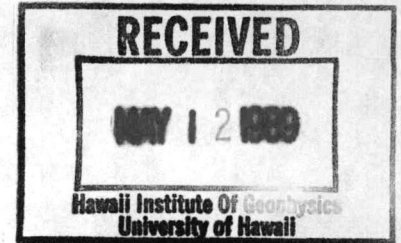


BCOM Report  
7 and 8 March 1989  
Washington D.C.



1. BCOM met in Washington D.C. on 7 and 8 March 1989. Members present were Brian Lewis in the chair, Jim Briden, Ralph Moberly and Nick Pisiias; Jan Stel was ill and unable to attend. Also present were Xenia Golovchenko (LDGO), Phil Rabinowitz (morning of 7 March) and Sylvia DeVoge (TAMU), and Tom Pyle and Ellen Kappel (JOI).

2. Proposals presented to BCOM. Excellent presentations were made to the committee which provided the BCOM with an overview of the budget requests. In the discussions that developed problems that needed attention from the BCOM were identified.

The proposed draft budget totals presented to BCOM were compared to the initial targets set in the FY89 four year plan as follows:

|            | Presented    | Target       |
|------------|--------------|--------------|
| TAMU       | \$33,239,000 | \$33,239,000 |
| LDGO       | 3,303,761    | 3,029,000    |
| JOI/JOIDES | 1,740,359    | 1,664,000    |
| MRC (*)    | 45,142       | 0            |
| Total      | \$38,328,262 | \$38,000,000 |

(\*) Micropaleontology Reference Center.

3. Major Factors. In the late afternoon of 7 March the BCOM reviewed, in executive session, the budget in terms of the FY90 program plan, the long range outlook for ODP, recommendations by recent reviews of ODP, and the necessity to balance the budget. It was recognized that:

(3.1) There were two elements of the budget that are non-negotiable by JOI Inc, namely the SEDCO and Schlumberger contracts.

(3.2) Such items as fuel, port call costs, and travel costs are difficult to predict but TAMU has made realistic estimates of probable costs.

(3.3) Potential increases in the SEDCO day-rate have not been budgeted. As in previous years, day-rate increases and deductibles for insurance claims will have to be dealt with by management if they occur.

(3.4) The containment of payroll costs is critical not only for FY90, which has a \$2M total increase over the previous

year, but even more so in future years when comparable increases are not assured.

- (3.5) The target of 4% Special Operating Expenses (SOE), which is based on the total budget (\$38M) minus the JOI/JOIDES budget, is \$1,447,600. It must be achieved and utilized for the purposes originally intended by JOIDES. The total SOE included in the presented budget drafts was \$1,073,500, which was short of the 4% by \$374,100.
- (3.6) An unexpected fourfold increase in the insurance for Schlumberger tools significantly impacted the FY90 budget.
- (3.7) The costs for publishing the Long Range Plan of ODP and the brochure highlighting significant achievements of ODP were not included in the 4 year program plan prepared last year but must be allowed for now.
- (3.8) The availability of the digital bore-hole televiewer at a significantly reduced cost needed to be considered in terms of the FY90 program plan.
- (3.9) Concern for the long range future of ODP has raised the question of timely publication of ODP results.

The BCOM discussed the budget in these terms placing special emphasis on the publication and engineering issues. Specifically the BCOM recognized the concerns expressed to JOIDES about editorial support for the "Results" volume and that the use of a small diameter diamond coring system could preclude the use of specialty logging tools.

On the morning of 8 March BCOM obtained comments from the sub-contractors about consequences to their programs of smaller increases than they had proposed. During the remainder of the day BCOM, in executive session, developed the following recommendations.

4. Special Operating Expenses. To ensure the "innovation content" of the Ocean Drilling Program and to address the issues mentioned above the BCOM makes the following recommendations for SOE funds:

- (4.1) \$16,000 TAMU for publications equipment as specified in the TAMU draft budget to improve capability in graphics.
- (4.2) \$70,000 to be added to the publications budget specifically for hiring two temporary copy editors to assist the preparation of "Results" volume papers submitted to ODP. In the view of the BCOM these funds are necessary independent of any change in

publication policy proposed by JOIDES. This recommendation is made based on the concern over timely publication of ODP results expressed by review panels and the concern over the lack of adequate copy editing expressed through JOIDES.

- (4.3) \$364,600 for drilling supplies (casing, guide bases and hard-rock supplies) associated with hard-rock drilling operations as specified in the TAMU draft budget.
- (4.4) \$45,000 for the development of the smaller hard-rock guide base as specified in the TAMU draft budget.
- (4.5) \$400,000 for further development of the diamond coring system (DCS). The BCOM anticipates that the specific use of these funds will be defined after the evaluation of the results of Leg 124E.
- (4.6) \$95,000 for testing on land of the DCS and such other systems as necessary following the evaluation of Leg 124E.
- (4.7) \$125,000 for the feasibility study of drilling to 7500m with the DCS and the feasibility of reaming the hole for use of specialized downhole tools.
- (4.8) \$170,000 for upgrading shipboard equipment. BCOM added \$20,000 to the TAMU request for shipboard equipment so as to include upgrading the seismic computer system. The BCOM recognizes that the Shipboard Measurements Panel will make recommendations to PCOM to set the priorities for use of these funds.

Items 4.6 and 4.7 were indicated in the back-up information of the TAMU submission but not included in their budget request. The BCOM recommends that the \$81,900 request by TAMU for additional computer equipment for computer services be rejected. As a result of these recommendations the SOE for TAMU is \$1,285,600.

- (4.9) \$103,488 LDGO to cover the unexpected additional insurance costs.
- (4.10) \$57,600 for the lease-purchase of the digital borehole televiewer as specified in the LDGO draft budget.



The total SOE for LDGO is thus recommended to be \$161,088.

(4.11) \$73,000 JOI/JOIDES  
for publication by JOI Inc. of the Long Range  
Plan and dissemination of a brochure on  
scientific accomplishments of ODP.

The total SOE for JOI/JOIDES is thus recommended to be \$73,000.

BCOM rejected the request for funds to provide radiolarian reference slides to existing micropaleontology reference centers. It was felt that the specific request had not been reviewed by JOIDES and that, in general, an RFP should be issued for any such requests.

It is viewed by the BCOM that, within the total budget of \$38,000,000 for FY90 and the above SOE distribution, it is possible to attain the following revised budget targets:

|            | Total        | Included SOE |                                |
|------------|--------------|--------------|--------------------------------|
| TAMU       | \$33,078,182 | 1,285,600    |                                |
| LDGO       | 3,196,819    | 161,088      |                                |
| JOI/JOIDES | 1,724,999    | 73,000       |                                |
| Total      | 38,000,000   | 1,519,688    | (recommended SOE equals 4.18%) |

5. Consequences for Base Budget. While making these recommendations the BCOM recognized that TAMU had done an admirable job in presenting a budget within the target total. Issues that occurred after these targets were defined, however, required a reduction of about \$160,000. The BCOM also notes that the budget presented by TAMU contained payroll increases of 12%, which is well beyond the overall level of increase in the ODP budget and beyond the increase (4%) projected in the four-year program plan written in FY89. Given the projected increases for FY91 and FY92 (either by JOIDES or NSF), failure to contain payroll costs now will result in very difficult budget decisions in these years.

The revised target for TAMU increased their SOE by \$212,000 while reducing their total budget request by \$161,000. BCOM reaffirms that it deems these revisions as essential to enable the total SOE for the whole Ocean Drilling Program to be revised from \$1,073,000 to at least \$1,447,600, including major SOE elements that are attributed to LDGO and JOI.

The consequences of the revised allocations for LDGO are that the borehole televiewer and insurance costs can be covered but only about one third of the labor needed to meet the increased workload is provided for in this target budget.

The JOI/JOIDES base budget was reduced from the initial target figure by about 2% in line with that of the Science Operator, but a \$73,000 SOE was assigned to JOI/JOIDES to address what BCOM considered to be a very high priority issue.

6. These financial constraints will impact upon the performance of the program immediately in FY90. This situation will occur in a year in which the budget will be \$2,000,000 higher than in the previous year. It indicates clearly that even with the most optimistic predictions for inflation, the program will be in crisis in 1991 and 1992 if the further \$2,000,000 per annum budget increases called for last year by BCOM and strongly endorsed by EXCOM are not forthcoming.

BCOM passed these recommendations to JOI Inc. for discussions with the subcontractors.