



Department of Energy
 Nevada Operations Office
 P. O. Box 14100
 Las Vegas, NV 89114

JUL 12 1978

James L. Liverman, Acting Assistant
 Secretary for Environment, Headquarters

MARSHALL ISLANDS RESEARCH VESSEL

As you and your staff are abundantly aware, the EV programs in the Marshall Islands have been badly handicapped since the loss of our dedicated research vessel Liktañur last October. We have been able to support a few of the most essential projects by chartering Trust Territory field trip ships but without exception the scientific parties have found these unsatisfactory. Their scheduling is erratic, the cost is excessive and the ships themselves are not suitably configured. We have also received some criticism in the Press for utilizing scarce Trust Territory assets, and the High Commissioner has indicated that he will not be able to continue to provide this support.

Roger Ray, working with the PASO staff in Honolulu, has examined a number of alternatives for providing a replacement research vessel at reasonable cost. Our Property Management staff has continuously screened appropriate excess property sources. A number of ships have been considered and those appearing to have promise have been inspected. Assistance in this effort has been obtained from the Army, the Navy, the University of Hawaii Marine Center and private contractors. The evaluation has almost reached the point where a firm proposal can be made. The vessel which we expect to propose is a YFU, which resembles an LCU, but is far more suitable for open ocean travel. The particular vessel we have in mind is YFU-81, available from the Navy at Guam. It will require reactivation and renovation at a cost currently estimated at \$450K (+ 15%). The operating cost should be in the range of our Liktañur costs, i. e., \$425 - \$450K per year. The detailed breakdown of activation costs between FY-78 and FY-79 will depend upon when authorization to proceed is received. The division between capital and operating funds is being studied.

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James L. Liverman

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This memorandum is to request your concurrence in principle in our continuing to evaluate the YFU option and specifically your statement as to whether we are justified in placing a "hold" on the YFU-81 in expectation of funding as estimated above. I am satisfied that the current concept is a sound one and that it is most unlikely that a satisfactory alternative will be found at significantly lower cost.

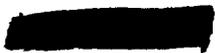
With your concurrence to proceed, and with timely availability of funds, I believe that we can have a firm proposal in your hands by 15 August and a ship in operation 90-120 days after release of funds.

Your early response will be appreciated.



Mahlon E. Gates
Manager

cc: W. W. Burr, EV, HQ
H. Hollister, EV, HQ
W. W. Weyzen, EV, HQ
R. L. Watters, EV, HQ
L. J. Deal, EV, HQ
H. McCammon, EV, HQ
H. G. Fish, EV, HQ



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H. WASHINGTON EA' HO
T. T. DEPT. EA' HO
W. T. DEPT. EA' HO
M. A. DEPT. EA' HO
H. DEPT. EA' HO
cc: M. A. DEPT. EA' HO

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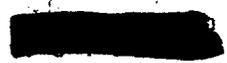
YOUR BEST RESPONSE WILL BE APPRECIATED.

and a shift in operation 80-150 days after release of funds.
I realize that we can have a high probability in your hands by 12 August
with your concurrence to proceed, and with timely availability of funds.

Administrative matters will be found at significantly lower cost.
Current costs are a sound one and that is the most important part of
operation of funding as estimated above. I am assured that the
as to whether we are justified in doing a job, on the 12-31 in
conforming to evaluate the 12-31 cost and administratively your agreement
this memorandum is to report your concurrence in principle in our

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