committee also recommended that the increase for "other direct costs" should be moderated although after further consultation with LDGO, it recognised that savings may actually have to be achieved elsewhere instead, in consultation with JOI.

The Committee approved the \$140K SOE request for high-temperature tools. Because of the necessity to eliminate the carried-over deficit in FY91, SOE monies will not be available for carrying forward to FY92 as LDGO had requested. But the opportunity to compete for further SOE monies is identified in 4.6 below.

- 4.4 JOI/JOIDES. The Committee approved the budget requests of JOI and JOIDES offices subject to reductions of \$25K and \$30K respectively. In the case of the JOI office, this reduction should be accomplished by a modest reduction in personnel assigned to the program. At the JOIDES office, the reduction reflects the BCOM's estimate of the potential savings based on the past record of the JOIDES Office budget.
  - 4.5 MRC. BCOM recommended the second and final installment of funds for making radiolarian reference slides for use at the Micropaleontological Reference Centers.
  - 4.6 Additional SOE. The result of BCOM's deliberations produced a budget allocation some \$125K below the present target figure notified by NSF. It is recommended that JOI management allocate this for additional SOEs, which should be identified by the start of the fiscal year. These funds should not be used to restore base-budget cuts, and SOE requests not included in the original budget submission should not automatically be funded from this pool: it is specifically for innovative SOE expenditures to accelerate technological progress.
5. Aide Memoire for BCOM 1992

Next year the Budget Committee will be giving detailed consideration to the budget for the final year of this phase of the program. It may be that two budgets will need to be considered depending on the progress of renewal negotiations. In any case it will be most useful to have available at the meeting, detailed background information for each of the TAMU, LDGO, JOI, and JOIDES cost centers; much of this was available to the 1991 BCOM but was not used. We anticipate particular scrutiny to major equipment and salary provisions next year. More immediately, we request that the 1991 Performance Evaluation Committee (PEC 3) assess the present equipment situation of the subcontractors as this would inform BCOM in its task. (ACTION: JOI)

6. In addition to the actions identified earlier in this report, BCOM invites JOI to invite further discussions with the subcontractors and JOIDES Advisory Structure to develop the 1992 Program Plan and compatible budget. (ACTION: JOI)