MEMORANDUM FOR THE ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

Subject: FY-1964 Budget for the LORAN Navigation System

1. Reference is made to the LORAN Installation Plan, 1961, and to meetings on 23 and 29 November 1962 of representatives of the Bureau of the Budget, Assistant Secretary of Defense (Comptroller), Joint Staff (J-5), Chief of Naval Operations and United States Coast Guard to consider the subject funding requirement.

2. The requirements detailed in the enclosure hereeto are in accordance with the referenced 1961 plan as modified by recent submissions by the commanders of unified and specified commands. They have been coordinated with the Commandant, US Coast Guard. Other requirements are expected to develop within the next few months, but not in time for inclusion in the FY-1964 budget. These will be considered in the revision of the 1961 plan and in subsequent annual budgets as appropriate. Among subsequent budget considerations will be:

   a. the question of "hardening" LORAN sites,

   b. the use of the LORAN-C for civil defense and military alerting,

   c. a large LORAN-C requirement reportedly in the magnitude of eighteen LORAN-C stations for the Atlantic Missile Range,

   d. an Air Force requirement for LORAN-C stations in the continental United States to support nuclear detection (NUDETS),

   e. LORAN-C support for the Sound Surveillance System (SOSUS) program,

   f. disestablishment of approximately twenty-one LORAN-A stations in the Pacific with possible substitution of a few LORAN-C stations thereafter, and

   g. investigation of skywave coverage to expand the usefulness of existing facilities.
3. In the past the Coast Guard has absorbed logistical costs in connection with construction. With the continued expansion of the LORAN-C program these costs are now beyond the budgeting capability of the Coast Guard. A recent Coast Guard submission included such costs, thus raising the question as to their validity for Department of Defense funding. It is the opinion of the Joint Chiefs of Staff that such costs should be included under "construction" for which the DOD has budget responsibility instead of "continued operation and maintenance" costs for which the Coast Guard is responsible after stations have become operational.

4. The "gold flow" policy has affected adversely the on-schedule completion of one LORAN-C station (Cape Race, Newfoundland) to date. To preclude future similar delays it is requested that station construction be given the same priority enjoyed by the primary program which that station is to support.

5. It is requested that language in the budget request and the subsequent appropriation be less restrictive, providing for expenditure of current year funds for advance planning, studies, surveys, contractual costs, procurement of long lead time equipment, logistics in support of construction and in anticipation of subsequent fiscal year LORAN-C construction. This will permit timely obligation of funds leading to earlier initiation of construction following appropriation of funds requested in any fiscal year.

6. The requirements listed in the enclosure are in order of priority of importance to the Joint Chiefs of Staff.

Enclosure
LORAN CONSTR PROGRAM-64