



DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD

Address reply to:
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Fourteenth Coast Guard District
677 Ala Moana
Honolulu, Hawaii 96813

11011
Ser 32520
28 SEP 1971

From: Commander, Fourteenth Coast Guard District
To: Commandant (A)

Subj: Philippine Loran Stations; operation and support of

Ref: (a) U.S. - GOP Agreement of 10 October 1970
(b) CCGD14 ltr 11011 Ser 20225 of 10 August 1971 to COMDT (FSL)

1. The five former USCG Loran-A Stations in the Philippines have been operated by the Philippine Coast Guard for more than five months now. Under the terms of reference (a), the USCG provides complete material support for Loran, SSB communications, and power generating equipment at the stations; maintains a small staff in Manila to provide technical and supply assistance; and gives the Government of the Philippines \$25,000 (\$5000 per station) annually to cover incidental costs.
2. The exact extent of USCG interest in, and responsibility for, the successful operation of these stations has never been firmly spelled out. However, inasmuch as we are keeping a staff of 14 in Manila and spending over \$100,000 a year to support these stations, some degree of interest is indicated. Recent questions and requests from COMPHILSEC, reports from COMFESEC on the Miyako Jima - Batan rate, and a recent visit to the Philippines by a district staff officer have identified some problem areas. This letter discusses these problems and offers some recommendations.
3. First, it should be pointed out that all the stations are on the air and generally producing reliable navigational signals. A Barbers Point C-130 recently used all Philippine rates in flying from Palau to Cubi Pt. to Cam Ranh Bay to Cubi Pt. to Saigon to Con Son to Taipei, with good results. Naulo Point, the only station visited recently, looked just the same as it did when the USCG had it; buildings, grounds, equipment, and personnel presented an excellent appearance.
4. There are two basic problem areas: transportation and funding/procurement. The first of these, transportation, is the key to the future of these stations. Reference (a) provides that "USCG technicians may, upon notification to the Philippine Coast Guard, visit any of the stations." Both the PHILSEC staff and the Philippine Coast Guard are anxious to have these visits made frequently. However, the Philippine Air Force, which received the former USCG HU-16's, had provided only three flights to LORSTAs as of 2 September. Electronic and diesel technicians from PHILSEC had each

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managed one visit to each of the stations, travelling via a variety of means, including fishing vessels. For example on 30 August an inspection party of PHILSEC, 14CGD and PHIL CG officers visited Naulo Point via a single engine PHIL Navy plane; and on 1 September PHILSEC ET's went to Talampulan for emergency repairs via a USN helicopter.

5. During the period 2 - 10 September, there were three flights to LORSTAS by PHIL AF HU-16's, however, and there are indications that the situation will continue to improve. If it does not, we may request some diplomatic prodding; but at the present time it appears best to wait and see what develops. The Commandant of the Philippine Coast Guard is making an effort to improve transportation, and there are several valid reasons for the previous lack of flights and the recent improvement.

6. With regards to funding and procurement, several small questions and problems have come up; and some of these are listed here, not so much for their individual significance, but because they illustrate a general situation:

a. PCG is communicating with the LORSTAS from their Loran HQ in the old PHILSEC office at Sangley, rather than from the PHIL Navy RADSTA in Manila, as we thought they would. The Loran HQ uses an SSB-1, received from CG Air Station Sangley in accordance with ANNEX A Part II of reference (a). However, this radio, unlike those at the stations, has no linear amplifier and is therefore not very efficient. PCG has requested USCG to provide an amplifier. Reference (a) provides that USCG will support SSB communication equipment "located in the five Loran Stations at the time of transfer," but we are under no obligation to support radio equipment at Manila/Sangley. We intend to obtain this amplifier anyway, but it costs money.

b. USCG has used, and recommends HDO-30 lub oil for the UD-9 engines on the stations. PCG obtains lub oil on its own government contract, and it is SAE-40. It is generally agreed that using HDO-30 would save on maintenance and therefore on USCG-funded spare parts, but there is no machinery in the agreement for USCG supplying lub oil. Our present feeling is that the difference in the two oils will not be significant enough over the next 3 or 4 years to warrant any unusual arrangements.

c. M-37 vehicles on the stations are in varying states of repair; their problems are probably no worse than when USCG had them. However, repair is lagging. Vehicles are not our responsibility, but they come in handy when our people go to the stations to work on the things which are our responsibility. (The PHILSEC staff is trying to figure how to get a new generator up the hill from the boat landing to the power building at Catanduanes, with the M-37 disabled). Similar problems are developing

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with other items such as fresh water pumps, outboard motors, and even light bulbs (most Philippine electrical systems are 220 volts). These problems are caused, or aggravated, by a number of things: lack of funds and difficult procurement procedures in the PCG, the PCG trying to support U.S.-made equipment through its own supply system, and inadequate transportation.

d. Money itself is of course a problem. The \$25,000 was, we understand, turned over to the PCG on 1 September. The Commander of the Philippine Loran Stations estimates his annual budget requirements to be about \$100,000. Fuel alone will cost \$15,000 to \$20,000 a year.

e. Reference (b) and enclosures presented the question of payment of the lease at Naulo Point.

7. It appears that the United States did a very effective job of negotiating a tight turnover agreement. However, if we are interested in really helping the PCG operate the stations successfully, it may be too tight. This is good; it's easier to relax a tight agreement than to tighten up a loose one. Admittedly, reference (a) only states what we are committed to doing; it doesn't prohibit us from doing more. However, it provides neither the machinery nor the money to do much more. The FY 72 budget for PHILSEC provides \$53,600 for required support of electronic and power generating equipment at the stations and \$21,700 for operating the section. The amount is adequate but not excessive for the requirements of the agreement. It, together with the \$25,000 payment to GOP, gives a total of \$100,300, not including pay and allowances, being spent on the program.

8. The \$25,000 annual payment to GOP is, according to reference (a), "to help defray the cost of supplying and operating the said stations." It is recommended that an additional \$3000 per station, or total additional \$15,000 be provided. (We understand that, at the time of the negotiations, the USCG was prepared to go as high as \$50,000). This money should be given to COMPHILSEC to be spent only for direct support of the stations and should be set up so that any of it can be spent by COMPHILSEC or transferred to the PCG. This contingency fund would provide for the many miscellaneous items which we are not required to support but which are necessary for the proper operation of the stations, and which the PCG either cannot afford or cannot obtain. It may be possible, and desirable if PAF logistic support does not continue to improve, to tie this extra financial support to satisfactory transportation performance. It should be mentioned here that the Commander of the Philippine Loran Stations has stated verbally (referring to the original \$25,000 payment) that he would be just as happy if COMPHILSEC could spend some of it for him, as he has procurement problems. There doesn't seem to be much chance, diplomatically or practically, of returning any of this money to U.S. control; and, as noted in paragraph 6d, the \$25,000 isn't going to stretch very far.

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9. In summary, the Philippine Coast Guard and U.S. Coast Guard personnel involved in the Loran program are competent, work well together, and are trying to make a success of the program. Lack of transportation has hindered their efforts, and improved transportation is the primary need. The turnover agreement is basically sound and not susceptible to abuse. Trying to work within the terms of this agreement, and with a nation whose administrative and support procedures are not as sophisticated as ours, naturally presents some problems. A moderate increase in the amount and flexibility of monetary assistance should help solve these problems and thereby help protect our present investment in men and funds, and contribute to good Loran service.

10. There are also some problems with radio communication frequencies, within the chain and between Batan and Miyako Jima. These are being resolved through normal channels.



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