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INTELSAT CONFERENCE

Minutes of Meeting of Executive Committee
February 18, 1969

Present: Ambassador Leonard H. Marks
Chairman Rosel H. Hyde, FCC
Mr. Frank E. Loy, State
Mr. Ward P. Allen, State
Gen. James McCormack, COMSAT
Gen. James D. O'Connell, DTM
Mr. Abbott Washburn, White House
Ambassador John S. Hayes
Mr. William K. Miller, State
Mr. John A. Johnson, COMSAT
Mr. Nicholas Zapple, Senate Commerce Committee
Mr. Ralph Clark, DTM
Mr. Wilson P. Dizard, State

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E.O. 13526, Sec. 3.3h

By MW, NARA, Date 11/29/12

1. CETS Observer

It was agreed that the CETS request for observer status should be turned down.

2. Draft Agreement

Several points raised by Mr. Johnson in connection with the draft agreement were discussed. Regarding the access issue, after discussion, it was agreed to postpone a final decision. Regarding the functions of the assembly, there was discussion, but no final decision, on the question of the precise nature of the assembly's role in making recommendations to the board of governors. Regarding Article VII (b), it was agreed that Mr. Miller would review the language on "coordination" and make recommendations to the committee. Mr. Johnson's proposal, made at the February 14 meeting, for explicit language prohibiting participation by Intelsat members in competing systems

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was discussed. It was agreed that the FCC would further examine the language in this section of the draft (Article VIII (a)).

3. Veto Restrictions on Governing Board

Mr. Loy submitted proposed language on this point to the committee. A decision was deferred.

4. Fixed Term for Manager

Mr. McCormack suggested that the committee consider this problem. It was agreed that this would be done at a later meeting.

5. Conference Chairmanships

The discussion centered on the question of a chairman for subcommittee 1-A. After discussion, the Chairman said that the delegation would seek an American chairman for this committee.

6. Operating Agreement

It was agreed that the draft, just distributed, would be considered at the committee's next meeting. In the meantime, a Committee 2 working group would study the draft and make any necessary recommendations via Mr. McCormack.

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Ambassador John S. Hayes
Mr. William K. Miller, State
Mr. John A. Johnson, COMSAT
Mr. Asher Ende, FCC
Mr. Nicholas Zapple, Senate Commerce Committee
Mr. Wilson P. Dizard, State
Mr. Ralph Clark, DTM
Mr. Richard Hennes, State

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E.O. 13526, Sec. 3.3h

By mw, NARA, Date 11/29/12

1. Minutes of Last Meeting

The minutes were adopted.

2. Ward Allen Report

Mr. Allen reported on his Latin American trip. In general, he said, Latin American officials were receptive to the points made by the visiting delegation.

3. Duration of Manager Contract

After discussion, it was agreed that this subject should be considered later.

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Role of observers

Submit ~~the~~

No vote

written comments -

Speak at invitation of chairman

Abn Roca working to round up support
for chair.

De La Collina ^{Mexico} VC for Latin America
Brazil -

Vote for US chair IA.

Deny to incompetent

Suggested Australian

US Vice Chair of IA

General Debate - Avoid if possible
But cannot.

CETS agrees with no general speeches -

AM sessions start late

First PM

Notable to

Hartog for
Vice Chairman

Hand in speeches in writing -

Raise the Question of Chairmanship IA.

Roll Call

4. Unfinished Business Raised in Mr. Miller's Memorandum

There was general agreement on making the voting procedures for bringing the agreement into force and for amending the agreement the same, i.e. two-thirds plus 80% weighted vote. On Article VI (a), after discussion, there was general agreement to use a minimum percentage rather than the largest ten investors for membership on the Board of Governors, but to leave the percentage number blank. On Article VIII (a), there was agreement on amending the phrase to read "participate in establishing through ownership . . ."

5. Governing Board Veto Restriction

After discussion, it was agreed that Committee members would submit their views on this for further consideration.

6. Access to System

It was agreed to pass over this subject for the time being.

7. Selection of Committee Chairmen

Mr Allen was asked to arrange for procedures to have Ambassador Marks formally elected as Conference Chairman. It was agreed that, while the vice chairmen are important because of their membership in the steering committee, the U.S. would not make any overt moves to influence their selection. After discussion, there was general agreement that Ambassador Roca of Argentina would be a desirable candidate for Committee 1 chairman and that Mr. White of Australia would be a desirable candidate for chairman of Committee 2. There was agreement on the following proposed composition for the credentials committee: Ireland, Lebanon, New Zealand, Algeria, Brazil, and the Philippines. The editorial committee should be composed of the U.S., U.K., France, possibly Ivory Coast (if a member), Spain, and Colombia.

8. Mr. Hennes

Ambassador Marks introduced Mr. Richard Hennes of the State Department, who will be Secretary-General of the Conference.

Chair British
Swiss

Gottlieb

Procedure

CETS Proposal

No votes

Consensus

Series of conference

British

CETS

0900

Hartog not hear

Force of votes on Rules

Provisionally adopt Rules

Re Rules -

Not cover Plenary Session

} Precedent.

Postpone Rule XX

Canadian

Support CETS -

Rules - Majority rather than $\frac{2}{3}$

Swiss -

Basic Difference -

Improvements

Commercial venture to Political

AGENDA FOR EXECUTIVE COMMITTEE

Monday, February 17, 1969 2:00 Room 1004

1. Approval of minutes of last meeting.
2. Report by Mr. Ward Allen on Latin American trip.
3. Review of unresolved issues in intergovernmental draft:
 - (a) Access to system
 - (b) Formula for approving amendments to agreement
 - (c) Governing Body make-up formula
4. Review of operating agreement.
5. Continuation of discussion on conference strategy.

EXECUTIVE COMMITTEE MEETING MINUTES

February 13, 1969

Attendance: Ambassador Marks
Chairman Hyde
Mr. Loy
General O'Connell
General McCormack
Mr. Johnson
Mr. Washburn
Mr. Miller / *Mr. Loney*
Dr. Whitehead
Mr. Zapple
Mr. Ende
Mr. English
Mr. Dizard
Col. Olsson

1. Minutes of last meeting It was agreed that final action would be deferred on subjects mentioned in the items mentioned in Paragraphs 4 and 5 on page three of the minutes of the February 7 meeting.

2. Committee One Working Group Mr. Loy reported on the group's activities, noting that the terms of reference for each subcommittee were being rewritten as topics rather than as questions.

3. Committee Two Working Group Messrs. Miller and Ende said that the group was developing more position papers which would be circulated to the Executive Committee on February 17.

4. Draft Agreement After discussion, it was agreed to defer the question of when and how the draft would be distributed. The committee then addressed itself to the questions raised in Mr. Miller's February 11 memorandum as follows:

A. Article IV, (d) (iii) There was general agreement that Alternative #1 should be adopted as our position.

B. Article VI (a) After discussion, it was agreed that Mr. Johnson would provide the committee with projections on the possible future composition of the Governing Body.

C. Article VIII (a) Mr. Johnson stressed the importance of having a clear commitment to a single global system

written into any agreement. Since this was not explicitly spelled out in the draft agreement, it was agreed that such language should be incorporated. Mr. Johnson submitted draft language on this point. After further discussion on whether the commitment not to compete included cables and other means of communications, it was agreed that this subject would not be raised by the U.S. delegation.

D. Article XI (c) After discussion, it was agreed that the U.S. should support the proposal that the agreement would come into force by two-thirds of the members with 80% of the investment.

E. Article XIII (b) After discussion of the customs-exemption problem, it was agreed to leave the subject out of our draft for the present and get an advisory opinion from Treasury.

5. Regional Satellites General O'Connell submitted a letter from the Defense Department. After discussion, it was agreed that the problems raised by DOD were covered by present U.S. policy.

6. National Security Satellites After discussion, there was general agreement that we hold to the present draft language on this subject.

7. Conference Strategy The problems of CETS positions on "consensus" and general delegate were discussed.

8. Selection Conference Chairman After discussion, it was agreed that Mr. Lorenz would supply a summary of the relevant ITU regulations. There was discussion of a scenario whereby Ambassador Marks would confer on this problem with the heads-of-delegations at his meeting with them February 22. If possible, agreement would be reached within this group for Committee 1 and 2 chairmen. The opening plenary session would ratify these nominations pre-selected by the heads of delegation.

9. Next Meeting The next meeting of the committee would be at 2:00 pm, Monday, February 17, in Ambassador Marks' office. It was agreed that the draft operating agreement would be distributed in time for this meeting.

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Executive Committee Agenda

Thursday, February 13, 1969

9A.M. Room 1004, New State

1. Approval of minutes of last two meetings.
2. Report on responses to invitations to conference by Mr. Loy.
3. Report by Mr. Loy on Committee One working group.
4. Report by Mr. Miller on Committee Two working group.
5. Consideration of Drafting Committee's draft.
6. Strategy on distributing U.S. draft.
7. Other conference strategy - naming of committee chairman, reducing amount of speechmaking, etc.
8. Review of unanswered policy issues, if any.

Mr. J. D. O'Connell

INTELSAT CONFERENCE PREPARATION

Minutes of First Meeting of Committee II Preparatory Group-
February 10, 1969, at 10 A. M., Comsat

1. The meeting was chaired by A. H. Ende, of the FCC, who explained that he was temporarily so acting in the absence of both Henry Geller and Bernard Strassburg. Those in attendance were:

DOS - William Miller and Stephen Doyle;
OTM - Arthur Cooke, Tom Olsson, and Jack Cole;
FCC - Asher H. Ende and Abbott Roseman; and
Comsat - James McCormack, Bruce Matthews, and Lewis Meyer.

2. Mr. Ende stated that the purpose of the meeting was to review the draft Committee II questions (see attachment), distributed by DOS immediately prior to the meeting, to see if they were an appropriate agenda for the work of Committee II at the Intelsat Conference, and to plan USG strategy and tactics to be followed in negotiating on the several items. He suggested we first review Subcommittee A.

3. Mr. McCormack, pointing out that the items were mainly those to be in the operating agreement, stressed the desirability of anticipating positions that may be taken by others, particularly the USSR, with regard to financing, and adequately preparing responses. Thus, for example, the USSR could propose launching a sputnik satellite over the Indian Ocean as its capital contribution, as a condition to its joining Intelsat. Or, it may posit other conditions, which may be attractive to some participants, but prejudicial to the U. S., as a basis for its joining. There was discussion of this matter--Mr. Ende suggesting that Mr. Rieger (Comsat) prepare an analysis of the USSR satellite--and agreement that such preparation was necessary.

4. Mr. Ende suggested that someone might propose that earth stations be included in calculating investment. This could have the effect of lowering Comsat's relative share of total investment, and raising that of small countries, who, on the basis of space segment investment alone, would have a relatively small voice. This led to a discussion of the extent to which Committee II should consider the relation of voting to investment. It was agreed that Committee II should be pressed to confine its consideration of investment shares to sound business principles, with any effect on voting being considered the concern of Committee I. Mr. Doyle is to prepare and circulate, by Wednesday, a draft statement to this effect, for any needed use in the negotiations. Mr. McCormack noted that, since financing was principally in the proposed operating agreement, it may be advantageous if Comsat were to be spokesman on this matter, pointing out that, among other things, it could take the position that it wasn't qualified to speak on political questions.

5. Mr. Miller noted that drafting committee work was proceeding on the draft intergovernmental agreement, so that it would be ready for consideration by the Steering Committee on Thursday. Work would then start on the draft operating agreement, using the Comsat draft as a starting point, for presentation to the Steering Committee next week.

6. There was agreement that the proposed agenda should not be phrased in questions, nor in a manner which suggested problems where the U. S. did not want to raise any and none were raised in the ICSC report. It was agreed that there should be a simple statement of the subject with references to the appropriate sections in the ICSC report.

7. Mr. Miller remarked that the four draft DOS questions relating to Subcommittee A needed more work. Thus, we should prepare a paper illustrating the manner in which investment would be adjusted from period to period to reflect use. Mr. McCormack said that Mr. Johnson (Comsat) was preparing such a paper. Mr. Miller also pointed out that some countries, although subscribing to the investment/use principle, could be concerned with meeting increased investment requirements, in that they may have difficulty in obtaining a commitment for such funds from their governments, as well as in obtaining the necessary foreign exchange. He suggested attention be given to this, including consideration of installment rather than lump sum payments. Mr. Ende commented that the operating agreement should indicate how transfers take place. He also remarked that in doing so, consideration should be given to the reactions of those members of the consortium who are to receive such payments, in that there may be delays in receiving them.

8. With respect to Subcommittee B, it was agreed that, regarding item 1, it was for Committee I, dealing with the inter-governmental agreement, to determine the matters which should be coordinated, and for Committee II then to determine the manner in which coordination should be effected.

9. It was agreed that the Chairman of the two Committees, who will not be from the U. S., would decide the order in which issues would be considered. There was discussion as to whether the U. S. should suggest a procedure, and it was agreed that it would be important to do so.

10. There was discussion on the nature of papers that would be required by the U. S. at the conference for the several items to be considered by Committee II. Mr. Ende pointed out that it was vital to have clear position papers, so that all Delegation members would know U. S. policy and speak with unanimity. It was agreed that Mr. Doyle would compile and distribute by noon Wednesday, the following documents, to be considered at the preparatory group's next meeting:

- a. short position papers on the several items;
- b. draft inter-governmental and operating agreements;

- c. paper on implementing principles agreed on (Comsat has done a paper on this);
- d. paper on how investment/use works (Comsat preparing);
- e. DOS paper on buying -out; and
- f.. DOS 11/69 paper on investment.

11. Mr. Doyle is also to flag, in State papers listed above, references to non-payments by Intelsat members for use exceeding their investment, which are at variance with ICSC recommendations and with our position that non-members pay for use of the system.

12. Mr. Ende then proposed that the items for Subcommittee B be discussed. It was agreed that Mr. Doyle would also, as in the case of Subcommittee A, draft a restatement of the three Subcommittee B items in the attachment hereto, and distribute such re-draft by noon Wednesday. It was agreed that Mr. Doyle also assemble and distribute by that time a group of papers relating to these items similar to the group of papers he is to prepare with respect to Subcommittee A.

13. It was agreed that there was little documentation with respect to coordination methods (as distinguished from matters which required coordination) other than guiding principles in the draft inter-governmental agreement and some language on earth stations in the proposed operating arrangement. It seemed to be the consensus that, after Committee I decided what (e.g. domestic, regional, specialized satellites) should be coordinated, probably Committee II could confine its consideration of how to achieve such coordination to insuring that the governing body had sufficient flexibility to assure efficient coordinations, with standards as to quality and need for service to guide it. The relation of Intelsat and the ITU was to be left to Committee I A.

14. It was agreed that the group would start combining the material, to be prepared by Mr. Doyle, at its next meeting, which should be held this Friday. It was suggested that subcommittees may be formed so as to speed a report to the Executive Committee next week.

15. The next meeting was set for 9:30 A.M., Friday, February 14 at Comsat.

ACR

A. C. Roseman

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EXECUTIVE COMMITTEE MINUTES

February 7, 1969 Room 1004

Present: Ambassador Marks
Chairman Hyde
General O'Connell
Mr. Loy
General McCormack
Mr. Johnson
Mr. Miller
Mr. Lorenz
Mr. O'Malley
Mr. Doud
Mr. Dizard

1. Designation of Delegates and Advisers to Committees. Messrs. Marks, Hyde, O'Connell and McCormack designated members of their respective organizations to be assigned to Conference committees and subcommittees. A complete list is attached. Mr. Dizard was designated to distribute the revised "Questions for Committee Consideration" to Messrs. Loy and Miller, to be considered by their working groups on Committees One and Two respectively.
2. Selection of Conference Chairmen. The pros and cons of U.S. government activity in connection with the selection of these individuals was discussed. It was agreed that caution was the watchword. A listing of possible candidates was to be drawn up under Mr. Lorenz' supervision, and the subject considered again.
3. Regional Advisers to the Delegation. Ambassador Marks said that he would designate several officials to serve as regional advisers, coordinating information about foreign delegations and their positions. Ambassador John Hayes would be the EUR regional adviser, Lucius Battle of Comsat Corporation for EA and NEA, and Ward Allen for ARA. Mr. McCormack suggested that a Comsat official familiar with African telecommunications officials might usefully serve as AF adviser.

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4. Unresolved Issues. Ambassador Marks referred to memos of Messrs Loy and Miller, dated February 3 and 5 respectively, concerning unresolved Executive Committee action regarding a U.S. draft agreement. The following subjects were discussed:

A. Composition of the Assembly. After discussion, it was agreed that Paragraph 247 would be the going-in position.

B. Assembly Voting. Assuming our position of a weak Assembly, it was agreed that our position would be, if a quorum is present, a majority vote of those voting and present would be required. This would apply to both head count and to weighted voting.

C. Assembly power to name certain signatories to Governing Board. The problem here is not to discourage grouping. Mr. Ende proposed that this power (Paragraph 271) should be postponed for a year, i.e. until the grouping patterns were set. However, it was recognized that there would continue to be countries outside the grouping, either for political or geographical reasons. After discussion there was agreement that the U.S. should adopt the position that five countries could group without regard to quota, that a numerical limit of 20 representatives be placed on the Governing Board and that we should leave the provisions of Paragraph 271 on an optional basis. Thus there would be four ways of determining the Board's makeup: 1. the big-user countries with big quotas, 2. any combination that can reach a certain quota, 3. a combination of five without quotas and, 4. countries appointed by the General Assembly.

There was general agreement that, in describing the right of the big countries to be represented, we should not talk of the "top ten", but put it in terms of describing 2% (or whatever the final figure) as the cut-off.

D. Space Segment expenditures. After discussion, it was agreed to await the Comsat Corporation's written views on the subject before a final determination.

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E. Expulsion from the Organization. The question here is: what role should the Assembly play? The present arrangement is automatic suspension. It was agreed to retain this, and to give the Assembly the power to determine that a country has "deemed to withdraw." In any event, the country's rights would have been suspended with the automatic suspension.

F. Putting agreement into effect. One proposal is to do it by two-thirds headcount of Intelsat members. Another is 80% weighted voting. It was agreed that the two-thirds procedure should be our position.

G. Amendment Process. The question of headcount or weighted voting is also applicable here. It was agreed that Mr. Lorenz would submit a paper giving the precedents in other relevant agreements.

5. Right of Access. After discussion, there was agreement that the right of direct access should be available to both members and non-members, keeping the requirement of ITU membership.

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INTELSAT CONFERENCE

Minutes of Meeting of Executive Committee
February 6, 1969 10 a.m.

Presnet: Ambassador Leonard H. Marks, Chairman
Mr. Joseph Lorenz, State
Mr. Murray Belman, State
Mr. Frank Loy, State
Mr. William Miller, State
General James D. O'Connell, DTM ✓
Mr. John Johnson, COMSAT
Mr. Lucius Battle, COMSAT
General James MacGormack, COMSAT

Mr. Asher Ende, FCC
Mr. Wilson Dizard
Mr. William English, COMSAT
Col. W. T. Olsson, DTM
Mr. John O'Malley, DTM
Mr. Alden Doud, State

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By MW, NARA, Date 11/29/12

1. Minutes

General MacGormack reported that the ICSC had intended 556 as the anthesis of 554 and 555. The sentence relating to the approval of 556 was deleted from the minutes of the meeting of January 30 on the understanding that 556 would be discussed further in connection with problems of charging non-members for direct access and of disincentive to membership. The minutes of the meeting of January 30 were otherwise approved.

The minutes of the meeting of January 13 were corrected to change the reference in paragraph 5 from 499-502 to 521.

2. Response to Notes on Conference

Ambassador Marks reported that Hungary will participate in the conference as an observer and that the only eastern European countries not heard from are Czechoslovakia and Rumania. Mongolia will also be an observer. Jamaica has joined INTELSAT and it is expected that Luxembourg, Nicaragua, Paraguay, and South Viet-Nam will join.

3. Arbitration

Mr. Belman presented the view that the agreements should permit arbitration of disputes involving acts of Parties, and that Parties should be permitted to participate directly in arbitration proceedings and to decide when they

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should participate in lieu of their Signatories. Subject to the reservation of the Department of State, it was decided that the Committee's position would be the unanimous ICSC decision in 593 under which arbitration provisions would be based on the Interim Agreements but with the addition that acts of Parties would be within the scope of arbitration. The Legal Committee's paper on arbitration made minor suggestions of a drafting nature which the committee agreed could be adopted but only if their adoption would not create controversy and consequent delay in the conference.

The committee agreed to oppose the European view supporting the creation of a permanent arbitration tribunal.

4. Legal Personality

COMSAT stated its concern that if INTELSAT is given legal personality, adverse tax consequences could follow, and that COMSAT was hesitant to rely over the long term on a favorable Treasury ruling. The Committee decided that the United States should argue that INTELSAT should continue to be a partnership, but that there must be a legal person responsible for conducting its affairs, whether it be COMSAT, an individual or some other entity. This position would be supported by citing difficulties, including the tax problem, which a change might cause. If this position is unacceptable to the conference, the United States will decide during the conference how far it can go toward creating legal personality for INTELSAT. General MacCormack suggested that we add that INTELSAT has used the TAT precedent successfully. Ambassador Marks requested the Legal Committee to identify precedents, especially in European countries, for the conduct of joint ventures involving governments through unincorporated associations.

5. Privileges and Immunities

The recommendations of the Legal Committee paper on privileges and immunities were approved. Mr. Johnson raised the problem of immunity of INTELSAT property from state property taxation. The committee agreed that no such immunity should be granted if doing so would be contrary to worldwide practice, and that the difficulty of using the treaty process in the United States to grant such immunity would not justify the benefit to be derived from it. COMSAT was asked to prepare a paper on the impact of state taxation.

6. Data and Inventions

The legal paper on Data and Inventions was approved and the Committee agreed that the article prepared by the FCC and COMSAT should appear in a U.S. draft agreement.

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7. International Carrier and Other Nongovernmental Participation in the Conference

Ambassador Marks reported that, at a meeting with international carriers to review U.S. positions, the carriers had supported our positions. The Committee saw no objection to furnishing the carriers the ICSC report. The committee agreed that the carriers should be invited to be available as informal advisers at the conference. However, the carriers are not to have credentials nor access to the meeting, but will be kept informed of the progress of negotiations. Press people and space hardware manufacturers will not be added to the delegation and will not receive an invitation such as is being sent to the carriers. EBU, NAB, ELDO and ESRO will not be invited to the conference as observers because the only nongovernmental participants of any kind would be the UN and the ITU.

8. Far East Trip (Mr. Miller and Mr. Battle)

Mr. Miller reported that the Far East trip was useful preparatory work for the conference and resulted in an exchange of views and explanations of positions. The biggest concern in the countries visited was United States dominance in INTELSAT. This was reflected in discussions of the relative authority of the Assembly and the Governing Body and in discussion of voting in the Governing Body. Mr. Miller's opinion was that India might take the lead for a one nation, one vote Assembly partly because of the USSR's interest and partly because of United States dominance. He stated that it seemed unrealistic to hope that hiring foreigners to work at COMSAT would diminish concerns, and that the United States should be considering the formulation of provisions for a Secretariat having minimal functions.

There was considerable discussion of the investment use mechanism. Most countries seem not to be opposed to it but simply not to understand it. Several of them raised problems of its practical application, especially the burden of new contributions on rapidly expanding users as reflected in their balance of payments and budget problems. Mr. Miller recommended that we think about devices for spacing payments to remedy these concerns.

Two or three countries suggested that INTELSAT should train earth station personnel for LDCs. Mr. Miller and Mr. Battle believed that there would be some pressure for this kind of training with or without procurement in Europe. The United States response was that the solution to training problems depended on the resources of each country and should therefore be solved on a country by country basis. The point was also made that INTELSAT should be seen as a business organization rather than as an international organization for technical assistance.

Mr. Battle also reported that the USSR decision to come to the conference was discussed in India, Pakistan and Lebanon and that these countries

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expressed no concern about it. There seemed to be no firm position in any of the governments on how the USSR should be accommodated.

Ambassador Marks requested COMSAT to prepare a paper explaining the investment use mechanism in non-technical language for distribution at the conference.

9. Proposed Working Committee Structure

Document 7 under date of February 3, 1969 was modified by adding entry into force, withdrawal, and settlement of disputes to the questions to be considered by subcommittee A of Committee I. The name of subcommittee B was changed from Management Arrangements to Other Arrangements. Subcommittee A will have two working groups.

Ambassador Marks requested the members of the committee to consider who should be the U.S. spokesman on each subcommittee.

10 CETS Aide Memoire

Ambassador Marks referred to the CETS position that the conference should open with general debate on government positions, with adjournment thereafter and a resumption of the conference later on. Ambassador Marks stated the U.S. position to be that the Interim Agreements placed burden on the U.S. to move ahead and that the 4 weeks planned duration, rather than constituting a deadline, was primarily a problem of facilities. The U.S. would not force votes if the members of the conference want no votes, but the U.S. hopes that issues can be resolved at this conference. If the Europeans want no votes, the onus should be on them for lack of action at the conference. The U.S. plans no extensive statement for debate and it views the conference as beginning with opening formalities, the approval of the conference structure, and the prompt assignment of work to committees.

The question of how the U.S. should deal with the CETS position that conference decisions should be made by consensus rather than by vote was left unresolved.

11. Next Meeting

The next meeting was set for Friday, February 7, at 9 a.m. to discuss additional questions for committee decision raised by Mr. Loy and Mr. Miller in their respective memoranda, the CETS position on conference voting, and the naming of U.S. spokesmen on various conference committees.

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February 12, 1969

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By mw, NARA, Date 11/29/12

NOTE FOR MR. J. D. O'CONNELL

Subject: Points to be Discussed at the next Executive Committee Meeting
of February 13, 1969.

Ambassador Marks, in his briefing of the terrestrial carrier representatives on February 3, addressed several INTELSAT Conference issues, and his position on some of them caused me very serious concern. I am specifically concerned with Ambassador Marks' position on direct access to INTELSAT satellites by non-member countries; the significance of the regional system problem; and his apparent statement that the United States domestic satellite service would be provided outside of INTELSAT.

I have the impression from my conversations with you that the U. S. positions on matters such as regional systems, domestic services, and direct access by non-members are subject to change as circumstances may permit. However, this is not the impression I get in reading the memorandum of Mr. Marks' conversation with the carrier representatives, dated February 3. I get the definite impression that our position has been finalized in these vital areas. For example, on page 3 Mr. Westfall of ITT stated that their should be "no strings on a domestic satellite." I take this to mean that Mr. Westfall was referring to a domestic communications satellite system completely outside of INTELSAT. The answer of Mr. Marks was an assurance that this was the U. S. position.

My basic concern is that I am not aware that any policy decisions have been made in these matters, and if they have, this is to register my complete disagreement with them.

In regard to the question of direct access to the INTELSAT sapce segment by countries which are not members of INTELSAT, Ambassador Marks stated that the U.S. Government's position is one of "unlimited access." It seems to me that this position seriously undercuts the basic United States position that INTELSAT should be a commercial joint venture in which the signatories own the space segment in undivided shares to the extent of their individual use.

Before any conclusion is reached on the direct access question, I recommend that a careful and detailed analysis ought to be made of the financial and other problems which may be created by this decision. Some specific questions which come to mind are: whether a non-member would be entitled to INTELSAT data and technology, and under what conditions; whether a

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condition ought to be imposed on the non-member not to deploy regional satellite systems in competition with INTELSAT; and finally, what effect would permitting direct access have both on a member country such as France (which has indicated an intention of deploying regional systems outside of INTELSAT), and non-members such as Yugoslavia which have expressed interest in joining INTELSAT. The matter of direct access is a critical issue and it would seem absolutely essential that a careful study of the foregoing questions, ought to be made before any commitment is made to the Soviet Union or any other country regarding direct access.

Ambassador Marks also stated to the carrier representative in his briefing that he did not think that regional systems outside INTELSAT would be a "big problem" (Memo, page 4). I disagree completely with this thought, because it is inconsistent with the notion of a single global system. It is my view that the United States initial position ought to be to state the U. S. commitment to the single global system concept, and put the burden on those foreign countries which advocate those systems to show that their particular system would not adversely affect the integrity of INTELSAT.

The third matter that may come up for discussion in the Executive Committee meeting is the qualification for membership body of INTELSAT; i.e., whether the Governing Body should have as its basic membership the 10 largest users or simply include everyone having more than 2% of the total ownership. I don't think that this is a serious question because in any event the largest users will all be represented in the Governing Body. The only question is one of keeping the Governing Body from becoming too unwieldy because of its size. I would leave this question largely to the discretion of Comsat and particularly John Johnson who has done a number of studies on this subject.

I am still of the view that the United States ought to obtain satellite service for the domestic pilot project from INTELSAT along the lines of your previous memorandums. If this decision were made, it might solve the Canadian problem in a rational manner, and would also take most, if not all, the steam out of the French desire for a separate regional system. Likewise, with respect to access by non-members, the United States Government position is said to be to permit "unlimited access" (Memo, page 1); and finally, as far as regional satellites would be a "big problem" (Memo, page 4). My overall reaction to this memorandum is that the United States position is not as flexible as some of us would believe, but rather pretty well firmed-up on these vital points. If this is the case, I am deeply concerned because it appears to give away a number of advantages before we even get to the Conference. I am convinced that this kind of approach will play into the hands of the Soviet representatives, who have yet to reveal their hand in this matter. I have no objection to the Soviets joining INTELSAT. But encouraging joining should involve reasonable concessions on their part as well as ours. It would also make the United States

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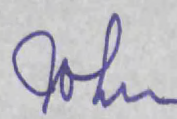
~~CONFIDENTIAL~~

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less vulnerable to a Soviet charge that the United States is being hypocritical by giving lip service to the single global system concept, and then undercutting it by promoting domestic systems outside of INTEL SAT, and permitting others to establish regional systems. My concern is not limited to the Soviet Union. John Johnson has informed us that the Canadians, Australians, and Japanese are quite concerned that the United States and the Europeans make "a deal" on INTEL SAT. If the United States takes the position in the Conference that the Marks' briefing suggests, I would consider this to be a potential diplomatic disaster.

The United States should follow the recommendation of John Johnson and go into the Conference with the idea of achieving a firm decision by vote on as many issues as is reasonably possible. One good way to that, he has suggested, is to take the present agreement, page by page, and modify it, as appropriate. He strongly suggests that we not deal with Europe as a group whether under the CETS banner or any other. In my view, he is right.

A copy of the Marks memorandum is attached.



J. J. O'Malley, Jr.

cc: Siling
Clark

~~CONFIDENTIAL~~

February 3, 1969

INTELSAT BRIEFING

Room 1207 2:30 pm

PARTICIPANTS: Ambassador Marks, Chairman, U. S. Delegation to INTELSAT
General James O'Connell, Office of Telecommunications
General James McCormack, COMSAT Corporation
Mr. Asher Ende, Federal Communications Commission
Mr. Henry Catucci, Vice President, Western Union International
Mr. R. E. Conn, Vice President, Law & Administration, Western Union International
Mr. Tom Warner, Technical Director, Independent Telephone Association
Mr. W. Stratton Anderson, Jr., Vice President, General Telephone & Electronics International
Mr. Gaylord E. Horton, Vice President, General Telephone & Electronics Service Corporation
Mr. Kenneth Howatt, American Telephone & Telegraph
Mr. Tom Westfall, Executive Vice President, International Telephone & Telegraph Corporation (ITT Corporate Office)
Mr. John Ryan, Washington Office, International Telephone & Telegraph Corporation
Mr. Joseph Gancie, International Telephone & Telegraph Corporation, World Communication Office
Mr. L. W. Tuft, Vice President, RCA Global Communications Inc.
Mr. Wilson P. Dizard, Office of the U. S. Delegation to INTELSAT

Ambassador Marks opened the meeting with a general briefing on the background of the Conference. He described its structure, the work of the Executive Committee in pre-conference planning, and also the implications of the Soviet decision to attend the Conference. In describing the American

government's position going into the Conference, he said that we wanted to make as few changes as possible in the Interim Agreement. He then briefed the meeting on the following positions:

1. Scope of Services of the Permanent Intelsat Organization
2. The Structure of the Organization
3. Procurement Policies of the Organization
4. Access to the System

On the latter point Mr. Westfall asked for a clarification of our policy regarding Intelsat members sharing another member's earth station. Ambassador Marks noted that the ICSC Report supported this on a non-discriminatory basis. He said that the U. S. position would add the phrase "equitable basis." Mr. Westfall and other representatives of the carriers agreed that this was desirable. Mr. Tuft of RCA said there was a reverse factor on this subject of access to the system; i.e., the question of U. S. carriers utilizing earth stations outside the United States.

Ambassador Marks then raised the question of countries which are not members of Intelsat building earth stations and connecting with Intelsat satellites. Mr. Westfall said that he favored this. It was one way of getting everybody into the system. Mr. Ende of the FCC said that non-Intelsat members should pay for this service, of course. Ambassador Marks summarized the discussion on this point by noting that the U. S. Government's position was one of unlimited access.

Ambassador Marks then discussed the question of the Soviet Union's participation in the Conference. Mr. Westfall asked about the Intersputnik proposal. Ambassador Marks noted that Intersputnik "had not gotten off the ground" and it has not attracted any country outside the Soviet bloc.

Mr. Westfall then asked what happened if no agreement is reached at the Conference. It was explained that the Interim Agreement continues until agreement was reached.

General McCormack suggested that the Soviets might propose a one-nation, one-vote system for the world consortium and that the less developed countries and others might be attracted to this. Mr. Ende expressed the belief that this was not necessarily an attractive proposition for the Russians since they like to have a veto and in the Intersputnik system they gave themselves such powers.

Ambassador Marks noted that our position on weighted voting would not change. This was not so much a question of exact percentages, the important thing was keeping control in American hands. Mr. Westfall seconded this position and noted that in a case where we produce about 70% of the revenue, we don't want to give away 70% of these revenues to a mechanism over which we don't have an effective control. Ambassador Marks then re-emphasised that the U. S. would not support any proposals which involved the diminution of effective control of the organization. Mr. Westfall said that in the final agreement there should be "no strings" on a domestic satellite. He was assured by Ambassador Marks that this was the U. S. position.

Ambassador Marks said that several legal problems in connection with the American position at the negotiations still had to be ironed out. Mr. Ende gave a summary of the position taken by COMSAT and the FCC regarding patents and inventions. Generally they agree that patents should be made available through Intelsat to contractors of Intelsat satellites as well as to those constructing other satellites which in the opinion of Intelsat don't compete with the Intelsat system, and finally, to any one else who Intelsat feels it would be in the Consortium's best interest to provide such information, making an appropriate charge. In summary, Mr. Ende said the position was that patent rights should be generally available to Intelsat members and to any one who doesn't compete with the Consortium.

A discussion was then held on the question of regulation of international traffic which involves a mix of satellites and other types of communications systems. Ambassador Marks asked Mr. Ende to provide an FCC statement on its view of the regulatory authority involved in such questions. Mr. Ende noted that, in general, international agreements should

not preclude through service and that the FCC will sort out the domestic factors involved. There was general agreement that this was a useful position.

Mr. Westfall then asked about regional satellites. He said that he didn't think that the argument about economic viability was a wholly legitimate one, that he had never seen any arguments that this was really a problem for Intelsat. The U. S. is, in fact, the only country that can support a regional satellite economically. Ambassador Marks said that the Europeans would probably raise this subject but that he did not think that it would be a big problem. Following the discussion about the economic relationship of regional satellites to the world-wide Intelsat system, Ambassador Marks suggested to General McCormack that it would be useful if the Comsat Corporation could make facts and figures on this available.

Mr. Conn of Western Union International again raised the question of access of private carriers to the Intelsat system. Ambassador Marks said he would pass this question on to the Executive Committee. In general he said we don't want language in the international agreement that would preclude such access. What we want is non-discriminatory, equitable access for the private carriers. General McCormack said we shouldn't raise the subject since it is likely to create problems that we don't necessarily want to get into. Ambassador Marks told the carrier representatives at the meeting that the position on this was understood but that there was a question of whether we should raise this subject strongly in terms of our attempt to get an overall agreement. Mr. Tuft said that he felt that the Interim Agreement (Article 8) seems to give us all we want on this subject.

Ambassador Marks then closed the meeting with a request of the representatives of all of the organizations present that they pass on to him, General McCormack, General O'Connell, or Mr. Dizard any further views they have on the Conference. He assured them that he would be available to them before and during the Conference to hear any views they may have on it, that he would arrange to assure that they would be well briefed on the progress of the Conference after it starts.

Copies to: General O'Connell - White House

Dr. Whitehead - White House

Mr. McCormack - COMSAT

Chairman Hyde - FCC

Mr. Ende - FCC

Mr. Loy - E/TT

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Mr. O'Mally - White House

- Mr. Tuft - RCA Global Communications Inc.
(List of Participants only)

INTELSAT:WPD¹⁹dizard:bb 2/3/69

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INTELSAT Conference

Minutes of Meeting of Executive Committee
January 30, 1969 2 P.M.

Present: Ambassador Leonard H. Marks, Chairman
Chairman Rosel H. Hyde, FCC
Mr. Joseph Lorenz, State
General James D. O'Connell, DTM ✓
Mr. Clay T. Whitehead, White House
General James MacGormack, COMSAT

Mr. Asher Ende, FCC
Mr. David Acheson, COMSAT
Mr. John O'Malley, DTM
Mr. Wilson Dizard
Mr. Alden Lowell Doud, State

DECLASSIFIED
E.O. 13526, Sec. 3.3h

By MW, NARA, Date 11/29/02

1. Minutes

The minutes of the meeting of January 21 were approved with the deletion of the penultimate sentence of paragraph 6. (first paragraph)

2. Response to Notes on Conference

Ambassador Marks reported that there had been no additional response to notes with the exception that Poland has indicated that it will attend as an observer.

3. Access to the System

(550 to 567)

550-552 were approved.

Mr. Ende suggested that 554 include a concept of equitable arrangements for non-discriminatory access to the system as a means of securing LDC support and as a means of preventing uneconomical proliferation of earth stations.

The committee approved 554 with the addition of a concept of equitable arrangements and with the understanding that INTELSAT should not involve itself in policing the equitable standard. It was also understood that charges to non-members could reflect a reasonable increase for the absence of non-member investment within the equitable standard.

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- 2 -

555 was approved as an alternative to 554 with the deletion of the word "only".

556 was approved as a rewording of the principles of 554 and 555.

559 was approved subject to the understanding that "international cooperation" refers to cooperation within INTELSAT.

561 was rejected except insofar as it refers to the present responsibilities of the ITU.

562 was rejected by reason of the introduction of the concept of a Director General and for the reason that the functions alluded to in 562 are dealt with in portions of the report referring to other organs of INTELSAT.

563 was approved.

564-567 were rejected.

It was agreed that questions relating to indirect access through earth stations of non-members should not be dealt with in the agreements.

4. Powers of the Assembly

It was agreed that the IAEA provision on the functions of its General Conference should be adopted for use in describing general powers of the INTELSAT Assembly with a reference to both the intergovernmental agreement and the Operating Agreement and the deletion of the phrase "or relating to the powers and functions of any organs provided for in this agreement." If questioned about the reasons for the deletion of this phrase the position of the United States will be that it constitutes a broadening of the powers of the Assembly beyond the powers of the IAEA General Conference, especially by reason of the addition of the reference to the Operating Agreement.

5. Arbitration

Discussion of the arbitration provision and the Legal Working Group's memorandum on it was deferred until State's views could be presented by Frank Loy or Richard Frank.

6. Next Meeting

The next meeting was set for Thursday, February 6, 1969 at 10 a.m.

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AGENDA FOR EXECUTIVE COMMITTEE

Thursday February 6, 1969

10 AM

Room 1004

1. Approval of minutes of January 30 meeting.
2. Report on responses to notes to delegates and potential observers.
3. Report of William Miller and Lucius Battle on the results of trip to the Far East and South Asia.
4. Discussion of the Legal Working Group's paper on arbitration.
5. Review of other reports of the Legal Working Group.
6. New business.

February 3, 1969

INTELSAT BRIEFING
Room 1207 2:30 pm

PARTICIPANTS: Ambassador Marks, Chairman, U. S. Delegation
to INTELSAT
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Delegation to INTELSAT

Ambassador Marks opened the meeting with a general briefing on the background of the Conference. He described its structure, the work of the Executive Committee in pre-conference planning, and also the implications of the Soviet decision to attend the Conference. In describing the American

government's position going into the Conference, he said that we wanted to make as few changes as possible in the Interim Agreement. He then briefed the meeting on the following positions:

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Mr. Tuft - RCA Global Communications Inc.
(List of Participants only)

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INTELSAT Conference

Minutes of Meeting of Executive Committee
January 30, 1969 2 P.M.

Present: Ambassador Leonard H. Marks, Chairman
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Mr. Joseph Lorenz, State
General James D. O'Connell, DTM ✓
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General James MacCormack, COMSAT

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Mr. David Acheson, COMSAT
Mr. John O'Malley, DTM
Mr. Wilson Dizard
Mr. Alden Lowell Doud, State

DECLASSIFIED
E.O. 13526, Sec. 3.3n

By mw NARA, Date 11/29/12

1. Minutes

The minutes of the meeting of January 21 were approved with the deletion of the penultimate sentence of paragraph 6. (first paragraph)

2. Response to Notes on Conference

Ambassador Marks reported that there had been no additional response to notes with the exception that Poland has indicated that it will attend as an observer.

3. Access to the System

(550 to 567)

550-552 were approved.

Mr. Ende suggested that 554 include a concept of equitable arrangements for non-discriminatory access to the system as a means of securing LDC support and as a means of preventing uneconomical proliferation of earth stations.

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5. Arbitration

Discussion of the arbitration provision and the Legal Working Group's memorandum on it was deferred until State's views could be presented by Frank Loy or Richard Frank.

6. Next Meeting

The next meeting was set for Thursday, February 6, 1969 at 10 a.m.

~~CONFIDENTIAL~~

AGENDA FOR EXECUTIVE COMMITTEE

Thursday February 6, 1969

10 AM

Room 1004

1. Approval of minutes of January 30 meeting.
2. Report on responses to notes to delegates and potential observers.
3. Report of William Miller and Lucius Battle on the results of trip to the Far East and South Asia.
4. Discussion of the Legal Working Group's paper on arbitration.
5. Review of other reports of the Legal Working Group.
6. New business.

AGENDA FOR EXECUTIVE COMMITTEE

Thursday, January 30, 1969 2:00 PM Room 1004

1. Approval of minutes of January 21 meeting.
2. Report on responses to notes to delegates and potential observers.
3. Discussion of Soviet role as observer.
4. Discussion of Access-to-System paper.
5. Review of Legal Working Group's reports.
6. Discussion of those aspects of Interim Agreements and ICSC "Blue Book" Report not yet covered by committee.
7. New Business.

~~CONFIDENTIAL~~

INTELSAT Conference

Minutes of Meeting of Executive Committee
January 21, 1969, 2:00 P.M.

Present: Ambassador Leonard H. Marks, Chairman
Mr. Frank E. Loy, State
Mr. Ward Allen, State
Chairman Rosel H. Hyde, FCC
Gen. James D. O'Connell, DTM
Gen. James MacCormack, ComSat

Mr. Wilson Dizard
Col. W.T. Olsson, DTM
Mr. Henry Geller, FCC
Alden Lowell Doud, State

DECLASSIFIED
E.O. 13526, Sec. 3.3h

By MW, NARA, Date 11/24/12

1. Minutes

The minutes of the meeting of January 13 were approved.

2. Response to Notes on Conference

Mr. Loy reported that Jamaica and Luxembourg have replied that they intend to join Intelsat before the conference and will attend as members. Malta has replied that it will not attend. An invitation to attend has been sent to Yugoslavia. Bulgaria has indicated that it will attend as an observer but that it cannot meet the condition of the invitation that it have a serious interest in joining Intelsat. It was agreed that the United States would acquiesce in Bulgaria's attending notwithstanding its failure to meet the condition, and that United States acquiescence on this basis should not be made public.

3. Soviet Developments

Ambassador Marks asked the members of the executive committee to consider how participation in Intelsat could be made acceptable to the Soviets, and how the investment-use formula might be modified with this objective in mind on a basis which would still be acceptable to the United States.

4. Heads of Delegations Meeting

A heads of delegations meeting was scheduled for Saturday, February 22 at 2:00 P.M. in the Department of State to discuss how the conference should be organized.

5. Consultations with Foreign Governments

Mr. Loy reported that certain LDC governments had expressed concern over problems of financing an investment in Intelsat. It was suggested that some solution might be found in connection with institutional financing of earth stations.

6. The Manager

Three alternatives were suggested as the United States opening position on the manager: (1) Par. 1 of the FCC draft under date of January 16, striking the sentence on separate international staff, but including language permitting the Assembly, on recommendation of the Governing Body, to designate a new manager (2) a provision that the Manager be selected by the Governing Body (3) the FCC draft, including the second paragraph plus similar language to (1) regarding a redesignation of the manager. Alternative (1) was agreed to by all agencies represented as a tentative position. Gen. O'Connell expressed his belief that a necessary condition to alternative (1) was United States insistence on weighted voting in the Governing Body. Gen. MacCormack stated that the question would have to be referred to ComSat's board before ComSat's position could be firm. All agreed that the sentence dealing with separate staff in FCC par. 1 could be included if it was acceptable to ComSat.

Fallback positions would be first the entire FCC draft plus the redesignation of the Manager language with an acceptable definition of "housekeeping." The second fallback position would be Alternative (2).

7. Intelsat's Functions

It was agreed that Intelsat should not be empowered to launch military satellites (226-227).

8. Access to the System

It was agreed that direct access to the system should be available to all nations whether or not members of the ITU. Membership in Intelsat, however, should continue to be restricted to ITU members. Non-member direct access should be on conditions which would not result in nonmembership amounting to a preferable status. Questions of indirect access were put over to the next meeting.

9. Legal Committee

Ambassador Marks set January 30 as a final date for submission of legal memoranda on legal personality, treaty vs. executive agreement, and arbitration.

10. Next Meeting

The next meeting was set for Thursday, January 30 at 10:00 A.M. to discuss indirect access, the amendment process for the inter-governmental agreement, the powers of the assembly, and the preamble.

~~CONFIDENTIAL~~

INTELSAT Conference

Minutes of Meeting of Executive Committee
January 21, 1969, 2:00 P.M.

Present: Ambassador Leonard H. Marks, Chairman
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DECLASSIFIED
E.O. 13526, Sec. 3.3h

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By mw, NARA, Date 11/29/12

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- 2 -

6. The Manager

Three alternatives were suggested as the United States opening position on the manager: (1) Par. 1 of the FCC draft under date of January 16, striking the sentence on separate international staff, but including language permitting the Assembly, on recommendation of the Governing Body, to designate a new manager (2) a provision that the Manager be selected by the Governing Body (3) the FCC draft, including the second paragraph plus similar language to (1) regarding a redesignation of the manager. Alternative (1) was agreed to by all agencies represented as a tentative position. Gen. O'Connell expressed his belief that a necessary condition to alternative (1) was United States insistence on weighted voting in the Governing Body. Gen. MacCormack stated that the question would have to be referred to ComSat's board before ComSat's position could be firm. All agreed that the sentence dealing with separate staff in FCC par. 1 could be included if it was acceptable to ComSat.

Fallback positions would be first the entire FCC draft plus the redesignation of the Manager language with an acceptable definition of "housekeeping." The second fallback position would be Alternative (2).

7. Intelsat's Functions

It was agreed that Intelsat should not be empowered to launch military satellites (226-227).

8. Access to the System

It was agreed that direct access to the system should be available to all nations whether or not members of the ITU. Membership in Intelsat, however, should continue to be restricted to ITU members. Non-member direct access should be on conditions which would not result in nonmembership amounting to a preferable status. Questions of indirect access were put over to the next meeting.

9. Legal Committee

Ambassador Marks set January 30 as a final date for submission of legal memoranda on legal personality, treaty vs. executive agreement, and arbitration.

10. Next Meeting

The next meeting was set for Thursday, January 30 at 10:00 A.M. to discuss indirect access, the amendment process for the inter-governmental agreement, the powers of the assembly, and the preamble.

L:L/E:ALDoud:cdj:1/22/69

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PROPOSED AGENDA FOR MEETING

January 21, 1969

2:00 PM Room 1406

1. Minutes of meeting of January 13.
2. Report on response to notes on Conference.
3. Discussion of Soviet observer role.
4. Discussion of drafts on Manager position.
5. Discussion of issues paper held over from last meeting:
"Access to System."
6. Discussion of those portions of ICSC "Blue Book" not covered in issues papers.

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By nw, NARA, Date 11/29/12

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INTELSAT Conference

Minutes of Meeting of Executive Committee
January 13, 1969, 10:00 AM

Present: Ambassador Leonard H. Marks, Chairman
Mr. Ward P. Allen, State
Chairman Rosel H. Hyde, FCC
Mr. John A. Johnson, COMSAT
Mr. Frank E. Loy, State
General James McCormack, COMSAT

Mr. Wilson P. Dizard, State
Mr. Lowell Doud, State
Mr. Asher Ende, FCC

1. Minutes

The minutes of the January 7 meeting were approved.

2. Response to Notes on Conference

Mr. Loy reported that, since the last meeting, there had been no new responses from potential delegates or observers.

3. Discussion of Issues Paper on The Manager

The Chairman stated his belief in a strong position "going in" on Comsat-as-manager. There was general agreement on the need for a well-documented background paper, for distribution to delegates early in the conference, on the value of Comsat-as-manager. Mr. McCormack said Comsat had such a paper in preparation.

The Chairman suggested that the U. S. might table Article 8 of the Interim Agreement as our position. There was discussion of the desirability of modifying this position pointing up the international aspects of Comsat-as-manager. It was agreed, however, that both the CETS proposals (Paragraphs 434-438) and the Japanese proposal (Paragraph 250) went too far towards diluting effective Comsat control. The same can be said of Paragraph 442.

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The Chairman proposed that all organizations represented on the Executive Committee draw up draft language on the "ultimate position" the U. S. Government could take on this subject. These drafts would be submitted to Mr. Dizard by COB January 16 for distribution to committee members before the next meeting.

4. Discussion of Procurement Issue

Mr. Johnson noted that the U. S. supported Paragraph 536. Paragraph 537 is not to our advantage since we want to stay away from any quota arrangements in this area. ELDO and ESRO are examples of the difficulties of such arrangements. Paragraph 542 also sets up quotas in R&D, which is what most of the contracting is about.

It was agreed that the U. S. should stay firm on Paragraph 536. There was a suggestion we could go back to Article 10 of the Interim Agreement if there is a trade-off possibility.

5. Financial Matters

Mr. Johnson said the key position here, which we supported, is Paragraph 498. The U. S. was also in the substantial majority supporting provisions for compensation for use of capital (Paragraph 499-502). The question of the distinction between ownership and utilization of the system (Paragraph 493) presents no serious policy problems, it was agreed.

Paragraph 501, Mr. Johnson said, is an Arab proposal to cut down the dominance of the big users. It was disadvantageous to us and to the Europeans, as well as to the LDC's, who would have to put up extra investment money if the proposal were approved.

There was general agreement that we support Paragraph 511 (annual adjustment of investment-share allocations) and Paragraph 521 (compensation for use of capital).

Regarding financing of specialized services, there was agreement that this might be a Governing Body function. The Chairman suggested this be noted by those involved in drawing up a draft agreement.

6. Inventions and Data

Mr. Johnson noted that all ICSC members supported Paragraph 545 - a vague formulation. Mr. Hyde submitted an FCC draft for consideration in preparing the U. S. position. Mr. O'Connell suggested further consultation with U. S. industry on this subject. It was agreed to set up a working group, chaired by FCC with Comsat and DTM as members, which will submit recommendations to the committee. Mr. Dizard will be an observer. The Justice Department will be consulted, as appropriate.

7. Access to System

Discussion of this subject was deferred until the next meeting.

8. Next Meeting

The committee will meet January 21 at 2:00 PM.

9. Future Business

The chairman proposed that, at the meeting after the January 21 meeting, members of the delegation would be designated for specific conference committees. On February 1, additional members of the delegation would be announced.

Notes of Meeting on Monday
Jan. 13, 1969

\$ 4,000 - 5,000

Feb. 28

Jim McComack

Economic

Walter Radius -

- Strong Position on Comsat as Mgr.

FCC Paper of May 29, 1968

May 27 1968

Positive Power for making things

No change in Article VIII

Break up of Separate Group -
within Comsat

No fault with what Comsat
has done. But they not given
chance to criticize.

Reggie Westlake

Director of Intelsat Finance

Soy

2 on Page 5

Mgt arrangements decided
by Governing Body.

Bear down
Amplify Article VIII

431-478 Study Thurs
Close Business Wed —

Uniform world wide
charges — — as a problem
— Separate consortium —

Don't know how to handle
separate ocean basis pricing.

Functions of Governing body
to set off hour rates.

Governing body to handle
charges

FCC Patents

Access to System P 85

Next Tues — Meeting 21st

2PM

Redrafting Mgr

access to System

Misc Inler ICSC

Report.

Designation -

Feb 1 Announce delegation

FCC Industry

Justice Patent info.

Article VIII -----

Contracting Officer →

Draft a paper on the
Manager with words.

443 - 445 -

Language

Clos B Wednesday

Page 100

Page 70

Manner of designation

~~Seq~~

Managerial functions of Comsat
identifiable with jurisdiction
by FCC.

January 13, 1969

Distinctions between what the U.S. really wants.

What are our ultimate objectives and what are we willing to accept.

Difference between U.S. agreement and U.S. disagreement; that is, the relative position we will be placed in in each issue if we agree or if ultimately we do not agree. I am thinking particularly of the regional satellite issue. For example, if we are overruled but disagree, our position with respect to launch for regional systems might be considerably different than would be our position in the event that we agreed to a concept and to the validity of regional systems.

We see no validity to regional systems, per se, and nothing that can be accomplished by so-called regional systems that cannot be accomplished within the purview of INTELSAT. For example, separate economic considerations or underwriting provisions and the arrangements for the provision of hardware.

On procurement considerations, the principle of small business in which Government will meet or better the low bid.

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INTFLSAT Conference Executive Committee

Proposed Agenda for Meeting of January 13, 1969

10:00 am, Room 1406

1. Minutes of meeting of January 7.
2. Report on response to notes on Conference.
3. Discussion of issues paper held over from last meeting: "The Manager."
4. Discussion of issues papers circulated for discussion at this meeting
 - (a) Procurement policy
 - (b) Financial matters
 - (c) Data and inventions
 - (d) Access to system
5. Time and agenda for next meeting.
6. Any other business.

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Gen. O'Connell
att: Col. Olsson
Mr. O'Malley

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INTELSAT Conference

Minutes of Meeting of Executive Committee
January 7, 1969, 10:00 A.M.

Present: Ambassador Leonard H. Marks, Chairman
Mr. Ward P. Allen, State
Chairman Rosel H. Hyde, FCC
Mr. John A. Johnson, ComSat
Mr. Frank E. Loy, State
General James McCormack, ComSat
Mr. William K. Miller, State

Mr. Wilson Dizard
Mr. Henry Geller, FCC
Colonel W. T. Olsson, DTM
Mr. John O'Malley, DTM

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E.O. 13526, Sec. 3.3h

By MW, NARA, Date 11/29/12

1. Minutes

The minutes of the meeting of December 9 were approved.

2. Response to Notes on Conference

Mr. Miller reported that the State Department had heard from three non-members, Somalia, Jamaica, and the ITU, that they would like to attend as observers. There are also indications that we will hear similarly from Afghanistan, Mauretania and Yugoslavia.

3. Soviet Developments

Mr. Marks reported on a recent article in a Soviet periodical, which was followed by an informal approach to a U.S. citizen official of the ITU, suggesting Soviet interest in INTELSAT. He thought for the present we should wait for a more direct Soviet approach before reacting to this. Mr. Loy suggested that if we hear nothing further in the next few weeks we should make a low key inquiry in Moscow before the Conference in order to be able to say to those who ask that we followed up on any leads suggesting Soviet interest.

4. Visit to Cape Kennedy

It was the consensus that it would be useful to take the heads of delegations, or one member from each, to Cape Kennedy to see a launching if funding could be arranged. Mr. Dizard was requested to check on transportation costs and explore possibilities with NASA.

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2

5. Conference Issues

The following reflects the conclusions of the meeting with respect to various proposals in the ICSC Report (numbers are paragraph numbers from the Report). In some cases editing is assumed, or at least not precluded.

(a) Scope of Services of the Organization

Paragraph 197 is acceptable, i.e. specialized services may be authorized subject to not adversely affecting public services.

613-616, especially 614-615, are acceptable in substance, i.e. specialized satellites outside INTELSAT, subject to consultation with INTELSAT. One implication is no INTELSAT monopoly in specialized satellites.

205-209 and 212-214 providing for domestic services are acceptable. We should support a provision for consultation with INTELSAT (610) and 220-222, calling for a determination by the Governing Body on technical coordination, also is part of our position on domestic satellites.

It was suggested that an economic compatibility criterion should be applied to domestic satellites, as to regionals. This question was left for further consideration.

The regional definition proposed by CETS (162) is acceptable, and we could accept regional satellites under this definition if the Governing Body has a right of determination (approval) with respect to economic compatibility as well as technical coordination (220-222).

The U.S. does not need a provision for separate INTELSAT satellites to meet security needs (227), but we can accept this if others want it.

(b) Structure of the Organization

Assembly

On composition, 248 (signatories) or 247 (governments or signatories) is acceptable.

On functions, we oppose 273-4, 297-8, which would give the Assembly too much authority. We should develop a list of functions additional to those in the U.S. paper (ICSC-28-40) that can be given to the Assembly, e.g. 269, 271, 272, 301, and perhaps recommendations for amending the intergovernmental agreement. However, we should try to nail down the functions of the Governing Body before agreeing to Assembly functions.

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US
Cheap
Reliable
Services
Functional
competence

List of
Potentials
for functions

2000

Director General

2000
Chief
of
Police

2000
Chief
of
Police

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3

Voting in the Assembly could be one nation-one vote if functions are minimal, but we should stick to weighted voting until functions are established.

Governing Body

Election of members (358) is acceptable. A size limit might be desirable. On voting, simple non-imposition and non-veto provisions are preferable to revisions of voting strength. 405 (no three can impose a decision) and 409 (no one can veto) would be an acceptable combination.

6. Next Meeting

The next meeting is scheduled for Monday, January 13, at 10 A.M., in room 1205.

E/TD:WKMiller:bv 1/8/69

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Deciding matters on Individual Basis
rather than considering balancing of positions
to obtain certain objectives
Interactions between

Voting -

Powers of Assembly
a stronger global system
Comsat as manager

How important is US dominance in voting
to the US and what are our substantive
national interests. How can our reasons and values
be quantified.

How much manufacturing do we
insist on doing here.

What -

Issue on manager

US Industry Getting views on International
manager
US Congress
New Admin.

Issue not stated what overall U.S. objectives are.
No objectives of making profits from space
adjustment.
Cheapest - most reliable most universal
to most flexible service
Reference
Preface
Preamble

What are reasons that Comsat as manager
received no support.

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INTELSAT Conference Executive Committee

Proposed Agenda for Meeting of January 7, 1969

10:00 a.m., Room 1107

1. Minutes of meeting of December 23.
2. Report on response to notes on Conference.
3. Report on recent Soviet developments.
4. Report on travel plans - any guidance needed by travelers.
5. Proposed delegates' visit to Cape Kennedy.
6. Discussion of issues papers as related to ICSC Report.
 - (a) Scope of services of the organization.
 - (b) Structure of the organization.
 - (c) The Manager.

(Working papers for this item were distributed with Mr. Miller's memo of January 2.)
7. Time and agenda for next meeting.
8. Any other business

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INTELSAT Conference

Minutes of Meeting of Executive Committee
December 23, 1968, 11:00 A.M.

Present: Ambassador Leonard H. Marks, Chairman
Mr. Ward P. Allen, State
Chairman Rosel H. Hyde, FCC
Mr. John A. Johnson, ComSat
Mr. Frank E. Loy, State
General James McCormack, ComSat
General James D. O'Connell, DTM
Mr. William K. Miller, State
Mr. Wilson Dizard

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E.O. 13526, Sec. 3.3h

By mw, NARA, Date 11/29/12

1. Minutes

The minutes of the meeting of December 9 were approved.

2. Response to Notes on Conference

Mr. Miller reported that the State Department had received an acceptance from one member government, Indonesia, in response to the invitation to the Conference. One non-member, Somalia, had indicated that it would like to attend and will be invited in an observer status; and one non-member, Iceland, had responded negatively.

3. Legal Questions

Mr. Loy reported that Mr. Richard A. Frank is working on these questions for State. He had received a memorandum from Mr. Frank setting forth the latter's views on the question of the legal status of INTELSAT. Mr. Frank's views were generally in accord with ComSat's paper and suggested that it would be a simple matter to give INTELSAT a legal personality, if this is wanted, through the definitive arrangements without a treaty. It was agreed that the intergovernmental agreement should be an executive agreement, not a treaty.

It was agreed that Mr. Loy will ask Mr. Frank to convene a meeting with legal representatives of FCC, DTM and ComSat to discuss the legal status question. The question of treaty v. executive agreement also should be considered, i.e. whether

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2

there is any problem in handling the intergovernmental agreement as an executive agreement. The ultimate product should be a complete legal brief on these questions for the benefit of the delegation.

The question was raised whether any FCC constraints on the INTELSAT Manager constitute a problem in this context. Chairman Hyde said there are no FCC constraints on ComSat as Manager, only on ComSat as a domestic corporation, the U.S. participant.

Ambassador Marks asked Mr. Johnson to prepare a memorandum setting forth questions to be answered in the legal brief.

4. Travel

It was agreed that Mr. Allen should make a trip in January to several countries in South America, and Mr. Miller to Asia, each to be accompanied by appropriate ComSat representatives. Further details are to be left to those directly concerned.

5. INTELSAT III Launch

Mr. Marks said he had been impressed by the usefulness of the Cape Kennedy tour for the ICSC representatives who had attended the INTELSAT III launch and thought the experience was a valuable contribution toward making them realistic in their attitudes toward INTELSAT. He asked Mr. Dizard to check whether there is some sort of launch scheduled around the first week of March to which some heads of delegations to the Conference could be taken. (Mr. Johnson said there is no INTELSAT launch scheduled during the Conference period.)

Mr. Marks said that in his conversations with the ICSC representatives a number of them, particularly the Europeans, had given the impression that they did not think the U.S. is really serious in trying to reach agreement on definitive arrangements at the February-March Conference. He had tried to dispel this impression, but thought further efforts were needed. After some discussion of various possibilities, it was agreed that we should ask our missions in Europe and elsewhere, at a high level, to make it clear to the host governments that we are serious and intend to make every

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3

effort to reach agreement in March. This might be done when the delegation is announced. The consensus of the meeting was that we should not take the initiative to arrange a meeting in Europe with the CETS countries.

6. ICSC Report

Mr. Johnson reported that the ICSC Report, to be numbered 36-58, probably will be sent out December 30. It will be made available to the Executive Committee as soon as possible.

It was agreed that Mr. Dizard, Mr. Miller, and Mr. Donahue (of ComSat) should do or arrange the following with respect to the Report:

- (a) relate the subjects discussed in the Report to the articles of the Interim Agreements;
- (b) relate the sections of the Report to the issues papers;
- (c) note, to the extent possible, what countries took what position on the issues; and
- (d) suggest what issues should be referred to each proposed committee and subcommittee.

Item (b) could be done by an addendum to each issues paper and should be done first for the issues to be discussed at the next meeting. The products of this exercise will be for internal use, except that item (d) in some form might later be used to delineate the responsibilities of committees at the Conference.

7. Organization for Conference

Mr. Marks asked Mr. McCormack for a list of ComSat area specialists. Mr. Dizard is in charge of arranging a series of meetings with member country ambassadors.

8. Issues Papers

The issues papers relating to the nature and structure of the organization, the scope of services, and the manager are to be discussed at the next meeting, utilizing the ICSC

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4

report and the correlative work requested under (6) above. (The pertinent papers are items 5 (b), (c) and (d) and 6 on the list of 12/3/68. The pertinent parts of the ICSC Report are III B and E, paragraphs 250-290 and 350-574.)

In a discussion of the ICSC's Report as it relates to structure, it was agreed that we could accept an Assembly composed of governments or telecommunications entities at the option of the member.

9. Next Meeting

The next meeting is to be held in Room 1107 on Tuesday, January 7, at 10:00 A.M.

E/TD:WKM;sp
12/24/68

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Notes of Meeting Dec. 23, 1968

Invitations Sent

Responses

1 acceptance ^{Smelling Sudan}
Somali ^{wants invitation will get}
Iceland No

P

Mr Marks visited

The Legal Committee Loy.
Memo from Dick Frank

Basic questions

What is meant by having legal personality

Quite simple to give " "

Does not involve great deal

"UN shall enjoy within

Convey to hold meeting of committee

Agreement

Draft agreement will have to deal

If there is to be a Secretariat legal personality.

MacCormack - do not need legal personality

Treaty vs Exec Agreement?

Adhere to Exec Agreement? Yes continue

Can we within " " a legal pers
conveying legal immunity -

Questions raised by Comsat

Arbitration paper to be prepared.

Latin American ^{2 weeks} Geo Christy Comsat
Johnson

6 working weeks -

1 week solid - needed.

Japan would welcome.

Results questionable ←
Comsat's manager.
US ownership.

Increasing
School system

6 experienced people in Comsat

Need to be schools →

Subs Battle -

If do Latin America should do Far East
Jack Griffith.

Lobbying job to do —

→ All countries have much to gain.....

Make up itinerary

Not to exceed 3 weeks

Luke Battle

Possibly

Japan

India

Pakistan

Philippines

→

Periodic

Launch of Intelsat III →

Heads of Delegations to Cape Kennedy

ICSC people — said window dressing
Preliminary

Discussions with Foreign Offices

CETS schedule meeting with us
in attendance.

Will CETS have meeting anyway.

No concerted action to arrange for a
European CETS —

Diggard -

Definitive arrangements by 1C
By Thurs or Fri of This week 3658 E
325 changes

28E UK -

Ea member has right to submit statements

French will Algeria will.

UK } will not.
Canada }

Basis

✓ Interim Agreement Superimpose
3658 E -

Final

US Position

Don't know what ~~questions~~ countries voted
how.

Principle issues -

Prepare — Draft definitive agreement

Jurisdictions of Committees Assign

The manager - who - what conditions
discussed under Committee II
- Donohue -

Liaison Representatives

Per group of delegates.

Luke Battle on Arab Countries

Area experts in Comsat.

Financial Mathews

assist by Area knowledge.

Need a series of lunches entertainments
etc.

Schedule for Press

Orchestrating luncheons with object

Luke Battle Public Relations

Dozzard has draft

Start Jan 10 - 19 meetings

3 Positions

Oppositions

Nature & Structure -

Scope of Services | Authority to do everything
Quasi-Monopoly - Special Services

Comsat as Manager

- To what extent are US positions to be
- US Position has been circulated

Two agreements

1. 3 tier org Assembly

2. Conf Assembly

only of Govts	10
Other Govt or	10 - -
Signatories to 2nd agr	7

16 nations

~~3 Conf~~

3 Functions of Assembly - Weak

Know what Powers are

Act on all matters

Appoint Signatories

capital

References

Nature & Structure -

scope -

Consensus Mgr -

58 E

Pages

3 meetings

Issues papers

1107

Sunday 5
Tues 7 Jan.

Papers by 2

Next meeting Jan 27

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INTELSAT Conference

Minutes of Meeting of Executive Committee
December 9, 1968, 10:30 A.M.

Present: Ambassador Leonard H. Marks, Chairman
Mr. Frank E. Loy, State
General James McCormack, ComSat
General James D. O'Connell, DTM
Mr. William K. Miller, State

Mr. Raymond J. Barrett, State
Mr. Wilson Dizard

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By MW, NARA, Date 11/29/12

1. Minutes

The minutes of the meeting of November 21 were approved.

2. Invitations to Conference

Mr. Barrett reported that there had been numerous acknowledgments of the State Department's notes on the Conference, but no substantive replies.

Mr. Marks requested that State send a message to our embassies in the CETS countries instructing the embassies to ask the host governments their thinking on the make-up of their delegations.

3. U.S. Delegation

Mr. Marks said he would like to have the names of the principal members of the Delegation (the executive committee or steering group) announced by the State Department shortly. It was agreed that other members of the Delegation, including those mentioned at the November 21 meeting, could be designated later.

4. Committee Structure

A suggested committee structure for the Conference was approved with certain revisions. (The revised proposal is attached.) This will be sent to INTELSAT members shortly, probably through our embassies.

Mr. Marks asked those present to consider who they would wish to serve on each committee so that those persons can begin to work on the issues to be considered by the committee.

5. Conference Issues

Mr. Marks said he wants an exhaustive study made by the appropriate legal advisers of the question of legal status of the organization and its manager, including related

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issues such as privileges and immunities and whether a treaty is needed. State should be in charge of this. Mr. Loy is to check with the State Legal Adviser's office to determine who will act as chairman of the group.

Mr. Loy reported that a Swedish representative in London, Mr. Nordstrom, who expects to head the Swedish Delegation, had been much disturbed by the U.S. attitude on arbitration in the 1964 Conference. Nordstrom thought the U.S. wanted to dominate the Consortium and did not want to accept any meaningful arbitration procedure. It was agreed that there should be an issues paper on arbitration in the definitive arrangements and that ComSat should draft this. The paper should reflect the Interim Agreements background.

General O'Connell asked whether there should be a paper on future plans for the system - what it will look like beyond INTELSAT IV. General McCormack thought ComSat might have a paper that would be helpful on this.

6. Travel

Alternative travel plans for three trips or four trips were discussed. Mr. Miller is to come up with revised schedules for three trips, to Latin America, Asia and Africa, for consideration at the next meeting, taking into account the comments and suggestions of the meeting.

7. Draft Agreement

It was agreed that Mr. Miller and Mr. Dizard will work with ComSat representatives on draft agreements, with the texts of the Interim Agreements as a starting point.

8. Next Meeting

The next meeting is scheduled for Thursday, December 19, at 10:00 A.M. It is intended at that meeting to reach a final decision on travel plans and to discuss the issues papers dealing with the nature and structure of the organization, the scope of services which it is to provide, and ComSat as Manager.

It was agreed that General O'Connell will be responsible for keeping DOD and NASA informed on the preparations for the Conference.

Attachment.

INTELSAT Conference

Suggested Committee Structure

Steering Committee

Credentials Committee

Editorial Committee

Committee I (Structure and Functions)

Subcommittee A (Membership, Scope of Services,
and Organizational Structure (including
major organs, their functions, and voting))

Subcommittee B (Legal and Procedural Questions
(including definitions, legal status,
entry into force, duration, amendment,
withdrawal, settlement of disputes))

Committee II (Operational Arrangements)

Subcommittee A (Financial Arrangements)

Subcommittee B (Management Arrangements (including
procurement policy, inventions and data,
technical and operational matters))

Notes of meeting on 12/9/68.

Nordstrum Sweden
also (friendly?)

The Arbitration Issue
What is it.

visit

John Killick UK
On leave
Friendly

Germans

Italy

Ortona.

Milliolo
space - sharp.

- Other members - - -

Johnny Johnson - -

Ward Allen - I.O.

Mr Barrow

Conference arrangements

Committee Structure

3 Committees

Com 1

Structure & Function

Int Agreement

Com 2

Oper arrangements

Supple Agreement.

ICSC

Nuñez Mexico —

Nominated by
Argentina

Europe —

How should this
Interim agreement
be changed — minimize
changes
?

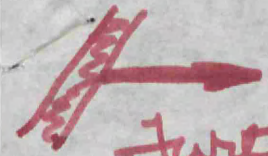
5 committees
Reps

Nature & Structure
Scope of Services

Powers
///

- Counsel as manager -
What's the gamut of
possibilities.

Staff consideration not
in general session.
Do or don't agree



Further Breakdown

Position Papers

Schedule of Traveling Parties

Approve Delegation

Names of Committees

Names of Chairmen

Package —

— Rules of Procedure

Quotas
1

Financial
Working Group

Procurement / Procurement

Structure & Functions

Operating Arrangements

Financial
Operating Arrangements
Patents
Procurement

Mar 21 End

Feb 24 Begin

Diggard asst
Deel

Legal

Finance

Corp

Procurement

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By mw, NARA, Date 11/29/12

INTELSAT Conference

Minutes of Meeting of Executive Committee
November 21, 1968, 10:00 A.M.

Present: Ambassador Leonard H. Marks, Chairman
Mr. Ward P. Allen, State
Chairman Rosel H. Hyde, FCC
Mr. John A. Johnson, ComSat
General James McCormack, ComSat
General James D. O'Connell, DTM
Mr. William K. Miller, State

1. Minutes

The minutes of the meeting of November 6 were approved.

2. Invitations to Conference

Mr. Miller reported that invitations to the Conference were being sent out, probably with today's date, in the form of a circular note to the embassies in Washington. In cases where we do not have diplomatic relations other channels are being used. A circular note informing non-members that are members of the UN or the Specialized Agencies also is ready. This note follows the previously agreed formula, indicating that a non-member government which "has an interest in attending the Conference because it has a serious interest in the possibility of becoming an INTELSAT member at a future time" may be invited to attend in an observer status.

Mr. Johnson called attention to the fact that there are five countries, four with approved quotas, which might join INTELSAT shortly. Some special treatment might be appropriate. It was agreed that Mr. Miller and Mr. Johnson should look at these situations on a case-by-case basis before notes are sent to these countries.

Mr. Marks asked the State participants to have a report on responses to these notes prepared periodically, perhaps on a weekly basis.

It was agreed that March 21, which is the last date the conference facilities will be available, will be the last day of the Conference. The information document to be

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circulated shortly will say the Conference will end "not later than March 21".

3. Delegation

On the composition of the U.S. Delegation, Mr. Marks said, in addition to those present, he wished to nominate Mr. Wilson Dizard, who will arrive shortly to assist him, and State had nominated Mr. Loy, Mr. Doyle (of E/TD), and a lawyer still to be named. Mr. Hyde nominated Mr. Ende and Mr. Geller and Mr. O'Connell nominated Mr. O'Malley. ComSat will advise Mr. Marks shortly of its additional nominees. It was agreed that engineers or other technical experts would not be put on the list at this time, but could be added later if a need develops. Mr. Marks said he hoped to settle the list at the next meeting and have the delegation designated by December 15.

4. Other Conference Arrangements

Drafts of a provisional agenda and provisional rules of procedure were considered and approved, in the latter case with some minor changes. (Copies of the final texts will be circulated.) Mr. Marks said it is intended to send these, along with a general information paper on the Conference, to INTELSAT member governments shortly.

The organization of the work of the Conference was discussed in this connection, particularly the question of committees other than the Steering Committee, Credentials Committee and Editorial Committee, which are provided for in the provisional rules of procedure. Mr. Miller said the thought in State is that we might have two substantive committees of the whole, one of which might deal with Structure and Functions, the other with Operating Arrangements. There could be as many subcommittees or working groups under these committees as particular subjects might require. It was agreed that State would consult with ComSat and suggest a substantive committee structure, including subgroups, before the next meeting.

Mr. Allen was asked to seek to reserve 8th floor facilities for a reception Tuesday, February 25, and for another possible social occasion on March 20, and to be responsible for arrangements for having appropriate photographs taken in connection with the Conference.

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5. Travel

Mr. Johnson and Mr. Miller were asked to work out possible travel schedules for three or possibly four Government-ComSat missions to visit INTELSAT countries in January. This is to be discussed at the next meeting.

6. ICSC Meeting

Mr. Johnson said he thought there was nothing pertaining to the definitive arrangements on which he needed instructions from the Government for the December ICSC Meeting.

7. European Space Meeting

Mr. Miller gave a brief report on the outcome of the European Ministerial Space Conference, based primarily on the report of our Embassy in Bonn.

8. Position Papers

Several papers on conference issues prepared by State and ComSat have been distributed, and one additional paper is being prepared by each, by State on regional systems and by ComSat on the question of buying out any members who might decide not to participate. FCC and DTM also are preparing papers. Mr. Marks said he would like the Committee to work on these papers beginning at the next meeting and firm up positions by the end of December.

9. Meetings

Further meetings are tentatively scheduled for every Thursday morning at 10:00, except Thanksgiving. The delegation list, travel schedules, and position papers are to be discussed at the next meeting. (Due to a conflict, however, the next meeting may be scheduled for a date other than December 5.)

E/TD:WKM
11/22/68

~~CONFIDENTIAL~~

By MW, NARA, Date 11/29/72

SUBJECT: Minutes of Meeting of Executive Committee
November 6, 1968 - 3:30 P.M.

PRESENT: Ambassador Leonard H. Marks
General James McCormack, COMSAT
Chairman Rosel Hyde, FCC
General James O'Connell, Office of Telecommunications,
White House
Mr. Frank Loy, State
Mr. William Miller, State

I. Delegation

Chairman Marks pointed out that he preferred to work with a small delegation and that each interested agency should contribute the minimum number of representatives and advisers. From this group, an Executive Committee would be chosen to meet on a regular basis and consider policy questions relative to the Conference. The six present at the meeting and Mr. John Johnson of COMSAT were to be so designated.

Each agency representative was asked to name additional persons who could participate in delegation activity as advisers so that public announcement on the delegation can be released before the end of November.

II. Invitations to Conference

The two forms of invitation were considered -- the invitation to INTELSAT members, and to non-INTELSAT members who are represented at the ITU of the United Nations General Assembly. Mr. Miller submitted his memorandum of November 4 in which he had summarized the responses of countries with which the U.S. had discussed the advisability of tendering an invitation to non-INTELSAT members to participate as observers only. He pointed out the "overwhelming majority of member countries" responding concur in the position that non-members expressing an interest should be invited to attend as observers without vote. Although some members expressed doubt as to the wisdom of this policy, the consensus approves the issuance of the invitations as drafted.

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III. Preparation of Position Papers on Significant Issues

The Chairman pointed out that each of the members present had been previously requested to submit a list of subjects which are likely to create discussion and differences of opinion to the forthcoming Conference, and to submit a position paper on such subjects. When the Chairman has received each of these papers, they will be assembled and distributed for discussion at the next meeting of the Executive Committee.

The Chairman referred to such questions as majority stock-ownership held by COMSAT, the present managerial contract of that company, the desirability of creating a general assembly in which all members or entities would be represented, the policy on regional satellites, economic assistance to less-developed countries and patent rights.

Mr. Loy reported that the Office of Telecommunications is now preparing position papers on 11 topics, the nature of which is described in the attachment.

IV. A Proposed Schedule of Preparatory Work

There was distributed a schedule of actions to be taken prior to the opening of the Conference on February 24. The Chairman pointed out that the Conference will be of limited duration and that this fact should be announced at an early date so that those attending can make appropriate travel and other arrangements. Mr. Miller was requested to investigate the availability of space beyond the currently planned three-week period and to supply this information to the Chairman as soon as possible.

It was noted that when the ICSC has completed its report for the definitive arrangements, it is contemplated that briefing and pre-negotiating missions will visit various member countries to determine their position and to enlist their support. Such missions would include the Chairman or the representative of the Department of State and a COMSAT member.

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V. Instructions to COMSAT for Current INTELSAT Discussions

Mr. Loy reported that there may be two substantive issues on which the U. S. Government may want to instruct COMSAT:

- A. Should COMSAT support the CETS proposal for regional satellites; and
- B. The position to be taken on whether governments or entities should participate in the INTELSAT Assembly.

Mr. McCormack reported that prior to leaving his office for the meeting, he learned that these questions had in fact been discussed and a preliminary vote taken. In view of this report, it was determined that a discussion of these matters would be academic. However, the prevailing sentiment was that we should not anticipate our position on regional satellites in advance of the Conference unless there were clear advantages to doing so.

VI. Next Meeting Date

The Chairman announced that the next meeting would be held on November 21 at 10:00 A. M., in room 1113 of the Department of State. At that time, there will be discussed the Provisional Rules of Procedure for the INTELSAT Conference, a draft of which was circulated, and such position papers as may be distributed prior to that date.

November 8, 1968

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Burke Paper

Suggest advisors - by next Monday -

Ward Allen
Lawyer

Procurement
Finance
Patents

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MEMORANDUM

NOV 5 1968

TO : FCC - Chairman Hyde
DTM - Mr. O'Connell
ComSat - Mr. McCormack
ComSat - Dr. Charyk

FROM : E/TT - Frank E. Loy *FEL*

SUBJECT: Meeting in Ambassador Marks' Office, 3:30 p.m.
Wednesday, November 6 re INTELSAT Conference

This will confirm the above meeting, of which you have been previously notified. Since our telephonic advice to you of the meeting, the agenda has been somewhat enlarged. It now includes the following:

- 1) Discussion of makeup of U.S. Delegation to Conference and the methods by which it will operate.
- 2) Decision on participation in the Conference. Attached are two draft circular notes, one to embassies of the INTELSAT member countries inviting them to the Conference, the other to embassies of non-member countries informing them of the Conference on the basis we proposed to our INTELSAT partners. (A summary of our partners' responses is also attached). It should be decided whether this sort of notice is appropriate, or the recipients should simply be invited to attend in the first instance. Our position on the status of attending non-members as observers also should be discussed and settled.
- 3) Two substantive issues on which the USG may want to instruct ComSat in connection with the meeting of the ICSC currently in progress. The two questions are:
 - a) Should ComSat be instructed to vote for a proposition that would contemplate regional satellites coexisting within the INTELSAT system along the lines contemplated by the paper developed at the CETS meeting of October 24-25? A copy of the CETS paper is attached.

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- 2 -

- b) Should ComSat be given any instruction on how to vote on the question of possible government participation in the proposed INTELSAT Assembly? ComSat feels that the Assembly should consist entirely of signatories of the Special Agreement, while there is some thought within the Government agencies that participation might be open, optionally, to governments, depending on the Assembly's functions.

Attachments:

- A) Draft note to INTELSAT members.
- B) Draft note to non-members
- C) Summary of responses.
- D) CETS position paper.

E/TT:FELoy:fbp 11/4/68
cc: Ambassador Marks (with attachments)

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Memorandum LIMITED OFFICIAL USE

TO :E/TT - Mr. Loy

DATE: November 4, 1968

FROM :E/TD - William K. Miller *WKM*

SUBJECT: Summary of Responses through Noon 11/4/68 to CA-11051 on INTELSAT Conference Participation.

Responses to the airgram soliciting views of INTELSAT member governments on the question of participation in the 1969 INTELSAT Conference vary widely in substance. There are, however, several general groupings which may be made.

(1) Strongly or expressly favoring invitations to non-members

In this group France and Denmark are the most liberal, urging that all ITU member countries be invited and that all conference participants should have a vote. Others simply recommend the widest possible invitation, e.g. Netherlands, Norway and Sweden. Others expressly favor inviting non-members, but would limit them to observer status or are not clear on this point: Chile, Colombia, Germany, Israel, Jordan, Liechtenstein, Switzerland, the United Kingdom, and Venezuela.

(2) Have no objection or concur in non-member attendance

The countries in this group show somewhat less enthusiasm than those in (1) above and almost all suggest that non-members be observers without vote: Australia, Canada, Ceylon, China, Ethiopia, India, Iran, Italy, Japan, Lebanon, Panama, Peru, Philippines, Singapore, South Africa, Spain, Thailand, and Uganda. Some of the countries under (1) and (2) would limit invitations to ITU members; others have not commented on this question.

(3) Expressly oppose non-member participation

Portugal.

(4) Non-substantive replies have been received from embassies in several INTELSAT member countries indicating that the matter is under study or the government is not likely to respond: Algeria, Austria, Ireland, Korea, Kuwait, Mexico, New Zealand, Saudi Arabia, Tanzania, Tunisia, Turkey.

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(5) A number of posts in INTELSTAT non-member countries report their impressions or government statements that if non-members can participate as observers, their host governments will be represented: Ghana, Honduras (if not a member by then), Hungary (Embassy view), Nepal, Yugoslavia (Embassy view). One non-member said it wouldn't come if invited - Iceland.

It would be reasonable to summarize our partners' reactions as a consensus approving our proposal on non-member participation, with more support for a more liberal attitude than for a more restrictive attitude.

SED
E/TD:SEDoyle/WKMiller:sp

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A

DRAFT CIRCULAR DIPLOMATIC NOTE TO INTELSAT MEMBER EMBASSIES

The Secretary of State presents his compliments to Their Excellencies and Messieurs the Chiefs of Mission whose Governments are indicated on the enclosed list and has the honor to inform them that, pursuant to Article IX of the Agreement Establishing Interim Arrangements for a Global Commercial Communications Satellite System, concluded at Washington, August 20, 1964, the Government of the United States extends an invitation to these Governments to be represented at a Plenipotentiary Conference to Establish Definitive Arrangements for the International Telecommunications Satellite Consortium to be convened at Washington on February 24, 1969.

Article IX of the Agreement provides that duly designated communications entities also may participate. An invitation therefore is extended also to such entities to be represented at the Conference. In such cases the Government and the entity should be represented by a single delegation.

The purpose of the Conference is to consider the report and recommendations of the Interim Communications Satellite Committee concerning the definitive arrangements for an international global commercial communications satellite system. The closing session of the Conference would be for the formal signing of the agreements to be prepared by the Conference. Those Governments expecting to sign the agreements are requested to provide full powers for a specific individual or individuals to sign.

If an agreement is to be signed in the name of a designated communications entity, public or private, the Government concerned should formally designate that entity by means of a diplomatic note addressed to the Secretary of State or, if it should wish to do so, by a certificate. The individual or individuals signing for a designated entity will be required to deposit evidence of authority to sign. Such evidence may be in the form of a certificate executed by the Government that designates the entity, or by the entity itself, stating that a specific individual or individuals have been duly authorized to sign for the entity.

The Provisional Agenda of the Conference, Provisional Rules of Procedure, and a document containing General Information will be provided later.

DRAFT CIRCULAR DIPLOMATIC NOTE TO NON-INTELSAT MEMBER EMBASSIES

The Secretary of State presents his compliments to Their Excellencies and Messieurs the Chiefs of Mission whose Governments are indicated on the enclosed list and has the honor to inform them that, pursuant to Article IX of the Agreement Establishing Interim Arrangements for a Global Commercial Communications Satellite System, concluded at Washington, August 20, 1964, the Government of the United States is convening a Plenipotentiary Conference to Establish Definitive Arrangements for the International Telecommunications Satellite Consortium (INTELSAT) at Washington on February 24, 1969.

The purpose of the conference is to consider the report and recommendations of the Interim Communications Satellite Committee concerning the definitive arrangements for an international global commercial communications satellite system. The participants in the conference will be the Governments and communications entities which are parties and signatories to the August 20, 1964 Agreement and the related Special Agreement of the same date.

This note is addressed to the missions of Governments which are not parties to the Agreement. If such a Government has an interest in attending the conference because it has,

a serious interest in the possibility of becoming an INTELSAT member at a future time, the Government of the United States would be pleased to extend an invitation to that Government to attend the conference in an observer status.

IO/OIC:RDBelt
E/TD:WKMiller:hy:bmh
11/5/68

COMMUNICATIONS SATELLITE CORPORATION

ROBERT W. KINZIE
Deputy Director
International Arrangements Division

November 4, 1968

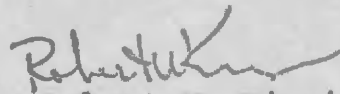
Mr. Frank E. Loy
Deputy Assistant Secretary
Bureau of Economic Affairs
Department of State
Washington, D. C.

Dear Mr. Loy:

Enclosed for your information is the complete text of a paper concerning definitive arrangements prepared by the CETS Committee of Alternates at a meeting in London on October 24-25, 1968. This paper will not be submitted as a document to the Thirty-fifth Meeting of the Interim Communications Satellite Committee, and should be treated on a confidential basis.

This is further to my letter of October 29, 1968 to Mr. Miller enclosing a copy of a telex message received from Mr. Colino regarding this paper.

Sincerely,


Robert W. Kinzie

Enclosure

cc: ✓ Mr. Miller
Mr. Nelson

DEFINITIVE ARRANGEMENTS

(revised)

28 October 1968

I. Objectives of the parties to the definitive arrangements

The principal aim of the definitive arrangements should be to found a world Organisation whose function would be to establish a network of satellites with world coverage for conventional point-to-point telecommunications.

In order to assure full and harmonious international co-operation, the new Organisation should render possible :

1. The provision of economical, high quality and reliable communications services.
2. The making available of facilities to meet national and international requirements for satellite communications.
3. The development of the technique of satellite communications and the participation of Member States in the benefits of technological advances in this field.
4. The participation of Member States or of groups of Member States in the research, development and manufacturing opportunities in the field of satellite communications.
5. The efficient use of international resources, such as the radio frequencies spectrum and orbital space.

The Agreement to be concluded in replacement of the existing interim arrangements must safeguard the interests of all participants in avoiding monopoly situations and keeping open the possibility of domestic or regional systems.

/II.

II. Purpose of the Organisation to be established

The Organisation should promote the design, development, construction, establishment, maintenance and operation of the space segment of the communications satellite system. It should, furthermore, study and discuss the possibility of optimising the global network as well as all space and earth problems relating to satellite communications, with due consideration of the competence of the ITU.

III. Scope of services to be provided under the definitive arrangements

(a) Public international telecommunication services

*aero & marine
navigation
services*

The Organisation should provide conventional point-to-point telecommunications on a commercial basis. This includes various services which may be provided by satellite, i.e. telephony, telegraphy, telex, telegrams, facsimile, and data transmission, relay of radio and television programmes, and leased circuits for any of these purposes. However, the definitive arrangements should not preclude the provision of these services by regional or domestic entities.

(b) Other international telecommunication services

The inclusion of services other than those in (a) above shall only be possible in accordance with the procedure for the amendment of the definitive arrangements.

(c) Domestic and regional services

Provision should be made for the establishment of separate satellites by a party to the arrangement to meet its domestic needs or by a group of parties to the arrangement to meet their regional needs. The term "domestic" implies the creation of a national system; the term "regional" refers to a geographically compact group of countries linked together by cultural or economic ties. [The French representative stated that he could not, at present, agree to any definition of the term "regional"].

In the cases where domestic or regional services would be provided by domestic or regional systems, the financing, design, development, construction, procurement and operation would be the responsibility of the member or members participating in them, rather than that of the future organisation, if they so decide.

/Prior to the

Prior to the establishment of a domestic or regional system, the Governing Body of the Organisation should be consulted and may pass recommendations regarding

- the consistency of the proposed use of the frequency spectrum and orbital space with the future organisation's proposed use (prior to ITU co-ordination).
- the proposed mechanism and techniques for the control of domestic or regional satellites and possible interferences.
- the economic compatibility of domestic and regional systems with the global system.

IV. Eligibility for membership

Membership in the future Organisation should be open to all States members of ITU.

V. Legal status of the Organisation

The Organisation should have legal personality. It would have capacity to conclude agreements, own property, and to exercise rights against third parties in its own name. It should enjoy privileges and immunities determined by the member Governments. The definitive agreement should govern the internal arrangements of the Organisation. Disputes would be settled by an arbitral procedure.

VI. Structure of the Organisation

The Organisation should have three organs:

- (a) An Assembly
- (b) A Governing Body (Council)
- (c) An Executive Body

A. The Assembly

The Assembly would be the supreme organ of the Organisation with adequate power to lay down its broad policy, and take decisions of a political nature.

It should be composed of the representatives of all signatory States of the definitive arrangements.

/It would meet

It would meet in principle once a year. Every Member State would have one vote in it. The Assembly would adopt procedural decisions with a simple majority, important decisions of substance with a two-thirds majority. The General Assembly would exercise general oversight over the activities of the Organisation. It would elect those members of the Governing Body (Council) who are not members by virtue of their investment share.

B. Governing Body (Council)

The Council would consist of a restricted number of Member States who would participate by virtue of their investment share, or who would be elected by the Assembly. It would have powers of decision to carry out the purposes of the Organisation. It should be responsible for the design, development, construction, establishment, maintenance, and operation of the space segment. The Council determines the investment shares of each member. It appoints the Director-General and the principal executive officers and approves major contracts entered into by the Director-General. It reports annually to the Assembly.

The Council should meet regularly. Special sessions can be convened.

Those members with investment quotas of 1.5%, should be automatically designated as members of the Council. Members not reaching this percentage can form a group whose total share reaches 1.5%. In addition, the Assembly could elect a certain number of member countries who would not be represented on the basis of their investment quota. The voting power of these members will be at least the same as that of the members of the Council with the lowest weighted vote.

The Council should try to take its decisions unanimously. Failing this, there should be a weighted vote. The weighted vote should be based on the investment shares of the countries and in such a way that the difference in voting weight between the member with the largest share and the member with the lowest share would not be as large as the difference between their respective shares. In no case should one country or a combination of two or three countries having the largest investment share be able to prevent or impose a decision on the basis of their weighted votes.

The weighted votes should be used only on substantive matters and not on matters of procedure which would be decided by simple majority of the members present and voting. Certain important questions, such as the determination of investment shares and the award of major contracts should require in addition to a weighted vote a majority of the members of the Council. It would have to be determined in detail when double majority voting should apply.

C. The Executive Body

The Organisation should have a permanent international Executive Body under the authority of a Director-General who would be directly subordinate to the Council. All posts in the Executive Body should be open to qualified personnel of the participating States, with the aim to secure the highest degree of efficiency. Due regard should be given to the principle of equitable geographical distribution as far as possible. The Director-General and his staff should not receive any instructions from outside and no member of the Organisation should influence them in the performance of their duties.

The Executive Body should direct or perform all management functions, such as procurement, maintenance, and operation of the space segment.

The Council would be charged with drawing up a programme in order to progressively set up an Executive Body. The functions exercised at present by the departments of Comsat would be transferred to the Executive Body, pursuant to this programme, and in the shortest possible time. The transition period should have a deadline established in the agreement.

Certain management functions of the Executive Body could be transferred on a project by project basis to national or international institutions.

VII. Financial matters

The investment shares of the members shall be related to the use of the space segment, and should be adjusted periodically. The precise financial arrangements need further study by experts; if a system on the lines of the present system is adopted, provision should be made for members to be compensated for their invested capital at a rate to be determined.

For those Member States who at present have no facilities enabling them to use the space segment, a minimum investment share of approximately 0.05% shall be reserved.

VIII. Procurement policy

The agreement should protect the interests of all participants and should in particular make possible the development of the technology of member countries.

/IX.

IX. Inventions, technical data and information policy

The patent policy of the organisation should take into account the interests of the Member States and of the contractors and should be based on equitable arrangements. This is a question which requires careful consideration taking into account the proposals in the German document (SCL/CD.12/8) which reads as follows:

"The patent policy of the Organisation should be based upon the difference between foreground data obtained in executing the contract awarded by the Organisation and background data which have not been obtained in executing contracts of the Organisation and which are necessary for the utilisation of the rights of use granted. Holders of the rights relating to foreground data are the contractors: they should, however, be bound to grant to the Organisation upon request irrevocable, gratuitous, non-exclusive and transferable rights of use for purposes of the Organisation. As regards background data, again the holders would be the contractors, but they should only be bound to grant rights of use under equitable conditions".

X. Access to the system

All members of the organisation would have direct access to the space segment. Non-members would have access to the space segment only by agreement with the organisation.

XI. Co-ordination arrangements

Within the scope of its activities, the Organisation, represented by its Director-General under the guidance of the Council, should be in charge of the technical, commercial and operation management. As regards co-ordination with domestic or regional systems outside the Organisation, he should enter into a working relationship of permanent consultation with the owner or owners of these systems.

XII. Type of Agreement constituting the definitive arrangements

The fundamental provisions of the definitive arrangements should be incorporated in an inter-governmental agreement.

XIII. Duration and

XIII. Duration and amendment of the definitive arrangements

The definitive arrangements should have a limited duration. They should be subject to review and amendment by the signatory Governments. The Assembly can make proposals. In addition, a review conference of the parties to the agreement should be convened if necessary.

XIV. Obligations of parties to the definitive arrangements

The signatory States undertake to meet their satellite communications requirements in accordance with the provisions of the agreement. The question has been raised and is under study as to whether a member country should not be able to declare itself disinterested or more particularly interested by a programme or the various phases of a programme. The rights and obligations regarding the programme would be arranged accordingly. This would not affect the right of each member of the Organisation to establish a domestic system or of a group of members to establish an independent regional system, provided that they comply with international regulations, and particularly those of the International Telecommunication Union. The signatory States would agree, in accordance with Section III above, to submit their plans for such domestic or regional satellites to the Council of the Organisation for its opinion.

XV. Withdrawal

The withdrawal of members should be possible after giving due notice of one year. The Assembly should be entitled to require members to withdraw from the Organisation if they fail consequently to comply with the obligations of membership. (The circumstances under which a member could be excluded would, however, have to be defined in the most precise manner).

XVI. Settlement of disputes

Disputes arising with respect to the rights and obligations of members should be settled by arbitration in accordance with a procedure to be agreed upon.



UNITED STATES DEPARTMENT OF JUSTICE

WASHINGTON, D.C. 20530

Address Reply to the
Division Indicated
and Refer to Initials and Number

March 19, 1970

~~C O N F I D E N T I A L~~

Dr. Clay T. Whitehead
Staff Assistant
Executive Office Building
Room 110
17th & Pennsylvania Avenue, N.W.
Washington, D. C. 20500

Re: Domestic Satellites

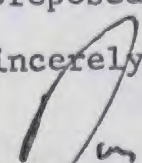
Dear Tom:

I enclose, as promised, some marked up pages from the satellite order. The general thrust of my changes is to reduce the scope of the Commission's inquiry and simplify the application process somewhat. I am not sure, on reflection, that any of it is worth making a big fuss about - since, at best, all we would be doing is leading the horse to water.

There are some simplified models for frequency licensing. The best one is covered in 47 CFR §21.26 which allows license grants without a hearing (see attached copy). We would like the Commission to work in this direction in the satellite licensing area.

I also enclose a copy of my letter of yesterday, commenting generally on the proposed order.

Sincerely yours,


DONALD I. BAKER
Deputy Director of Policy Planning
Antitrust Division

DECLASSIFIED
E.O. 13526, Sec. 3.3h

By MW, NARA, Date 11/24/12