

PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR
THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/1

February 24, 1969

WELCOMING REMARKS BY
THE HONORABLE ELLIOT RICHARDSON, ACTING SECRETARY OF STATE
TO THE INTELSAT CONFERENCE, FEBRUARY 24, 1969, 11 A.M.

It is an honor to welcome you to Washington, and to open this most significant and portentous meeting. I am pleased to see among you today not only the distinguished delegates from INTELSAT member nations, but also observers from other countries.

Though this conference is made possible by the complex technology of the twentieth century, its goals are essentially simple and even ancient--the improvement of communications among the peoples of this planet.

A universal communications system open to all men and all nations has--within the space of a few years--been transformed by technological advance from a dream in men's minds to an enterprise both feasible and practical. Only a decade ago, communications satellites were still a laboratory experiment. Today, they are a reality touching the lives of millions on every continent.

The products of scientific achievement often lie dormant while men quarrel about their use. This--happily--has not been the case with communications satellites. And much of the credit can be ascribed directly to the constructive accomplishments of the INTELSAT organization.

The record made by INTELSAT in the five short years of its existence tells the story:

-- The organization has grown from eleven member-nations in 1964 to 66 today. Member countries are responsible for 95 percent of all international communications through satellites, cables, and other means.

-- The organization's satellites have already dramatically increased the number of international communications circuits. The first Early Bird satellite over the Atlantic Ocean, had only 240 circuits, yet it increased by half the circuits between North America and Europe. The INTELSAT III satellites, now going into operation, each have 1,200 circuits. And, sometime within the next two years, the INTELSAT IV series will provide up to 6,000 circuits in each satellite.

-- INTELSAT is now well on its way toward achieving a worldwide system. Satellites already provide telephone, telegraph and television service over the vast Atlantic and Pacific Ocean basins. With the placing of another satellite over the Indian Ocean in April or May of this year the system will be truly global.

-- Finally, and perhaps most importantly, INTELSAT, as the first cooperative organization to be owned by a majority of the world's nations, has pioneered a significant new form of international cooperation. Participating nations share its costs, its services and its benefits on an equitable, businesslike basis. As a case study in how to get things done, INTELSAT teaches important lessons for other areas of international cooperation.

Its impressive record forms a solid foundation for your present assignment -- developing permanent arrangements under which it can continue to grow and flourish. We want to build a system that will bring the benefits of low-cost, efficient communications to every part of the earth as quickly as possible. We would like to build a system that will work for everyone.

Such a system has special meaning for the developing areas of Asia, Africa and Latin America, for there the lack of communications facilities has most severely hampered and restricted economic growth and social development. Helping to narrow this particular communications gap in itself represents a major achievement for the satellites.

We also hope that, as a result of the presence here of distinguished observers from non-member nations, their countries will decide to work alongside us in making INTELSAT a more completely universal bond.

On behalf of President Nixon, Secretary Rogers and the American people I wish you a most successful and productive conference. We shall be watching your work with deep interest and you can count on our full cooperation and support.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

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PR/2

February 24, 1969

REMARKS BY AMBASSADOR LEONARD H. MARKS, CHAIRMAN, INTELSAT CONFERENCE
FEBRUARY 24, 1969

I am pleased to have this opportunity to welcome you to Washington and the INTELSAT Conference.

Five years ago, the representatives of a handful of countries gathered to match a new technology with a new concept of international cooperation.

The technology was the then experimental communications satellite.

The new concept was a partnership of the world's nations to bring the benefits of this great technology to the service of all men.

The result of their meeting was the INTELSAT Consortium.

Those of us who took part in those early discussions had high hopes, of course. But even in our most extravagant moods, none of us, I am sure, would have dared to predict the accomplishments of the past five years.

These accomplishments are reflected in this gathering of 66 nations who are now members of INTELSAT.

We have with us also observer delegations from other nations who have indicated by their presence here an interest in our organization and its future.

Those of us gathered here represent countries which are widespread geographically as well as in economic status and political beliefs. But it is what unites us that has brought us together here. And what unites us is the mutual recognition that the future for us all--as individual nations and as members of the world community--is tied to our ability to communicate effectively with one another.

Better communications are the very foundation of world peace. Without them we cannot hope to dissolve suspicions that divide us or to build the works of peace. The more we know about what is common to us all, the less likely we are to fight over the issues which may set us apart.

We are meeting because a new technology offers us the promise of universal, low-cost, rapid communications. A decade ago communication satellites

were a laboratory experiment. Today, they are a reality affecting millions of men and women on every continent. In the near future they can reach every nation, no matter how small, whether remote or near.

It is this prospect which brings us together. It was this prospect five years ago which encouraged us to build upon the hopes we had then and to accomplish what we did.

It is useful to recall these accomplishments.

-- We are an organization of 67 countries who generate some 95 percent of the world's international communications.

-- We are on the threshold of a worldwide communications system capable of providing telephone, telegraph, facsimile, television, radio and other services to all areas of the earth. The great Atlantic and Pacific Ocean Basins are already served by the satellite system. Soon, a satellite over the Indian Ocean will complete the worldwide system.

-- We have installed 23 earth stations throughout the world, which service the satellites daily. There are 20 more earth stations in construction, and another 20 are in the planning stage. Within the next two years, most of our countries will be connected to the satellite system.

-- Finally, INTELSAT is a significant new form of international cooperation. It is the first commercial organization to be owned by a majority of the world's nations. Our countries have shared its costs, its services, and its benefits and responsibilities on an equitable, businesslike basis.

A great deal of the credit for this goes to the able men who have served on the Interim Communications Satellite Committee, which has served as our policy-making body for the last four years.

Credit is also due to the Communications Satellite Corporation, which has managed the system so effectively.

But credit, too, must be given to the willingness of the nations represented in INTELSAT to dare to pioneer new forms of cooperation for the common good. They have exhibited the greatest confidence in the future of communications satellites, as shown by the ICSC decision last year to authorize the great new INTELSAT IV series of satellites. These satellites, containing as many as 10,000 circuits, will bring us truly into the era of high capacity, reliable, low cost, global communications.

The purpose of this conference is to see that this happens as quickly and as efficiently as possible.

We need to look at what we have done over the past five years and what we need to do in the future. We need to examine what we should keep and what we should change.

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In approaching this task, we have the guidance provided by the ICSC in its report issued last December, outlining the views of its members on the future of the INTELSAT system. These views reflected unanimity on many points, and concerns on some others. The report represents over a year of study, reflecting all shades of opinion. It is not based on abstract ideas but on the experience we have all shared in the past five years in building the INTELSAT system.

Now the time for study is over. We have done our homework, and the time for active decision-making has begun. We should give this as much time and attention as is necessary--but we should not forget our goal. The quicker we can agree on permanent arrangements for the INTELSAT system, the better off we all will be.

This is especially true for the developing nations of Asia, Africa and Latin America. Here the deficit in good communications is an urgent problem. Here is where communications must be harnessed to the aspirations of half the world's populations for a better life.

The satellites can help in this effort to catch up. They can help move the communications timetable a generation ahead for Asians, Africans and Latin Americans.

At one level, satellites can substantially improve the present communications between the industrialized Northern countries and the developing countries of the South, opening new vistas of trade, commerce and social exchange.

But even more significantly, they can create a communications system where it has never existed before. This is communication among developing countries. Until now, Asians have not been able to talk directly to Africans, nor Africans directly to Latin Americans. The satellites have broken this anachronistic barrier. For the first time, we now have it within our power to communicate through all means of technology with our fellow-men in any part of the world. With a permanent system, we can move ahead confidently to the full realization of these potentialities.

I am sure I share with every delegate here the desire to get on with this job.

The satellites now, and in the future, will provide public communications services.

We accept as a matter of course the transmission by satellite of television programs from far away places. Yesterday the American audience witnessed the arrival of President Nixon in Brussels and later this week the whole world will watch the launching of Apollo IX from Cape Kennedy, where some of us will be present in person.

They are also capable of providing additional services limited only by man's ingenuity. Recently, there has been considerable discussion of using satellites for aeronautical and maritime communications. These are subjects which I think this Conference can and should consider.

They can be part of a global knowledge network, servicing libraries and computers in schools and research institutes in every nation. The cultural and scientific riches of East and West, of North and South, can, for the first time in human history, be opened to every man.

They can service a worldwide medical information network, bringing diagnostic information to all doctors.

These are some of the longer-range possibilities, reaching to the day when other, newer systems such as laser beams are developed. The INTELSAT system should be flexible enough to expand and change with these developments.

Finally, I want to welcome to Washington those delegates who are attending as observers for countries who are not now members of INTELSAT. In establishing INTELSAT the hope has been expressed that all nations would join in a truly universal communications satellite system.

I want to reaffirm that hope today.

I can think of no more important first step we can take towards reducing world tensions than that of broadening the communications links between powerful nations representing different political systems.

We should not rely just on a few hot lines. We will all be better off when we have thousands of cool lines linking us--the big and the small, the rich and the poor, the powerful and the weak.

Today our satellites look down on earth from a distance of 22,000 miles. They see the earth as it truly is--the green-blue globe that is the home of us all. They see a world where no national boundaries are visible, no divisive lines between men of differing race, or economic circumstances, or ideologies. The map may show hard lines dividing neighboring countries, but the satellite erases all of these artificial boundaries and sees no oceans, mountains, or man-made barriers. By rising above both geographical and man-made divisions, they can serve us all in building the works of peace.

This is what we must all keep in mind as we gather to lay out the future course of our system.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR
THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/3

February 24, 1969

The governments of the Republic of Viet-Nam and of Luxembourg have become the 66th and 67th member nations of the International Telecommunications Satellite Consortium (INTELSAT), and are participating in the Conference on Definitive Arrangements which opened today at the U. S. Department of State in Washington, D. C.

The Republic of Viet-Nam acceded to the international agreement on Friday, February 21. Luxembourg became a signatory today, shortly before the opening of the Conference.

In addition to the 67 member nations of INTELSAT, a number of observer nations and international organizations are attending the session.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR
THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/4 (Corr. 1)
February 26, 1969

INTELSAT WORKING COMMITTEES MEET

In Committee IV, the Vice Chairman is A. A. Bodede (Nigeria),
not Abdul Kader Bairi, of Algeria.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/4
February 25, 1969

INTELSAT WORKING COMMITTEES MEET

The four working committees of the INTELSAT Conference met today to elect their chairmen and to organize their activities. Following is a list of each committee's function and the chairmen and vice chairmen elected in today's meetings:

Committee I -- Structure and functions of the INTELSAT Consortium, with particular regard to questions of membership, scope of services, organizational structure including structure of major organs, their functions and voting.

Chairman: Eduardo Alejandro Roca
Ambassador of the Argentine Republic
to the United States

Vice Chairman: To be elected.

Committee II -- Legal and procedural questions, including definitions, legal status, entry into force, duration, amendment, withdrawal, settlement of disputes.

Chairman: Motoo Ogiso
Counselor, Ministry of Foreign Affairs
Japan

Vice Chairman: Prof. Carlos Alberto Dunshee de Abranches
Research Council
Brazil

Committee III -- Financial Arrangements

Chairman: H. White
General Manager, Overseas Telecommunications
Commission
Australia

Vice Chairman: Abdul Rahman Khaled al-Ghuneim
Assistant Under-Secretary for Technical
Affairs
Ministry of PTT
Kuwait

Committee IV -- Other operational arrangements, including procurement policy, inventions and data, technical and operational matters.

Chairman: Adolfo Alessandrini
Ambassador of Italy

Vice Chairman: Abdul Kader Bairi
Ministry of PTT
Algeria

Participation in all four committees will be open to any delegation wishing to participate. Observers may also attend unless the meetings determine otherwise.

Substantive deliberations are scheduled to begin tomorrow.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/5

February 27, 1969

THREE INTELSAT COMMITTEES HOLD SESSIONS

Committees I, II and III of the INTELSAT Conference held meetings on Wednesday, February 26 to begin discussing the work before them.

Committee I

The Secretary General of the International Telecommunication Union, M. Mili, described the role being assumed by the ITU in the field of space communications. In his statement, he expressed his hope that his group would play a similar role in the planning and coordination of satellite communications as it had in more traditional forms of telecommunications. He noted that the 135-member ITU is uniquely placed to promote the interests of all states in the available orbital space and frequency spectrum, protecting the quality of communications, promoting reasonable rates and solving problems of interference and routing.

Turning to the matter of the committee's program of work, the body heard statements by the representatives of Switzerland, Canada, India, Italy, Venezuela, the United Kingdom, Mexico, Tunisia and Australia. The chairman suggested the creation of a working group to prepare a new draft work program that would take account of all views expressed by the various delegates in their statements. The group was subsequently established, consisting of Algeria, Mexico, Switzerland, the United Kingdom and others wishing to participate.

The committee agreed to consider, as its first and second items of substantive business, "Objectives and Purposes of INTELSAT" and "Scope of INTELSAT's Activities," without prejudice to the order of the remaining items to be considered by the working group.

The committee began discussion on the first item--"Objectives and Purposes of INTELSAT"--and heard statements by the representatives of Sweden, Switzerland, Austria, Canada, the United States, India, Malaysia, France, Nigeria, Mexico, Syria and Belgium.

The representative of Sweden asked that the draft agreement submitted by the Swedish delegation be considered. The representative of Switzerland called for a permanent International organization consisting of an assembly, a governing body, and a managing body. The representatives of Canada and

India expressed their support for a three-tier structure along the lines of the Swiss proposal. The representative of Malaysia stated his strong support for a single global system. Regional systems, he feared, would deprive the global system--on which the developing nations depend--of the most profitable traffic flows.

The chairman proposed that discussion on the first item be continued at the committee's third session.

Committee II

The committee on legal and procedural questions considered the work program, and began discussion on the legal status of INTELSAT. It heard statements by representatives of Switzerland, the United States and Sweden.

The United States representative stressed that the U.S. suggests a pragmatic--what works and what works best--approach, rather than a doctrinal or conceptual approach.

The Swedish delegate stressed the need for a legal personality and noted that the organization performed two distinct functions, one public and one commercial. In each function, he said, the voting should be based upon different scales. One vote per member would be appropriate in the public function, he said, but in the commercial aspect, it seemed appropriate for voting to be related to the share of the investment.

The chairman suggested that delegates return to the discussion of legal status at a later date. He invited discussion on other matters, and adjourned the session after asking members to so indicate if they desired to participate in the discussions.

Committee III

The committee on financial matters met briefly to discuss the site for future meetings and their timing, with relation to sessions of the three other committees.

Election of Officers

The last remaining position on the committees was filled when the delegates on Committee I unanimously elected Mr. Mohammad of Pakistan as Vice Chairman of the Committee.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/6

February 28, 1969

COMMITTEE I DISCUSSES INTELSAT OBJECTIVES AND PURPOSES; TWO OBSERVER DELEGATIONS SPEAK

Committee I continued its discussions today on the objectives and purposes of the INTELSAT Consortium. During the session, 18 representatives of member nations and delegates from two observer nations expressed their views on the form and functions of a global telecommunications satellite system.

The representative of New Zealand, noting the progress achieved by INTELSAT during its brief existence, expressed his support for a single global system. He said his country favors definitive arrangements providing for an Assembly, Governing Body and Management Body as efficient as the Manager under the interim arrangements.

The observer from Poland expressed agreement with the views previously stated by the representatives of France, India and the Arab countries. Achievement of the desired single, unified global system, as illustrated by the Intersputnik proposal, he said, required due attention to the role of the I.T.U. and to the principles embodied in UN resolutions and in the Treaty on the Peaceful Uses of Outer Space. A system attractive to all nations would not seek to be a monopoly or to deprive states of their sovereign right to meet their own needs as they deem best.

The observer from the Soviet Union reviewed the progress of the Soviet orbital system and advocated the establishment of space communications systems meeting the needs of all nations. These systems, he said, might be domestic, regional and global, and would be coordinated by the I.T.U. Their development should be based on the principles: (1) that any state may participate in the system or systems most appropriate to its needs; (2) that each participant should be represented in the governing organs and should have equal rights and obligations in all matters; and (3) that all members should bear expenses and receive income in accordance with their use of the system. He stated that the Intersputnik proposal corresponds to the relevant UN resolutions.

The representative of Sweden, referring to his country's draft agreement, urged that definitive arrangements respect both the public international character of the organization, which would foster universality, and the commercial objective, which made INTELSAT unique among international organizations.

The representative of the Philippines advocated a single global system with membership open to all and with undivided ownership.

The representative of Turkey stated that the Committee should consider the needs of the developing countries for technical assistance in the training of personnel necessary to participate in the system.

The representative of Indonesia pointed out the relevance of domestic satellites to a country with Indonesia's needs and geography. He indicated that while undivided ownership is desirable in the global system, this should not rule out regional or individual ownership of the space segment under some circumstances.

The representative of Israel said he favors a single global satellite system providing facilities for public telecommunications on a commercial basis. The system might also provide specialized services if this could be done without detriment to the public services.

The representative of the United Kingdom, alluding to doubts of some about the appropriateness of a single global system, pointed out that under Article IX (b)(1) of the Interim Agreement, the concept of a single global system was to be carried forward into the definitive arrangements. He maintained that, inasmuch as INTELSAT had been so successful, it could not be fundamentally unsound; the presence of so many observers at this Conference further supported this view. He cautioned against confusing universality with monopoly. Referring to the statements of the Polish and Soviet observers, he stated that since its beginning INTELSAT had taken account of relevant UN resolutions, and that the I.T.U. had never complained of conflicts with INTELSAT.

The representative of Venezuela indicated his support for a single global system, as set forth in the second paragraph of the Preamble in the Interim Agreement. The proposals for regional systems, he said, should be examined more thoroughly before a definite opinion is reached.

The representative of the Federal Republic of Germany favored a genuinely international organization open to all I.T.U. members on an equal and non-discriminatory basis. The Assembly of this organization, he said, should safeguard national interests and exercise supervision over the Governing Body, which would consist of governmental or private entities. On the subject of regional systems, the German delegation favored free, dynamic competition, giving full regard to the requirements of the developing countries. The delegation wished to associate its views on regional systems with those of the representative of India.

The representative of Japan, while considering the present membership of INTELSAT adequate to create a global system, said he hoped other nations soon would join the organization. He believed the question of regional systems would more appropriately be discussed under the subjects of rights and obligations of members and structure of the organization. He observed that a total denial of regional systems might be incompatible with Article I of the Treaty on the Peaceful Uses of Outer Space.

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The representative of India pointed out the ambiguity of the word "single", suggesting the term "integrated worldwide system." The representatives of Switzerland, Sweden, France and Belgium supported the Indian suggestion. The representative from India further stated he felt that it would be unwise to rule out other systems, considering the impossibility of visualizing the technology of a decade hence; however, he said, other systems should not compete with the worldwide system.

The representative of Pakistan urged coordination with the I.T.U. in all matters and removal of any impediments that have prevented some countries from joining INTELSAT.

The representative of the U.S. understood "single" to modify "global." The question as to whether there should be only one global system, he said, could be decided without prejudice to the decision on domestic and regional systems.

The representative of Australia stated his support of the Indian view that regional systems should not be ruled out. He stressed the need for a manager that was efficient, technologically up-to-date, and a single entity, and expressed the view that INTELSAT had so far had such a manager. He believed that the Governing Body should be limited in size to, say, some 20 members. There should be both an assembly of shareholders and an opportunity could be provided for the governments to meet occasionally, the latter either ad hoc or through the organization as ultimately structured.

The representative of Canada held that definitive arrangements should clearly recognize the rights of nations to establish domestic satellite systems. To be efficient, he said, the global system should be integrated and comprehensive; regional systems should be permitted if compatible with the global system and this Committee should develop principles to prevent the incompatibility of other systems with the global system.

The Chairman adjourned the session until 10:00 a.m., Saturday, March 1, 1969.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR
THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/7
March 3, 1969

GHANA AND HUNGARY JOIN INTELSAT CONFERENCE AS OBSERVERS

Ghana and Hungary have become the 23rd and 24th observer nations at the current Conference on Definitive Arrangements for the International Telecommunications Satellite Consortium (INTELSAT).

Sixty-three of the 67 member nations of the consortium are participating in the Conference, which opened last Monday (February 24, 1969) and will continue until March 21.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/9
March 3, 1969

COMMITTEE IV DISCUSSES PROCUREMENT POLICIES

Committee IV of the INTELSAT Conference on Definitive Arrangements discussed Friday the existing procurement policies for obtaining all equipment and support equipment for the program of the consortium.

Several representatives expressed the view that corrective steps be sought for the future so as to eliminate some of the injustices they saw in the present system. Noting that about 45 of the 67 members of the consortium do not participate in any way in development work, these delegates suggested that compensation in some form for the developing countries affected by increased costs of procurement be worked out. There is a need, they noted, for clear principles that would encourage international participation while safeguarding the interests of those countries not involved in the development projects.

Other delegates noted that the situation had improved in practice as the program progressed. They stressed that although procurement outside the country of the manager has resulted in about a 10 percent increase in costs to the organization, the proportion paid by each member corresponded to its percentage interest. Thus it did not represent an overwhelming burden. By requiring a fee from those countries who improve their technology, technological improvement in effect would be penalized.

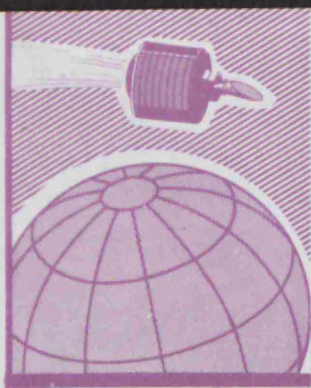
The representative of a developed member nation supported the views of the developing member countries on compensation. He noted that even though the cost would be smaller to smaller countries, everything in their economy is on a correspondingly smaller scale. The compensation requested might be in the form of direct compensation, technical assistance or some other method.

The delegates agreed that a balanced solution to the existing problems should be found. They noted that it might be difficult to ascertain which countries merited compensation, but also expressed the hope that no one country would have a monopoly in procurement.

Several of the countries voiced support for either direct subsidies or compensation in the form of technical assistance. Some delegates said that technical aid to countries nearly in a position to participate in procurement would contribute significantly to broadened participation in contracting.

The Representative of Brazil announced the operational integration of his country into INTELSAT with the initial transmission linking the earth station near Rio de Janeiro with Italy and the United States. The Committee applauded the achievement.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/10
March 4, 1969

COMMITTEE I ESTABLISHES WORKING GROUP

Committee I of the INTELSAT Conference established a Working Group at Monday's meeting to consider agenda items I and II:

- objectives and purposes of INTELSAT
- scope of INTELSAT's activities

The 10-nation group consists of Canada, Chile, Ethiopia, France, India, Japan, Lebanon, the Netherlands, New Zealand and the United States.

Chairman Roca asked the body to attempt to reach specific conclusions and, where necessary, to present alternatives and the support for these alternatives. He noted that any member delegation may observe the group's sessions. The views of the observer nations to the Conference, Ambassador Roca said, should also be freely solicited by the working group when advantageous.

The Committee interrupted its work for 30 minutes to view the launch of Apollo 9 on a large-screen projection of the television picture in the International Conference Room. About 75 delegates to the conference saw the Saturn rocket in place during a trip to Cape Kennedy last Friday.

In the course of its discussions, numerous delegations favored the primacy of international public telecommunications services. Several also supported the unanimous recommendation of the 18-man Interim Communications Satellite Committee that INTELSAT be limited to provision of the space segment. One view held that INTELSAT be authorized to provide for specialized services upon request, following study of the technical and economic feasibility. Another, while recognizing that the main purpose of INTELSAT is provision of the space segment for international public telecommunications services, cautioned that once domestic, regional, specialized and national security traffic had been allocated INTELSAT circuits, they should not be displaced at a later date in deference to increased demand for international public services.

Confidence was expressed, however, that technological improvements and long-range planning will enable INTELSAT to meet all circuit requirements expressed in the future, both international or domestic. Thus, there is no need to set priorities in allocating circuits.

It was also suggested that, if it were economically beneficial to INTELSAT, the consortium could provide facilities for domestic, regional and specialized services. However, military or paramilitary use of the space segment should be prohibited. In addition, INTELSAT should be related to the United Nations family through the International Telecommunication Union.

The concept of a single global commercial communications satellite system as part of an improved global communications network expressed the interests of all nations, a delegate pointed out. Nothing in the past four years had occurred to alter the validity of the concept of the single global commercial system. A monopoly was undesirable if it referred to the possession by one nation of majority power within INTELSAT, the representative said; however, there was nothing wrong with the concept of a monopoly if it referred to the existence of a single global system open equitably to all nations.

One representative stressed that there are many aspects of specialized services that have not been explored to date; therefore, he noted, it would be premature to include in the definitive arrangements any detailed provisions on regional, domestic and specialized services. Instead, such matters should be dealt with on an individual basis through consultation between INTELSAT and the countries or international organizations concerned. Another delegate agreed that conditions for specialized services should not be stipulated definitively; domestic services, he noted, should be left to the initiative of member states but consultation should be implemented by the states with INTELSAT so as to insure technical compatibility.

The Committee scheduled its next meeting Tuesday while awaiting the report of its newly-established working group.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/11
March 5, 1969

COMMITTEE I DISCUSSES SEVERAL AGENDA ITEMS

Committee I of the INTELSAT Conference continued discussing several agenda items in its sixth session on Tuesday (March 4). The working group established by the Committee held its first meeting Tuesday afternoon.

At the morning meeting of the Committee, various delegations commented on the scope of INTELSAT's activities, on the structure of the organization and on eligibility for INTELSAT membership.

On the scope of the consortium's activities, the view was expressed that there are complex and largely unexplored technical, political, legal, economic and social problems in such fields as navigation services and direct television broadcasting to homes. The possibility of eventually providing specialized services should not be denied to INTELSAT; however, governments should have the opportunity to make decisions based on full knowledge of the facts.

Discussing the structure of the organization, the delegations presented and supported a variety of views, including:

- a four-tier structure, in which there would be an international conference (such as that currently in session) which would make intergovernmental decisions in accordance with accepted international principles; an Assembly in which the participating entities would deal with telecommunications matters, reflecting the business nature of the enterprise; a governing body similar to the 18-nation Interim Communications Satellite Committee; and a manager.
- a three-tier structure, consisting of an Assembly, a governing body and a manager. The management body would be genuinely international and limited to purely commercial activities.

One delegation pointed out that a global system should meet domestic needs as well and should serve all nations without discrimination. He recommended a simple majority for procedural decisions and a two-thirds majority for important decisions in the Assembly, with each delegate possessing one vote. It was suggested by another representative that if unanimity could not be reached on some question, a majority of the investment shares entitled to

representation on the governing body might be required for procedural decisions and a two-thirds majority of those shares on substantive decisions.

It was stressed as well that wide international participation on the staff of the management is highly desirable. One delegation noted with regret that more nominations have not been forthcoming.

Several member and observer nations discussed the question of eligibility for INTELSAT membership as the final item of business at the Committee's sixth session.

The view was expressed by several delegations that there exists a need for universal membership, not linked to prior membership in the International Telecommunication Union. One representative noted that the outstanding success of INTELSAT removed justification for the reluctance to extend membership to all countries of the world. By making membership open to all, the consortium would be acting in conformity with United Nations resolutions, would aid more nations, would increase the efficiency of INTELSAT and would bring about a single truly global system that would result in improved international understanding.

Other delegates explained that there was a distinction to be drawn between the right of membership in INTELSAT and access to the global system. Access is provided to all nations, he said; thus the eligibility requirements in the interim agreement are not discriminatory.

Additional comments were voiced on the problem of investment quotas and access to the space segment when needed on economic and other appropriate conditions. One representative pointed out that the primary essential requirement is to provide good communications facilities. When countries refer to commercial aspects of INTELSAT, he added, they are using the term to mean efficient and businesslike, rather than profitable in the entrepreneurial sense.

The Committee scheduled its next session for this morning (March 5).

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR
THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/12
March 5, 1969

COMMITTEE IV FORMS WORKING GROUP ON PROCUREMENT POLICIES

At its Monday afternoon meeting, Committee IV accepted the suggestion of Ambassador Alessandrini, chairman of the body, to form a working group to consider all ideas and proposals voiced in the Committee's discussion of INTELSAT's procurement policies.

These proposals focused on the possibility of wider international participation in the procurement of materiel for the program of the consortium. Certain delegations addressed themselves to such pertinent matters as contract policy and possible compensation for the developing countries either directly or through technical assistance.

The working group that was created consists of representatives of Algeria, Argentina, France, the Federal Republic of Germany, India, Italy, Japan, Pakistan, the Philippines, the United Kingdom, the United States and Venezuela. The chairman noted that this composition reflected the various viewpoints as well as a measure of geographical distribution. He announced that the meetings of the working group would be open; any delegation in attendance would be given the opportunity to express its views.

The working group is meeting this afternoon, March 5, at 2:30 p.m. The next session of the full Committee will be tomorrow afternoon, March 6, at 2:30 p.m.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/13
March 5, 1969

FINANCIAL ARRANGEMENTS FOR INTELSAT DISCUSSED

Committee III, responsible for working out financial arrangements for the INTELSAT organization, met Monday and Tuesday to exchange views on its first three agenda items:

- Introduction
- Principles underlying financial arrangements of the organization
- Principles for determining investment shares of Signatories.

In the first of the two sessions, the Committee Chairman, Mr. Harold White (Australia), noted "a good deal" of support for the ICSC recommendation that a clear distinction be made between the role of the signatories as co-owners of the space segment--in which they would make capital contributions to the organization on a basis of a system of investment shares--and their role as users of the space segment--in which they would make utilization charge payments to the organization on a commercial basis.

A number of delegations also voiced support for the concept of investment in the system proportionate to their use of it; differences arose, however, on whether that use should be calculated on the basis of members' international traffic only, or whether domestic traffic should also be used as a base for computation. Several delegations opposed including domestic traffic in making the determination, while making clear that they supported the principle that the global system should accept domestic traffic. Their reasoning was based on the fact that large countries using the satellites for domestic purposes would lead to an imbalance in ownership. Some countries expressed support for including those domestic uses clearly similar to international traffic, especially when that traffic would cross national boundaries, as in the case of East and West Pakistan and the United Kingdom to Hong Kong.

One delegation expressed strong support for relating the investment quota to the use of the space segment, taking into account such matters as countries who do not possess an earth station (and therefore paying indirectly for the use of the space segment), the existing investment shares in INTELSAT, and the desires on the part of some nations who may wish to limit their quotas.

A number of delegations also expressed their views on whether "use" of the space segment should be defined as past use, or a combination of past, present and future use. Some countries favored past use as the only realistic basis, while allowing for periodic adjustments; others stated their support for basing investment shares both on past and estimated future use.

The Chairman noted that the Committee had had a very useful exchange of views in the two sessions. He asked for delegations to submit written statements, if they desired, to the Secretary so that all views may be made known. He said he would prepare a paper summarizing the views that had been expressed and suggesting points on which the Committee might reach conclusions.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/14

March 6, 1969

COMMITTEE I DISCUSSES STRUCTURE AND MANAGEMENT

At its seventh meeting, Committee I of the INTELSAT Conference continued discussing Wednesday the structure of the organization, and heard statements in support of both the three-tier and four-tier structures that had been proposed at an earlier session. It also considered the question of the makeup of the Manager.

The view was expressed, on the one hand, that a three-tier structure would be less unwieldy than a four-tier one, while effectively assuring participation of both telecommunications experts and governments. On the other hand, however, it was noted that a four-tier structure would enable small countries to play an effective role and would clearly distinguish between the responsibilities of governments and telecommunications entities.

One delegation suggested that the need at this time is for improvement of the structure, rather than fundamental change. It offered the possibility that the advantages of both structural proposals be combined in a single Assembly to which the governments would appoint either governmental or telecommunications representatives.

Several delegations also commented on the need for the internationalization of INTELSAT; they noted that this can be pursued more easily now than in 1964 because of the increase in skills and utilization. It was pointed out, however, that full internationalization of the Manager could not be achieved overnight; the need exists for a transition period during which the prevailing high level of managerial competence would be maintained.

Addressing himself to a number of key issues, one representative stressed the need for establishing definitive arrangements that would not have to be modified significantly early in their life. He said that all members must have the opportunity to participate significantly in the organization's affairs; the Manager must be internationalized, but, as was stated earlier, efficiency must be preserved. He added, however, that the Manager must be in a constitutional position in which no suspicion of bias could arise; a national entity, the delegate suggested, however competent or objective, cannot be in such a position.

In the course of further discussion on the composition and nature of the managing body, several delegations supported the view on internationalization while recognizing an essential need for competence and high standards. The aforementioned suggestion of a transition period received several expressions of support.

In addition to the question of voting in the Assembly (one of the tiers mentioned in both the three-tier and four-tier proposals), discussion focussed on the makeup of the governing body. The view was expressed by a number of delegations that this body should remain small enough to be effective. One representative asserted that the governing body should consist of no more than 25 envoys of the signatories; it must represent all geographic and economic areas--small countries as well as large. In any decision on the pattern of voting, it must be kept in mind that each member should be able to feel that he is effectively participating in the decision-making process, it was noted.

Several delegations also expressed their view that the General Manager of the system should be confirmed, not appointed by the Assembly.

The Committee met this morning (March 6) for the eighth time.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR
THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/15
March 7, 1969

GUATEMALA BECOMES 68TH INTELSAT MEMBER

The Government of Guatemala today became the 68th member of the International Telecommunications Satellite Consortium (INTELSAT) and has joined the Conference as a participant.

Dr. Francisco Linares Aranda, Ambassador of Guatemala to the United States, presented his country's instrument of accession to the Intergovernmental Agreement at 11:15 a.m. at the Department of State. Ambassador Aranda introduced Col. Mariano Rayo Ovalle, Director-General of Guatemala's International Telecommunications Enterprise, who signed the Special Agreement. Shortly afterward, they registered as a member delegation to the INTELSAT Conference.

There are now 66 of the 68 member nations of INTELSAT and 25 observer nations attending the Conference.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/16

March 8, 1969

COMMITTEE I CONTINUES DISCUSSION OF INTELSAT'S STRUCTURE

Committee I of the INTELSAT Conference heard numerous presentations Thursday in support of both a three-tier and a four-tier structure. (Description of each form can be found in PR/11.)

Delegates in favor of the three-tier concept suggested that:

---the structure be characterized by checks and balances.

---the Assembly should review the organization's activities and lay down broad policies for the other organs.

---governments should have the opportunity in the Assembly to be represented either by telecommunications entities or by government officials.

Some representatives advocated the four-tier concept, because the distinction between the public and commercial aspects of INTELSAT could not be adequately reflected in a three-tier structure. In the latter, non-governmental entities that are not members of the governing body would have virtually no opportunity to participate in the organization in which they had invested.

Some delegations noted that they could accept either a three-tier or a four-tier structure.

Discussion in the Committee also focussed on questions related to voting in the Assembly. Several speakers favored a policy of one delegation, one vote. It was also recommended that voting combine equality of the members with some weighting on the basis of investment shares.

Several participants proposed, on the question of the governing body, that membership be kept to a minimum so as to ensure efficiency. The figures of 18 and 20 were suggested by two of the delegations. One representative recommended that the governing body reflect equitable geographic representation, with each member entitled to one vote. Such a body would be appointed by the Assembly.

In commenting on the role of the managing body and its makeup, some speakers maintained that the manager should either be internationalized, or subject to international control. One delegation noted it was interested in an earlier proposal that a single national entity would be acceptable as manager, and in a further suggestion that the manager be granted a fixed-term contract subject to periodic review by the Assembly.

The role of Comsat as manager was considered in several of the statements. One representative noted that at no time had the argument been raised that COMSAT has been either unresponsive or inefficient. The manager must be subject to international control, it was asserted, but this did not mean it must be an international body. A second delegate praised both the success of Comsat as manager, and NASA as contributor of launch services without demanding reimbursement for development costs. The delegate warned against jeopardizing the progress of INTELSAT by hastily substituting possibly hypothetical improvements for demonstrated competence. However, he added, the definitive arrangements should sharply separate the role of manager from that of any single signatory. The management body should be defined by contract so that it can be changed, as was suggested by others. Moreover, he said, the signatories should have the possibility of developing management teams for such time as the governing body may decide to replace Comsat.

Another view that was expressed held that INTELSAT could already be described as truly international--with 67 member nations (68 as of March 7 with accession by Guatemala), the imminent achievement of global coverage by its satellites and the existence of a Committee to govern it, representing 48 countries, that has generally reached consensus or unanimity. The delegate suggested that an occasional review conference, such as the present one, be convened to decide the few political issues that might arise and that a two-thirds vote be implemented in the governing body so as to assure broad support for decisions.

The delegate stressed that the important thing about the organization's work is how the job gets done. What is needed is an international determination of what ought to be done and a competent way to do it. Internationalization of the organization does not, he noted, in theory or fact, require internationalizing the manager. He added that the way should be left open for change in the manager as comparable managerial competence develops.

At the close of the eighth session, the Committee concurred with the Chairman's suggestion that a working group be created to review the appropriate documents and statements of position expressed with regard to the structure of the organization. The Chairman, Ambassador Roca, felt that the group should reflect the views expressed as well as an equitable geographical balance, but added that it must be small enough to work expeditiously.

The working group was created, consisting of Australia, Chile, India, Indonesia, Italy, Mexico, Sweden, Switzerland, United Kingdom, United States, Venezuela and two members of the Africa-Middle East group suggested by the membership of that group in consultation with Ambassador Roca. It was suggested that all members who so desired might be permitted to attend the group's session and participate in discussing the issues of importance to them. The working group meets this afternoon (Friday) to consider an approach to its work.

The full Committee will hold its ninth session Monday.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR
THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/17
March 11, 1969

FOUR COUNTRIES JOIN INTELSAT CONFERENCE AS OBSERVERS

The governments of Bolivia, Costa Rica, the Ivory Coast and Mauritania arrived this week to participate as observers in the INTELSAT conference on Definitive Arrangements.

The entry into the Conference by the four new observers brings the number of observer nations to 28. Also participating as observers are representatives of the United Nations and the International Telecommunication Union (ITU). A total of 30 observer delegations are in attendance.

A total of 66 of the 68 members of the INTELSAT system are participating in the Conference, in addition to the 30 observer delegations.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR
THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/18
March 11, 1969

COMMITTEE IV RECEIVES WORKING GROUP'S REPORT;
DISCUSSES PROCUREMENT POLICY, INVENTIONS, DATA
AND TECHNICAL INFORMATION

Chairman Alessandrini convened the fifth session of Committee IV Monday and received the revised report of the working group. The report was accepted by the Committee; it was noted that the working group had presented three alternative propositions:

---a majority recommended the following formulation to be substituted for Article X of the Interim Agreement:

"The governing body will award contracts, through open international tender, to bidders who offer the best combination of quality, price and most favorable delivery time."

---substantial support exists for maintaining Article X as it is.

---there is support for a proposal to adopt the following formulation to replace Article X:

"The governing body will award contracts, through open international tender, to bidders who offer the best combination of quality, price and most favorable delivery time.

The organization will keep in consideration the interests of all participating states and in particular, will encourage the development of the technology of those states.

While encouraging for wide international participation in procurement, which participation would be, in principle, proportionate to the investment share of each state, the organization will, nevertheless, take great care that such policy does not impose a supplementary financial contribution on non-supplying countries."

Several countries expressed the feeling that further discussion of procurement policy await progress by Committee I on the structure of the

organization. Some others said that the principle of compensation to countries not receiving contracts should be retained.

Considering the matter of Item II---Inventions, Data, and Technical Information---the Committee heard the view expressed that developing countries are at a disadvantage because they contribute to the development of patents and inventions through the investment quota and charges, yet do not benefit from the patents directly.

Another representative noted that the ICSC report did not reveal that certain provisions of the special agreement resulted in a considerable increase in contract cost because of the procedure the contractor was compelled to follow in furnishing patent rights. This was normal practice, the delegate noted, but as a result, INTELSAT paid more for development. This increase was incurred by all members but the great majority could not benefit because they could not use the information.

One group expressed the need to safeguard the interests of all countries through adoption of several alternatives.

1. The organization would place contracts without asking the contractor to surrender patent and invention rights, or
2. The organization would reserve the rights, but would administer them so that all countries so wishing could use them on an equitable basis of appropriate royalty payments proportional to investment shares. Furthermore, the income from inventions and royalties could be distributed.
3. Only the countries participating in the performance of the contracts would bear research and development costs, and be compensated by having the rights of use of the resulting inventions and patent surrendered to them. Other members of the organization would share in all costs, except those of research and development.

Another delegate noted that INTELSAT must have access and rights to the use of---and be able to authorize others to use---the patents and inventions directly developed from contracts. Moreover, INTELSAT should seek rights not directly resulting from contracts, but needed to promote effective use of the space segment. Also, INTELSAT would require these rights for itself in order to perform functions given to it. Rights in the foreground were exercisable without further payment to signatories but were subject to payment determined by the governing body.

A number of views were aired on the possible free use of patents by the organization, and the free availability of technical information, as long as it is used for purposes consistent with those of INTELSAT. It was suggested by the Chairman that a new working group consider these matters. It was decided that the group would be made up of the same membership as the body which issued its report at the Monday session; Nigeria and Mexico were included as members of the new working group. The body will meet tomorrow (Wednesday).



PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/19

March 11, 1969

COMMITTEE I DISCUSSES INTELSAT MEMBERSHIP AND AGREEMENTS

In the ninth session of Committee I, Monday, an observer delegate noted that while his country intended to join INTELSAT, he felt that the future organization should be more democratic; that there should be less financial burden on developing countries; and that there should be some leeway for regional systems which, for instance, could be appropriate to African needs.

The view was expressed by another delegation that the organization should be open to all members of the International Telecommunication Union (ITU). Non-members should be excluded because INTELSAT could not ascertain whether they would abide by ITU rules. However, non-members should have access to the space segment.

This opinion was supported by eight other representatives. A ninth added his suggestion that access to the system by non-members should be conducted through the facilities of a member; this would assure adherence to the proper standards. Another point of view was that either direct or indirect access should be permitted to a non-member with the proper type of earth station.

A differing outlook was expressed and supported by four other delegations. They asked why INTELSAT might not be able to establish for its members the same standards as those established by the ITU. Thus INTELSAT would not require ITU membership. It was noted that a United Nations resolution states that satellite telecommunications be available to all nations; that non-ITU members were present at the Conference as observers; and that certain nations have been excluded from membership in the ITU regardless of their desire to join.

In response to a question, the Secretary advised members of the Committee that of the observers in attendance at the Conference, only one is not a member of the ITU. He pointed out that this observer state is a member of the United Nations and of a number of the world body's specialized agencies. The ITU observer added that that country, as a U.N. member--is fully eligible to join the ITU but has not yet decided to do so.

Responding to another question, the Secretary of the Committee noted that when invitations to the conference were extended to all INTELSAT members, the United States as host government also informed all members of the United Nations and specialized agencies of the dates of the Conference, and had indicated that if they were interested in INTELSAT, the United States would be happy to invite them as observers. All those present as observers had indicated a desire to attend, and had thus been invited.

Six other delegations spoke in support of ITU membership as a prerequisite for membership in INTELSAT. One of the speakers reiterated the caution expressed at other sessions against confusing the membership rights with those of access; all states, he noted, should enjoy the rights of access.

It was noted by one participant that all states should have a right to membership. While agreeing with him, a delegate observed that all states should be permitted to sign the definitive agreements, which would contain a provision for compliance with ITU regulations; if this were impossible, INTELSAT membership would have to be limited to ITU members. An observer delegation noted, however, that even non-members of the ITU heed that organization's regulations; some nations are prevented from joining the ITU, and thus, he maintained, in accordance with the principle of non-discrimination, all states should be eligible to join the global satellite system.

The view was expressed that there was a contradiction in the stated position of some members, who favored the right of all states to join INTELSAT but would insert provisions in the definitive arrangements that would prevent certain nations from joining.

One delegate asked whether, under the interim agreement, a non-member of the UN, the International Atomic Energy Agency or any specialized agency would have access to the INTELSAT system. A member noted in explanation that it was basically a matter of interpretation; the preamble, he said, seemed to open access to the system to all states. This differed from Article XII which opened access to states belonging to the ITU.

A representative requested that the Secretary furnish information regarding the eligibility for ITU membership. This was provided to all participants in the conference.

When discussion focused on signatories and duration of the agreements, a number of delegations endorsed the view of one speaker that the first agreement be signed by governments and the second either by governments or by telecommunications entities, public or private, designated by governments. One delegate felt that both agreements should be signed solely by governments.

Committee I scheduled its tenth session for this morning (March 11).



PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/20

March 12, 1969

COMMITTEE I CONSIDERS KEY ITEMS

Committee I of the INTELSAT Conference considered Tuesday several of the key items before it, including eligibility for membership, the structure of the organization and relations with non-member states.

It was suggested that if INTELSAT is an organization satisfactory to its members under the definitive arrangements, they should obligate themselves not to compete with it. At the same time, they should have the right to establish regional satellites, subject to conditions for international public telecommunications services as stated in an earlier Conference document. Those who establish domestic systems, it was noted, should take care not to damage INTELSAT. Other organizations are involved in the field of specialized services via satellite, it must be remembered; however, INTELSAT should play an active role in this field.

In outlining his views, an observer, while favoring universal membership in INTELSAT, opposed linking membership in the International Telecommunication Union (ITU) with that in INTELSAT. On the matter of structure, the delegate called for an assembly in which each nation would have one vote, and which would direct the general policy of the organization; a governing body, equitably representing all geographic regions and granting an equal vote to each member, which would be responsible for creating and supervising the satellite system; and an international staff under a director general, which would be chosen on the basis of competence and, as far as possible, geographic distribution, and which would constitute the executive body.

Another delegate endorsed an earlier proposal that membership be open to all states that agree to adhere to ITU regulations.

The Chairman of Committee II on legal matters informed the Committee that his group's consensus favored two agreements to constitute the definitive arrangements. Two agreements--the agreement among governments, and the special agreement concluded by certain governments and entities designated by governments--comprise the interim arrangements currently in effect.

The view advocating a four-tier, rather than a three-tier structure for the organization, was outlined by one representative, in behalf of three delegations. He noted that a three-tier structure would leave some nations without a forum in which their designated telecommunications entities could directly participate; in this sense, he said, they would be discriminated against. A four-tier structure would produce a clear forum for decisions at

the governmental level. Stressing the functional, rather than the fundamental differences between the two proposed structures, the delegate suggested that if there are two agreements, one should be signed by governments and the other either by governments or by telecommunications entities designated by the governments. It was suggested as well that in the Assembly of Parties, each member would have one vote; in the Assembly of Signatories, members would vote according to their investment quotas if the subject being considered involved approval of a governing body action. On more general subjects, each member would have a single vote.

The Assembly of Parties would consist of the national telecommunications entities designated by governments; the Assembly of Signatories would be comprised of the governments that are members of INTELSAT.

In response to this outline, one representative said that he could accept either structure, but preferred a three-tier form. He added that he could support either an international body or a national entity as manager, provided the present management competence and relationship between the manager and the National Aeronautics and Space Administration are in no way impaired.

Another delegate found it difficult to see how a full Assembly of Signatories could function on the basis of voting related to investment quotas; however, he found weighted voting acceptable in the governing body--provided a few members could not impose or block a decision. He also accepted the recommendation that ITU membership be made a prerequisite for INTELSAT membership; this, he said, assured respect for ITU regulations.

In voicing his endorsement of a three-tier structure, a representative asserted that in that form, the Assembly would approve--not merely consider--the activities of the organization. Important decisions would be made by a two-thirds majority. The governing body--like the ICSC--would include members representing quotas of at least 1.5 percent, but would also contain at least four members representing geographic areas, chosen by the Assembly. A small number of countries must not be able to impose or block a decision, he maintained. The management body, moreover, must reflect the international spirit of the organization.

It was also noted, in support of a three-tier structure, that the Assembly should review annually the activities of the governing body, so that even small countries might have influence in the organization. The decisions of the Assembly should be mandatory; no two or three countries, moreover, should be able to block a decision in the governing body, in which equitable geographical distribution would exist.

On the question of relationships with non-member states, a variety of suggestions were proposed. These included the following:

- 3 -

- Non-members of INTELSAT should only have (indirect) access to the system through a member; while desiring universal access, proponents of this view felt that non-members should not enjoy a situation better than that of members who had invested in the system.
- The principle of non-discriminatory access would require INTELSAT to grant direct as well as indirect access to the space segment to non-members who are part of the ITU and, on the basis of individual agreements, to non-members who are not members of the ITU.
- Non-members should be permitted not only indirect but also direct access through agreement with the organization. Two delegations added that the definitive arrangements should guarantee that non-members may freely choose the nation through whose earth station they wish to have access.
- There should be universality of access, but with the prerequisite of ITU membership, so that INTELSAT should not in any way substitute itself for the ITU.

There was broad support for the proposal that non-members should have direct access, with the approval of INTELSAT. It was noted that the agreements with non-members should take appropriate account of the fact that non-members had not invested in the system.

A working group was established to consider the questions of eligibility for INTELSAT membership and relationships with non-member states. The members of the group are: Austria, Belgium, Chile, Denmark, France, Germany, India, Japan, Peru, Spain, Thailand, Tunisia, United Kingdom and United States.

There was some discussion on the matter of duration of the agreements establishing the Definitive Arrangements. Some delegations supported the principles that they have no fixed duration, and that suitable, flexible procedures for reviewing and amending them be provided therein. Others stressed the need for the agreements to reflect the permanence and solidity of the organization, so that nations can make long-term investments and commitments, with confidence. The proper balance must be struck, it was asserted, between the ability to adapt the dynamic technology characteristic of satellite communication, and the need for stability and continuity that justify significant capital investment in the system. It was also proposed that the arrangements have a ten-year duration with a review conference at the end of that term.

Committee I will convene its 11th session tomorrow morning (Thursday, March 13).

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR
THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/21

March 13, 1969

PLENARY SESSION OF INTELSAT CONFERENCE TO RESUME THIS TUESDAY

The Plenary Session of the INTELSAT Conference will resume this Tuesday, March 18, for the first time since the opening of the Conference on February 24. In accordance with the rules of the Conference, Plenary Sessions will be closed.

In anticipation of the forthcoming resumption of the Plenary Session, the Steering Committee of the Conference Wednesday requested all committees to complete their work by next Monday, March 17, in order to report to the Plenary Session.

The Steering Committee, which consists of the chairmen of Committees I, II, III and IV, and the Secretary General of the INTELSAT Conference, is headed by the Conference's permanent chairman, Leonard H. Marks of the United States.

The Steering Committee also expressed its desire that the Conference committees not vote on differing views, but submit them to the Plenary. This would conform with the general agreement to operate by consensus in the Conference to the greatest extent possible.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/22

March 18, 1969

COMMITTEE I DISCUSSES RIGHTS AND OBLIGATIONS OF MEMBERS

At its 12th session Saturday, Committee I of the INTELSAT Conference heard a statement of the observer delegate from the United States and discussed the rights and obligations of members.

The Vice Chairman of the Committee, in the chair, reported he had received a copy of the report of the Committee II working group on legal status and the related summary record which he was forwarding to the Working Group on Structure of the Organization. On the subject of rights and obligations of members, one member delegate voiced his view that while states should have the right to launch satellites for specialized or domestic purposes, INTELSAT should also be authorized to accommodate members requesting these facilities. He noted that in certain special cases, INTELSAT should furnish domestic circuits. Nations have the right to inaugurate regional systems, he said, but must first consider the competitive impact on the economics of the global system and, in particular, on the developing countries dependent on that system.

It was also noted that INTELSAT alone had made it possible for the overwhelming majority of states to benefit from space communications; this great benefit made certain obligations incumbent upon the members. States have the right to establish domestic satellites after consultation with the governing body to assure technical compatibility, it was pointed out; but INTELSAT should have the authority to provide circuits or satellites for domestic use at the request of members. On the matter of regional satellites, a delegate argued that no view advanced thus far had shown that such a system outside INTELSAT would be economically compatible with or beneficial to all the members of INTELSAT. A regional system admittedly might offer cheaper communications to states with less traffic at present, but this would not provide for the expected growth in communications. INTELSAT, it was stated, should be permitted to establish facilities for specialized telecommunications services. Individual states or groups of states should have a similar right, after coordination with the organization, if the needed services cannot be provided by INTELSAT. After coordinating with INTELSAT, states may establish satellites for national security purposes, it was suggested, and INTELSAT itself may provide circuits for such purposes to requesting states.

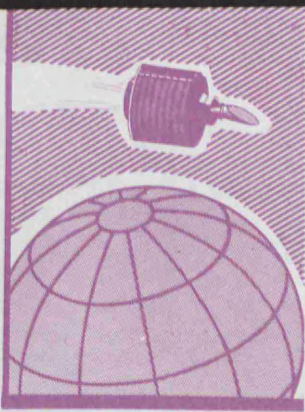
One delegation maintained that members of INTELSAT could not consider the obligations contained in the conference document until it was known that the definitive arrangement would reflect the principle of non-discrimination and would be truly international--including its management body--thus creating prospects of universal membership.

Another delegation believed that a regional system would enable a group of countries to have regional public telecommunications facilities as an essential component of the infrastructure for regional development. The development of regional satellites was also supported by a member delegate who noted that the words "of any kind" in the ICSC report should not be interpreted to include national security services. INTELSAT should not contribute financially or technically to the provision of facilities for national security purposes.

The view was also expressed that the definitive arrangements should not limit the rights of states to the free use of outer space; however, members of INTELSAT should refrain from actions prejudicial to the organization. They should agree to route a reasonable portion of their international traffic through INTELSAT. Rights of member states, moreover, can be limited in the definitive arrangements solely by stated prohibitions. Also, independent regional systems should be allowed, if they prove more economical, and INTELSAT should enter into cooperative agreements with these regional systems so that all members can benefit. The delegation also expressed support for the view of one group advocating use of less expensive earth stations by countries with little traffic. Competition, the delegation noted, is a fundamental element in obtaining services at lowest cost. While one may hope for a single global system, such is not yet the case; the fact that a separate system is being developed by the socialist states cannot be overlooked. For the common benefit, the socialist and non-socialist satellite systems must be able to interconnect.

The session also discussed the role of the International Telecommunication Union (ITU) in the development of space telecommunications. It was noted that a World Administrative Space Radio Conference will be held in 1971, which will prescribe procedures to assure interference-free operations between space systems and conventional radio systems. Several delegations reiterated the importance of the ITU role in the field.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

PR/23

March 19, 1969

INTELSAT CONFERENCE HOLDS SECOND PLENARY SESSION

After three weeks of committee and working group discussions, the INTELSAT Conference convened Tuesday for its Second Plenary Session. The first was held on the opening day of the conference, February 24.

The Conference Chairman, Ambassador Leonard H. Marks of the United States announced that two Vice-Chairmen elected at the first session had been called away from the Conference for other duties. They were Mr. Soriano of Venezuela and Mr. Hartogh of the Netherlands. The present Representative of Venezuela, Mr. Alegrett, and Ambassador Hartmann of Switzerland were selected as the two new Vice-Chairmen.

Canada, Jamaica and Mexico were added to the membership of the Editorial Committee, which had consisted of Belgium, France, United Kingdom, United States, Colombia and Spain.

The Representative of Turkey, as Chairman of the Credentials Committee, presented his group's report. The Conference accepted the finding, without objection, that all credentials submitted were in due and proper form.

The Chairman announced that the Third Plenary Session would convene at 10:00 a.m. today (Wednesday) to hear the reports of Committee I (based on the findings of Working Groups 1-A and 1-C) and of Committee IV. The Fourth Plenary Session, to be held tomorrow, March 20, will examine the report of Committee III, parts of the report of Committee II which can be considered independently of the reports of other committees, and the remainder of Committee I's work. Unfinished business, if any, will be considered this Friday, March 21.

Ambassador Marks expressed his hope that all committees will report by Friday on substantially all their agenda items. He noted that, since it will be impossible to complete the drafting of definitive agreements by that date, the Steering Committee is considering a date for reconvening the Conference, and for continuation of the work in the interim. The proposals of the Steering Committee on these matters, he said, will be submitted for consideration by the Conference.

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PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR
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Washington, D.C., February - March 1969

PR/24
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COMMITTEE I DISCUSSES WORKING GROUP REPORT

At its 14th session Tuesday Committee I received the report of Working Group A and discussed some aspects of domestic telecommunications traffic between geographically isolated areas.

Several delegates stressed that INTELSAT should treat as international traffic that portion of domestic satellite traffic between "geographically isolated areas", such as between the United Kingdom and Hong Kong, Denmark and Greenland and East and West Pakistan. One delegate, noting the possibility that domestic satellite traffic with an outlying area could be placed in a lower category than traffic from another country and the outlying area, proposed deleting one clause of the Working Group's report.

Other delegates opposed amending the wording of the report, recommending instead that the views of those nations having such special problems be forwarded as footnotes to the report, for further consideration by the Conference. Some delegates cautioned, however, against having these views lead to the inclusion of domestic traffic in determining any nation's investment shares and voting weight in the Governing Body.

The Committee concurred with the Chairman's suggestion that it accept the Working Group's report and refer it to the Plenary and, in so doing, expand one footnote to include references to the views expressed by several delegations in Tuesday's meeting.

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