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## DELEGATION OF THE UNITED STATES OF AMERICA

### INFORMATION MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference

SUBJECT: Daily INTELSAT Conference Summary for March 17, 1969 *FEL*

### COMMITTEE I - Structure and Functions of INTELSAT

Committee I continued debate on the rights and obligations of parties in relation to the establishment of regional and domestic satellite communications systems, and began consideration of the last item on its agenda, the relationship of INTELSAT to the ITU. The U.S. said that the ITU-INTELSAT relationship should be one of cooperation in the systematic exploitation of resources, whether of space or the electro-magnetic spectrum. INTELSAT should think of itself as charged with using modern techniques of systems analysis and systems planning to optimize the use of scarce resources - the frequency spectrum and possibly orbital positions - by members. This would include the use by members of these resources for any purpose - public international, special services, and domestic services. In other words, INTELSAT should put its own house in order before approaching the ITU. ITU coordination would of course be required for INTELSAT relations with systems of non-members or with non-communications satellites - such as scientific satellites.

On the question of the right of members to establish regional systems, Belgium maintained that an economic criterion which prohibited systems in competition with INTELSAT was not satisfactory since, if strictly applied, it would effectively rule out the establishment of any regional systems. New Zealand, Nigeria, and Peru emphasized that final priority must be given to the economic viability of the global system.

### COMMITTEE I - Working Group B

The Working Group concluded that with respect to the management body it had no choice but to present the principle positions based on I/58 (Rev. 2) with an indication of divergent views.

Consideration then focused on the Governing Body. It was agreed that the membership should be limited, but a means for doing this could not be agreed on. Basically there are three proposals, Canada,

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Federal Republic of Germany and India (COM I/70); the United Kingdom (COM I/82) and the U.S. (Document 10). The proposal by the U.S. that any group of five Signatories could elect a member of the Governing Body was discussed. It was pointed out that this could result in a membership of at least 30 or possibly 35 as membership in the organization grows. The Working Group, in a discussion of voting procedures, agreed that no one representative or combination of three could impose a decision on the Governing Body. But there was firm dissent led by the U.S., supported by the U.K., that a large majority of members holding a minority of investment should not be able to impose their will on the few investors holding the bulk of the investment.

The group spent much of the session trying to clarify the several positions on the many agenda items covered in its report for the rapporteur.

#### COMMITTEE II - Legal and Procedural Questions

Committee II adopted its report on legal personality, with the majority view favoring legal personality, and its report on Accession, Supersession, and Buy-Out, with the majority favoring transfer of rights and obligations to INTELSAT rather than in undivided shares to the Signatories. The Committee discussed liability inter se with many speakers expressing the view that the U.S. proposed article 14 of the operating agreement on liability and inter se would have no function if INTELSAT had legal personality. The Chairman announced that the agenda item on "definitions" would be discussed at the next session of the Conference.

#### COMMITTEE II - Working Group

The Working Group completed its report on privileges and immunities. The report includes a draft article that provides (a) for the conclusion of a privileges and immunities agreement between INTELSAT and the State where the headquarters is located; and (b) for INTELSAT to obtain appropriate privileges and immunities from other states as necessary. The Working Group report on "Settlement of Disputes" will be submitted on Tuesday to Committee II. The major issue considered by the Working Group was the scope of arbitration, the United States (with substantial support) strongly favoring having only "legal disputes" subject to arbitration. The arbitration provisions will be presented to the Plenary in rough form with alternate articles in some cases.

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## COMMITTEE III - Financial Arrangements

The Committee is ready to discuss its draft report based on the reports of its working groups. The report presents the question of whether actual or projected traffic should be the basis of determining investment shares and whether domestic use should be included with international traffic for the same purpose. The report advocates compromise on the capital return issue, suggesting that it be the cost of money plus risk margin of about two per cent. Would leave details of withdrawal and transitional financial arrangements to be worked out by experts.

## COMMITTEE IV - Operational Matters

Committee IV received and consolidated reports from two working groups: (1) on procurement policy; (2) on patent and data policy. The working group reports present alternative approaches and have been referred to the Plenary session for final disposition. The procurement policy alternatives are (a) contracts awarded after open international tender on the basis of best combination of price, quality and timely delivery (supported by U.S.); (b) add to (a) provision expressly encouraging international participation; (c) add to (a) and (b) provision for distribution of contracts in proportion to investment quotas. Although discussed, final report does not recommend or endorse compensation for contract spreading to non-participating member states; nor does it expressly limit bidding to INTELSAT member countries. Alternatives on patent and data policy are set forth in two draft articles: (a) UK draft (supported by US) leaves discretion in Governing Body to decide on ad hoc basis appropriate particular policy in each major contract awarded; (b) draft article by Canada, Germany and India, supported by France and Switzerland would fix in the agreements a non-exclusive license policy pursuant to which all INTELSAT contracts would give contractor title to all patents developed, while organization takes only a non-exclusive license right to use inventions it needs.

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DELEGATION OF THE UNITED STATES OF AMERICA

## INFORMATION MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference *for*

SUBJECT: Daily INTELSAT Conference Summary for March 15, 1969

### COMMITTEE I - Structure and Functions of INTELSAT

A representative of the UN Secretariat formally proposed to Committee I that INTELSAT include in its definitive agreement an arrangement granting the UN free access to the INTELSAT space segment for its operational and informational telecommunications requirements. The UN Representative had previously discussed the plan with a large number of delegations attending the Conference; while reactions were generally favorable among Japan, Italy, and countries of the Middle East, Africa, and Latin America, most European nations were reportedly less enthusiastic. The United States has not committed itself. The UN Representative indicated that he did not wish to precipitate a debate on the proposal, but hoped it might be considered at a later time.

Debate continued on the right of INTELSAT members to establish and participate in independent regional systems, with most countries favoring such a right so long as the independent systems were not in competition with INTELSAT. France, however, continued to argue that if only INTELSAT itself could determine what systems are compatible with it, the system would be both monopolistic and an improper infringement of national sovereignty.

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### COMMITTEE I - Working Group B

The Group met briefly, largely surveying the status of its work and discussing the nature of its report rather than discussing substance. It was noted that the delegations of India, Australia and Switzerland were working with the other sponsors of document Committee I/58 to further clarify that paper for consideration on Monday.

It was generally agreed that the rapporteur would attempt to prepare a single report reflecting the divergent views within the Group with clear identification of delegations with different views to the extent they desired. The Indian-United Kingdom paper on the Assembly will be presented as a coherent philosophical approach to that subject, with the proposed additions (which drastically change the relationships between the Assembly and the Governing Body) of Algeria, Belgium, Chile, France, Sweden and Switzerland appended. However, there is apparently no agreement between these 6 as to whether they are talking about a 3-tier or 4-tier structure and the rapporteur was uncertain as to how that would be resolved.

The document regarding the Assembly together with the revised documents on the Governing Board and the Manager are to be taken up Monday.

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Committees II, III, and IV had no substantial information to report.

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INTELSAT CONFERENCE

March 15, 1969

MEMORANDUM FOR: Ambassador Marks

The Federal Republic of Germany states categorically that unless Germany sits as a member of the Preparatory Commission, he has serious doubts it will attend the next INTELSAT conference.

John S. Hayes  
Ambassador

cc: Mr. Loy  
✓ SEC DEL

US DEL:JSHayes:bl

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DELEGATION OF THE UNITED STATES OF AMERICA

March 15, 1969

MEMORANDUM

ON HOW CONFERENCE IS CONCLUDED AND WHERE WE  
GO FROM HERE

In order to consolidate the decisions of the present session of the Conference and to assure an orderly continuation of its activities after March 21, the following actions are proposed:

Plenary Sessions: Plenary Sessions of the Conference will be called on Wednesday, March 19, and on the two subsequent days, if necessary, to receive from each Committee the reports of its respective working groups. Proposals in such reports on which there appears to be consensus will be identified at these Sessions.

Recess: The Conference will be recessed on March 21 until the fall of this year (tentative date: November 4) subject to postponement not beyond February, 1970, at the discretion of the Inter-Session Preparatory Commission as described below.

Inter-Session Preparatory Commission: This will be a Special Committee of approximately 20 persons from the Steering Committee and other countries fairly representative of the different regions of the world, its composition to be worked out by the Conference Chairman in consultation with the Steering Committee. This group will meet first in May to complete work unfinished by the working groups at the current Conference Session, possibly by asking those members of the Inter-Session Preparatory Commission who participated in the particular working groups to continue their work. It would later appoint a drafting team to work from (1) the final conference documents (2) record of discussions at the Plenary, and (3) results of the Inter-Session Commission's efforts. Its objective would be to prepare draft agreements with alternate clauses which express majority and minority positions. Its drafts would constitute a Report to be referred to the reconvened Conference. The Report would be circulated at least a month in advance of the reconvening

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of the Conference. In the event the Inter-Session Commission finds that an adequate report cannot reasonably be ready for circulation by October 1, 1969, it may before September 1, 1969, recommend postponing reconvening of the Conference until not later than February, 1970.

Communique: On Thursday or Friday of next week, the Steering Committee should issue a communique on behalf of all the delegations -- reporting on the good progress achieved in many of the areas dealt with and reflecting pleasure particularly with the constructive work done in the Committees and working groups. It would characterize the Conference as an important further step toward the development of a truly global, single, commercial communications satellite system. "The task is complex, however, and more time and discussion are needed before a consensus can be reached on permanent arrangements. The Steering Committee, therefore, with the concurrence of all delegations, has decided to recess the Conference until later this year, and an inter-session working committee has been appointed to continue the work in the meantime." A press conference will be held by the Conference Chairman.

U.S. Posture: Members of the U.S. Delegation, in discussing the work of the Conference, will wish to highlight the fact that the Conference has discussed all items on the agenda, has reached consensus on several, and identified the differences of opinion on others. The United States called the Conference in accordance with the terms of the Interim Agreement. We are pleased at the results so far and confident of reaching accord at the second session. This round has been most valuable in exploring the issues. During these four weeks we have learned to know one another and our views better.

Because of its monolithic position in INTELSAT and the inevitable resentments this engenders, the U.S. must make every effort to show flexibility and reasonableness and not appear as an intransigent super-power. This is not to say that we will yield on points harmful to the system and to our interests, but it must be made clear to the other delegations that we genuinely want to find a middle ground during the months ahead. Bilateral talks with some of the key countries are also contemplated during the interim period. It is important for the atmosphere to be favorable for these discussions.

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Talking Points: To convey this posture articulately to the other delegations during the final week, the attached set of talking points has been developed for members of the U.S. Delegation. Chairman Marks will make the assignment as to who is to contact which delegation and be responsible for seeing that these points are conveyed and understood. (This is important in order to establish the climate for agreement at the later session.) The points include areas where we will be willing to try to reach accommodation over the months ahead. It also contains areas where we will entertain no compromise whatsoever, e.g., dismembering the manager. These talking points are strictly for the use of the U.S. Delegation. They should not be handed to anyone, but they will be the guide for what we say to others during the final week of the Conference.

All members will report back reactions to Chairman Marks as to:

1. Satisfaction or dissatisfaction with this round of the Conference.
2. Degree of understanding of, and attitude toward, the U.S. position and posture.
3. Outlook for the second round of the Conference  
--hopeful or negative?

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TALKING POINTS

A. Points on Which We Are Willing to Talk

1. Scope of Activities The organization would have international public telecommunications as its primary objective but could also provide domestic and specialized services.
2. Membership and Access Membership would be confined to members of the ITU but all states and areas could be permitted direct access on a non-discriminatory basis.
3. Procurement Best quality, best price, and timely performance. Widest practical international participation consistent with this.
4. Assembly There would be an Assembly of all governments or signatories, which would have only general responsibilities (along the lines of those recommended in Com. I/45). It would make decisions on the basis of a 2/3 majority, with each member having one vote.
5. Governing Board The Governing Board, like the Interim Committee, would be the basic decision-making body. Membership would be based on the largest investments, individually or collectively, but with some additional members selected to ensure broader representation. It would operate on a weighted vote basis, with voting power proportionate to investment. Decisions would require a two-thirds vote.
6. International Secretariat There could be an international Secretariat, or an internationally staffed Administrative Manager, which would handle the administrative, financial and legal responsibilities of the present Manager.
7. Operational Manager There would be a Technical Manager, under contract to the Governing Board, which would perform the planning, systems design, operational and technical functions of the present Manager. The Technical Manager would be under contract for a period of not less than five years, and could be rehired or replaced by the Governing Board at the end of that period.
8. Financial Arrangements Financial arrangements would be based on the concept of investment related to use, with periodic adjustments.

B. Points on Which We Will Not Budget

1. No Dismemberment of the Manager
2. No Diluted Voting in the Governing Board
3. Limited powers for the Assembly
4. A long-term Contract for the Manager
5. No Director-General or Administrative Manager between the Governing Board and the Manager.

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DELEGATION OF THE UNITED STATES OF AMERICA

INFORMATION MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference *g'n*

SUBJECT: Daily INTELSAT Conference Summary for March 14, 1969

COMMITTEE I - Working Group A

Working Group A of Committee I first considered suggested amendments to the preamble submitted by the Netherlands. With one exception the amendments were editorial in nature. A further attempt to delete the word "single" from the references to the Global Satellite System was made. The U.S. was supported in its opposition to this change by all countries except the Netherlands and France. The attempt failed.

Some portions of the drafting group's report on Purposes, Objectives and Scope were discussed at length primarily at the instigation of France and the Netherlands. However, with the support of Chile, whose draft had been used as a working paper, New Zealand, Japan, neither of which was on the sub-group, and others, a satisfactory consensus was arrived at.

An editorial committee, consisting of Chile, France and New Zealand, was appointed to assist the chairman in preparing a report to Committee I.

COMMITTEE I - Working Group B

The delegation of India and U.K. explained their revisions of the paper they submitted yesterday. These revisions were intended to meet the many suggestions for improvement of this document made yesterday. These generally followed the concept of organization originally presented by Canada, Germany and India.

In continuing discussion of the functions of the Assembly, the delegate of Sweden brought up his concerns that under U.N. resolution 1721 and more recent action of the U.N. as well as the treaty on outer space nations have the obligation to supervise these

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activities. This requires (according to him) a strong Assembly acting on a one country one vote basis. This started a general stampede in all directions and after another 2 hours of debate repeating much that was covered yesterday, the group was divided into several factions, with each going off to redo or prepare new papers. India and U.K. (the rapporteur) promoting an Assembly with minimal executive powers and a simple 3 tier structure generally following the principles set out in Document 10 re the Assembly and Governing Body (it does not attempt to define the functions or nature of a superior body, a Conference of Governments). This position is joined generally by Canada, Germany, Italy, Nigeria and possibly others. Sweden and Switzerland would add two or three points to the Indian-U.K. draft of Assembly functions which would convert it into an executive body with overall supervision of the subordinate activities. Spain has some leaning toward the Indian-U.K. paper but got involved with another faction promoting a 4 tier organization. This group led by Belgium would appear to include in addition to Spain, Mexico, Chile and Australia.

The discussion then turned to voting but it was decided decisions could not be made on that subject until there was a resolution of the distribution of functions.

#### COMMITTEE I - Working Group C

##### MEMBER COUNTRIES:

Peru	Chile	Tunisia	Spain
Japan	Denmark	Thailand	India
Austria	France	United States	Norway
Belgium	Germany	United Kingdom (Chairman)	Canada

Working Group C dealt with (1) eligibility for membership in the system; (2) right of access to the system.

(1): The Working Group will refer to the Committee the unanimous recommendation that membership in INTELSAT be limited to members of the ITU, with a notation by Tunisia that it does not guarantee compliance with ITU regulations, and that Tunisia would prefer a clause that would allow non-ITU members to join INTELSAT under appropriate arrangements.

(2): A consensus was reached on principle that non-members shall have either direct access through negotiations with INTELSAT or indirect access through negotiations with participating members

who have earth stations. There was discussion about whether INTELSAT had an obligation to provide indirect access for members who wanted it. Both the United States and Denmark noted the difficulties of enforcing such an obligation. All agreed that member access should be under arrangements made with the organization itself. On the question of non-members indirect access, all agreed that it should be arranged in such a way as not to interfere with the financial and voting arrangements of Signatories.

#### COMMITTEE II - Legal and Procedural Questions

The report of its Working Group on Accession, Supersession and Buy-Out was found generally acceptable, but the Committee deferred final decision on the Report until its next meeting. It did decide that the Report should indicate that a majority favored the view that rights, obligations and ownership under the interim arrangements would be transferred to INTELSAT rather than in undivided shares to the Signatories to the definitive arrangements, a view which presupposes legal personality for INTELSAT.

The Committee discussion of amendments showed differences of view over the role of Signatories and Parties respectively in the process of Amendment. The discussion of reservations to the Agreement led to a decision to report an understanding that there is no substantial objection to providing for no reservations, but that final decision will depend on review of the content of the Agreements.

Committee III had no progress to report.

Committee IV had no progress to report.

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DELEGATION OF THE UNITED STATES OF AMERICA  
INTELSAT CONFERENCE

March 13, 1969

MEMORANDUM FOR THE RECORD

SUBJECT: Statement by the Philippine Representative  
Concerning Sabbah

At the request of Ambassador Marks, I talked this afternoon with Assistant Secretary of State William Bundy and Ambassador G. McMurtrie Godley about the statement made by the Philippine Representative in the Credentials Committee concerning Sabbah. I explained to Mr. Bundy and Ambassador Godley the concern we felt in the U.S. Delegation over the statement which opens the possibility that other politically oriented statements will be made. There is a danger that the Arabs and Israelis, Indians and Pakistanis, etc., etc., etc. will all consider that their own positions be advanced in squabbles of these various nations.

Since the Philippine Ambassador is out of town and since the charge d'affaires is junior to Collantes, the Philippine Representative who is also the Under Secretary of their Foreign Office, Ambassador Godley placed a call to Jim Wilson, DCM in Manila. He gave Mr. Wilson the background on this matter and asked that as soon as possible Ambassador Williams be informed of the foregoing and asked to take it up with the Foreign Minister of the Philippines. Mr. Wilson is to emphasize the effort that has been made to keep this Conference away from regional or binational political problems and to focus attention on the communications aspects of INTELSAT rather than permitting a political forum to be created.

It was suggested that I talk to Mr. Collantes along the same lines as Mr. Wilson has been instructed to do. I will do so as soon as I am able to arrange an appointment.

Lucius D. Battle  
Adviser, United States Delegation

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DELEGATION OF THE UNITED STATES OF AMERICA

### INFORMATION MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference *MLC*

SUBJECT: Daily INTELSAT Conference Summary for March 13, 1969

### COMMITTEE I - Structure and Functions of INTELSAT

Committee I considered the question of whether, and under what conditions, INTELSAT members should be permitted to establish regional and domestic satellite systems. Most countries maintained that such systems should be allowed if they were technically and economically compatible with the INTELSAT system. The Netherlands, Italy, Japan and Spain took the position that authority for determining the question of compatibility must rest with the Governing Body. France maintained that regional systems using small earth stations would be complimentary to INTELSAT rather than competitive. However, this view was questioned by Spain, which noted that separate regional systems would not be efficient or economic since countries participating in such systems would require a second earth station.

### COMMITTEE I - Working Group B

After considerable debate concerning the Management Body, the Chair suggested that Australia, India, Switzerland and U.K. get together to come up with a common paper which would be considered on Friday.

The chair then turned to the question of the Assembly. The discussion ranged over the whole subject of the 3, 3 1/2, and 4 tier structure (Management Body, Governing Body, Assembly, Plenipotentiary Conference) with initial attention on the Assembly, its composition, relation to conferences of Governments, representation (Parties or Signatories or both) and duties and functions in relation to public or inter-governmental functions in contrast to commercial, operational

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functions. The U.K. and India submitted a working paper on the organization and functions of the Assembly. The Australians submitted a list of detailed functions which could be assigned to each level in a 3 or 4 tier structure. The U.S. stated that whether there is a 3 or 4 tiered structure, there should be one body where all signatories could meet to receive reports and consider the overall business of the organization. After the U.K.-Indian paper was discussed point by point, the Indian Representative, Dr. Jain, said, "it is apparent that we are not far apart." This comment, however, applies to U.S., India, U.K., and Australia who favor limited powers for the Assembly so as not to encroach on functions which should be performed by the Governing Body. Others in the Working Group favor what they call greater democratizing of the operation through greater powers for the Assembly. Discussion of Management Body and Assembly to continue tomorrow at 2:30 PM.

#### COMMITTEE II - Working Group

The Working Group on Agenda Item IV, Accession, Supersession and Buy-Out, completed drafting the suggested Committee II report. Its draft contains a set of final articles for the Agreement, based on the U.S. draft, and Commentary on these articles. That commentary includes, as minority views, the view that unanimity is required for the new agreement to supercede the old, that no percentage of investment shares should be required for entry into force, and that a State provisionally applying the agreement should not be subject to the withdrawal procedure (presumably buy-out would then be the method of leaving the consortium).

Included also are two draft articles on transfer of rights, one of which has all rights and obligations under the old agreement, including ownership, transferred to the new signatories; the other transfers them to INTELSAT. The Committee will probably vote on which is the recommended article. The British position that transfer to the new signatories is impracticable if INTELSAT is to do business as a separate legal personality is reflected in the report as "a view expressed".

On buy-out, the report merely presents three principles: 1) fair compensation for the assets taken over, 2) compensation made with reasonable expedition, and 3) the availability

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of arbitration to a non-continuing signatory wishing to challenge the award of compensation.

The draft report will be discussed by Committee II on Friday.

COMMITTEE III - Financial Arrangements

The Committee established a working group (III-C) to coordinate with the working group of Committee I (I-C) on the subject of system access.

Members of the working group:

France, Norway, Canada, Indonesia, Germany, and U.S.

There is no other progress to report concerning Committee III.

COMMITTEE IV - Operational Arrangements

Committee IV received the report on patent and data policy and discussed the subject further. The Committee chairman (Alessandrini) nominated a 6 country drafting group to put together a draft report from Committee IV to the Plenary. Other nominations were received and the drafting group includes Algeria, France, Germany, Italy, Switzerland, U.K., U.S. and Venezuela. The drafting group was asked to prepare and submit a draft Committee IV report for consideration by the committee on Saturday, March 15.

The 14 member Working Group met to consider a U.K. draft article. At the outset a new draft article was tabled by Germany, India and Canada. It received immediate support from France and Switzerland (observer). In discussion, the U.S., Venezuela, Japan and Pakistan supported the U.K. draft. The working group reported both draft articles to the full committee.

Whereas the U.K. article leaves to the Governing Body a discretion with regard to what controls INTELSAT would or would not retain over patents and data developed under its contracts, the tripartite draft would establish a clear and precise policy that INTELSAT will seek only

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non-exclusive licenses from contractors to the use of patents developed under its contracts.

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DELEGATION OF THE UNITED STATES OF AMERICA

INFORMATION MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference <sup>FSL</sup>

SUBJECT: Daily INTELSAT Conference Summary for March 12, 1969

COMMITTEE I - Working Group A, Drafting Party

Working Group A did not meet but its drafting party considered draft papers concerning Objectives, Purposes and Scope submitted by Chile, India and the United States. The Drafting Party prepared an agreed section of an Article on Objectives and Purposes. It also prepared an agreed upon text for Articles on Scope. A report will be submitted to the Working Group on March 13.

COMMITTEE I - Working Group B

During the morning session the Working Group discussed the internationalization of the manager. Attention was focused in the paper of India, Canada and Germany. The United Kingdom supported this position and suggested minor amendments. Italy and Australia raised the question regarding the fixed timetable for internationalization and objected to the absence of reference to efficiency. The United States stressed its view that the entire manner of focusing on the manager appeared inappropriate. The important aspect of the manager was its efficiency --not its nationality. The manager was to be the servant of the members. The United States was asked to prepare a paper on this subject but responded that Document 10 is our paper. We again outlined the proposal we had agreed to consider: two parallel structures with all technical, scientific and operational functions in Comsat which would report directly to the Governing Board. The administrative functions could be given to a Secretariat. We did not feel a Secretary General was needed or acceptable.

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The afternoon session continued the discussion of the International Management Body with the proposal that it be headed by a Secretary General or Director General. The United States indicated that if these titles implied an overall director of all activities, the United States could not go along. The Swiss representative then discussed at length document Committee I/62 (submitted by Switzerland) as to how the management functions could be transferred from Comsat to an international management body or secretariat of 60 people with most of the functions from specification, preparation and proposal evaluation to provision of legal advice "contracted out" or obtained on a consultant basis. If functions are "separated horizontally" (between executive and implementary level) all functions can be taken over in "possibly 5 years."

The Chairman then brought discussion back to Director General or Governor General. Delegate of Venezuela indicated that document Committee I/26 could lead to "interminable" argument and contention. India stated that the Director General will be an international executive -- chief executive. The United States indicated that perhaps the concept of a Secretary General was not right for the office concerned. The only way to establish effective international management functions and at the same time continue the operational technical progress and integrity would be with an "administrative manager" to maintain books of accounts, calculate, prepare and submit bills, and provide administrative and secretarial support, etc. The Chairman asked the United States to provide a written list of these functions. The U.S. representative felt this was not appropriate as we do not support such an approach, but indicated that if it were proposed, we would consider it. The rapporteur then agreed to report the oral statement of the United States.

A long discussion of the interrelationships of structure and functions then followed, i.e., the participation of Parties vs. Signatories in an Assembly, of various divisions of functions and responsibilities between an Assembly and a possible committee of an Assembly made up of Signatories, and, of course, voting schemes in an Assembly. The Chairman tried to refocus the discussion by reviewing the available documents --starting with document Committee I/45 (prepared by the United Kingdom). The United Kingdom document is in many respects similar to the pertinent sections of our Document 10 concerning the functions to be performed by an Assembly. However, the U.K. draft favors one nation one vote.

COMMITTEE II - Legal and Procedural Questions

The Committee discussed its working group's report on legal personality. A number of delegations strongly attacked the United States minority view on legal personality both on the substance of that view and the manner in which it was presented in the working group's report. No delegation supported the United States' position. The Committee then considered settlement of disputes, and the majority tended to favor the United States proposed arbitration provisions with minor changes. A majority of the delegation, especially the Europeans but including Brazil, desires to have the arbitration annex placed in the intergovernmental agreement, and to have Parties (i.e. Governments), in addition to Signatories, be parties to arbitrations. Some Latin American delegations (Chile and Argentina) are against the concept of a signatory forcing a government to arbitration; these delegations favor that any arbitration provision relating to governments exclude signatories. One working group is preparing a draft Committee report on accession, supersession, entry into force and buy-out. This report should be completed by Friday. Another working group will begin on Friday to prepare a draft Committee report on settlement of disputes and privileges and immunities.

COMMITTEE III - Financial Arrangements

General debate continued with very little progress to report on. See Daily Summary of March 11.

COMMITTEE IV - Operational Arrangements

The 14 country working group on procurement policy met and discussed general aspects of the question. As anticipated, the UK tabled a draft article. The draft was not discussed by other countries but the UK reviewed it in detail identifying those elements in which it differed from the equivalent U.S. draft article contained in Conference Document No. 10. It was observed that the U.S. and the UK drafts are very similar in tenor and substance and it was agreed to adjourn overnight, study the UK draft, and reconvene March 13 to seek a final draft based on the UK draft. It appeared from discussion that that final draft might obtain unanimous support in the working group.

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In substance, the article provides the Governing Body with responsibility, in its discretion, to establish specific policies relating to patents and data, taking into account the interests of contractors as well as those of the Organization. No specific policies in this connection would be set forth in the Agreement.

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DELEGATION OF THE UNITED STATES OF AMERICA

INFORMATION MEMORANDUM

TO: The Secretary  
THROUGH: S/S  
FROM: United States Delegation to the INTELSAT Conference  
SUBJECT: Daily INTELSAT Conference Summary for March 11, 1969

COMMITTEE I - Structure and Functions of INTELSAT

There was general consensus in Committee I that non-members of INTELSAT, whether or not members of the ITU, should have the right of direct access to the system on a non-discriminatory basis. India maintained that permitting direct access to non-members would act as a disincentive to joining the Organization, and that the permanent agreement should accordingly provide only for the right of indirect access (i.e. access to the system through the ground station of a member country rather than by a non-member directly through its own station). The United States took the position that both direct and indirect access should be permitted on fair and non-discriminatory terms; direct access, however, should be provided only pursuant to an agreement with the Organization specifying appropriate terms to ensure that non-membership was not financially advantageous.

Most delegations agreed with the U.S. view that the definitive arrangements should have no fixed duration. However, Germany, Switzerland, Japan and France stressed the close relationship between the questions of duration and the amendment and review processes, and reserved their position until the latter issues were resolved. India seemed to reflect the sentiments of most delegations in stating that the agreement should be of sufficient duration to ensure the continuity and stability needed to protect a huge investment, and yet flexible enough in its amendment process to be able to adjust to a quickly changing technology.

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COMMITTEE I - Working Group A

The working group reviewed a draft preamble prepared by the Chairman. France suggested deferring further consideration of the preamble until the rest of the agreement was completed. However, the working group adopted the preamble, with an appended French statement opposing the reference in paragraph 3 to a "single" global system, citing another system "which covers a large part of Europe and Asia." The Swedish draft served as the working paper; however, the resulting preamble is almost identical with the preamble of Document 10 (the U.S. draft), with the order of the paragraphs rearranged.

The group then discussed the drafts prepared by Chile, India and the U.S. concerning objectives, purposes and scope. These drafts cover generally the points of Article VIII of Document 10. There is general agreement that the aim is to perform all the functions necessary to the establishment of the space segment of a global satellite system to provide international public telecommunications services. Beyond that, the delegations begin to diverge.

A drafting group was set up to reconcile the statements of purposes and objectives of the three drafts. The primary problem is the extent of the obligation to provide domestic public services and the opportunity to provide specialized services. Discussion continued on the scope of services, and the group is approaching general agreement. However, any draft statement of scope will probably have appended a French statement recommending much more stringent conditions to be met before the organization could undertake the provision of specialized services.

COMMITTEE II - Working Group

The Working Group met and drafted the bulk of its proposed Report of Committee II on Accession, Supersession, and Buy-Out. Sweden strongly reserved on anything less than unanimity for bringing a new agreement into effect, but was satisfied to let drafting proceed along the lines the U.S. proposed in Article XI, which says the agreement shall enter into force when it has been approved by two-thirds of the Parties to the Interim Agreement which hold a substantial majority of the investment quota under the Interim Agreement.

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### COMMITTEE III - Financial Arrangements

Committee III made very little progress, having spent two hours reaching consensus on the point that the minimum investment share for members would be 0.05%. France reserved on this point on behalf of Monaco.

General debate continued on the question of whether members would be required to accept quotas based exclusively on use.

A Working Group was established to consider withdrawal and transition. Its members are: U.K., U.S., France, India, Australia, Kuwait, Argentina, Switzerland, Nigeria, Netherlands, Mexico, Colombia, and Sudan.

Committee IV did not meet.

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DELEGATION OF THE UNITED STATES OF AMERICA

## INFORMATION MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference <sup>10/2</sup>

SUBJECT: Daily INTELSAT Conference Summary for March 10, 1969

### COMMITTEE I - Structure and Functions of INTELSAT

Committee I considered the question of what criteria should govern eligibility for membership in INTELSAT, the principal alternatives being membership open to all states and that restricted to members of the International Telecommunications Union. Japan was joined by India, Canada and most European countries in favoring the ITU membership requirement. These countries argued that membership in INTELSAT was closely linked to acceptance of the ITU regulations, and there could be no assurance of compliance with those regulations if INTELSAT members were not parties to the ITU Agreement. A number of countries, notably Venezuela, Chile, Peru, Syria, and Algeria, maintained that membership in the Organization should be open to all states, and that the problem of compliance with ITU regulations could be solved by incorporating the same standards into the INTELSAT definitive agreement. The USSR contended that the ITU requirement was clearly discriminatory since some nations were prevented for political reasons from joining the ITU. Virtually all countries that spoke to the point agreed that all states should be permitted direct access to the system (i.e., access through ground stations within a country's territory), regardless of whether they were members of the ITU.

### COMMITTEE I - Working Group B

The Committee opened the session with consideration of item 4 --structure of the organization-- having reviewed 4(a) the organ, (b) the assembly, (c) the governing body and (d) management body and elected to commence its considerations with the management body. This was in the context of the desire of several delegations that they should start with the "Corsat Problem".

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The delegations from Canada, the Federal Republic of Germany, and India submitted document Committee I/58 regarding the management body and in further amplification of the previous Canadian, German, Indian document Committee I/26.

The strong support for internationalization of the manager was primarily from India, Canada, and Venezuela with the Chairman, the Swiss delegate, bringing the question back to internationalization whenever any delegate questioned the operational or technical feasibility or tried to encourage a definitive attempt to define how an international manager can be established. The theoretical affinity for internationalization of the manager was questioned by the delegate from Italy supported by the delegate from Australia and others. The delegate of the United States made a strong plea for continued efficiency and effective operational support of INTELSAT and questioned the capability of establishing an international manager to assume these responsibilities in the foreseeable future. The delegate of the United States proposed the alternative of establishing an Executive Secretary to perform certain administrative functions with the major operational and technical management remaining with Comsat under contract to the Governing Body. He further invited other delegates to cite functions which could be transferred to the Executive Secretary or Secretary General on a phased basis.

The delegate from Mexico stressed the importance of continuing efficient management arrangements but said that his concern was primarily with the democratization of the structure so that the levels above the manager was truly international.

The meeting concluded with a decision to appoint a rapporteur and for the proponents of the several points of view to get together and prepare papers expressing their convictions.

#### COMMITTEE II - Legal and Procedural Questions

The Chairman of the legal status working group presented its "report", but consideration by the full committee was postponed till Wednesday. The committee held a lengthy discussion on a number of proposals regarding arbitration with almost all speakers favoring two. Those who addressed the issue of placement of the arbitration agreement felt it

should be an annex to the intergovernmental, with parties being party to arbitration. An attempt to discuss "liability inter se" was frustrated by those delegations which felt that it could not be discussed before the legal status issue was resolved. At the meeting's end, the United States presented its views on reservation and amendment. The Chairman, at the suggestion of the United States, formed a working group to draft the Committee's report on "Accession, Supersession and Buy-Out." Brazil, Japan, Sweden, the United Kingdom and the United States were named to the group.

#### COMMITTEE IV - Operational Arrangements

The Committee's 12-country working group on procurement policy met March 10 and considered and approved a report to Committee IV setting forth several alternative proposals concerning procurement policy. The majority (US) position supported language which would result in awarding of contracts pursuant to open international tender on the basis of the best combination of price, quality and most desirable delivery date offered by a bidder. The position was initially proposed by Venezuela and won support from the United States, Argentina, Philippines, Pakistan, Algeria and some others who had reservations. The United Kingdom, Japan and India supported carrying over the present procurement provisions of the 1964 agreement and France, Germany, Italy and some others wanted express provisions relating to encouraging development of technology and international participation in contracting. France was alone in supporting contract distribution in proportion to quotas. Germany and Algeria suggested that if spreading of contracts is done for the sake of spreading, then technical assistance would be an appropriate means of compensating for higher costs the member countries who do not participate in contracts.

The Committee IV Chairman accepted this report at a full meeting of the Committee also held March 10. Tentatively the Chairman proposed to leave further discussion of procurement policy and go on to consideration of patent and data policy. The debate on patent and data policy was opened with general statements by a number of Committee members. A new working group was created on this subject comprising the 12 countries from the former working group plus Mexico and Nigeria. Following circulation of the text of the opening remarks, the new working group will take up patent and data policy.

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Committee III did not meet.

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DELEGATION OF THE UNITED STATES OF AMERICA

INFORMATION MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference

SUBJECT: Daily INTELSAT Conference Summary for  
March 7 and March 8, 1969

COMMITTEE I - Summaries of Progress in Working Group A

At the first meeting the working party determined to focus on the scope of INTELSAT activities and then to proceed to a consideration of the preamble and objectives and purposes.

Specific paragraphs of the ICSC report relating to scope were considered and certain of those were adopted as drafted in the ICSC report or with some revisions. It appeared to the U.S. Delegation that this method of procedure was not conducive to the production of agreed upon text suitable for incorporation in the definitive agreements. The U.S. Delegation, therefore, prepared a working paper designed to incorporate a sense of what the working group had considered in a logical and orderly form. After this paper was presented, a similar paper was requested from the Secretariat by the Indian Delegation which assemble the paragraphs of the ICSC report as they had been approved by the working party. Since no consensus could be reached on these papers, the working group proceeded to consider the preamble. The U.S. Delegation suggested that it would be more effective to review the specific text suggested in the Swedish and U.S. documents and other papers rather than concentrate on the ICSC report. This was agreed upon by the working group.

On the motion of France, the Swedish paper was adopted as the basic working document. However, on motions of various delegations the paragraphs in the U.S. preamble were substituted for the paragraphs in the Swedish draft. We, therefore, ended up with the

U.S. preamble with only two changes. The first related to moving the term "single" in references to the global system from the second paragraph of the U.S. draft text to the first paragraph leaving the sense unchanged. The second change related to striking the word "nations" in relation to access to the system and substituting therefore the words "countries and states;" so that access is now to be made available to states, countries, and areas rather than to nations and areas.

The working group was unanimous in its approval of the preamble except that France indicated a reservation to the use of the word single and indicated it would supply a statement explaining its objections to the use of that word in connection with the global system.

On Tuesday the working group will revert to the question of purposes and objectives and consider various draft provisions which the Chairman suggested and various delegations including that of the United States agreed to prepare. After that, the working group will again refer to its work on scope and consider the different drafts which are being prepared.

Insofar as scope is concerned, it appears that the working group is of the opinion that the primary objective of INTELSAT should be the provision of facilities for the furnishing of international public telecommunications services. It is not yet clear whether the working group will agree with the suggestions that such facilities be available on a nondiscriminatory basis for domestic public communications traffic although it is hoped that a consensus will be arrived at.

There seems to be a consensus for the provision of specialized services via INTELSAT satellites subject to meeting tests of a technical and economic nature as well as for the provision of separate satellites for domestic traffic financed by either INTELSAT or by the entities desiring such satellites. The U.S. Delegation has introduced the concept of permitting INTELSAT to provide separate satellites for specialized services financed either by the entity desiring them, or by INTELSAT, subject to the aforementioned technical and economic conditions. It is too early to evaluate what the final action will be on this matter.

COMMITTEE II - Working Group

Over U.S. objections, the working group voted a series of "procedural motions" made by Chile, the effect of which were to terminate all discussion and to decide that the working group's report would consist of (1) a majority view document prepared by Switzerland, the Federal Republic of Germany, and the United Kingdom; (2) a minority view document if the United States decided to prepare one; and (3) a covering note from the Working Group Chairman, Dr. De Abbranches of Brazil. The United States did not participate in a vote for or against legal personality, also taken at Chile's request, declaring it to be beyond the mandate of the working group to take such a poll. The authors of the majority view document rejected the U.S. request to meet in an attempt to see if one document might be prepared as the agreed working group report. The U.S. Delegation deplored the working group's refusal to discuss the substance of its report and its refusal to attempt to fulfill its mandate of preparing a comparative table of the various forms of legal status. The delegates of Sweden, Switzerland, and the United Kingdom were amongst the most adamant supporters of the Chilean moves. The U.S. view was supported by the Australian observer.

COMMITTEE IV - Operational Matters

The 12-country working group contained debate on procurement policy. The Venezuelan draft article as amended was accepted by a majority. France offered additional language which would expressly encourage international participation and govern distribution of contracts, in principle, according to investment quotas. The United Kingdom and Japan believed the working group should report to the Committee the proposed Venezuelan text; the French text, and the existing Article X of the 1964 agreements. It was agreed that the group Chairman (Fiorio of Italy) would prepare a draft report to Committee IV and the working group would convene Monday to review and approve the report. Committee IV will meet Monday at 2:30 PM.

Committee III did not meet.

\* See Daily Summaries of March 5 and 10 regarding the Venezuelan text.

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DELEGATION OF THE UNITED STATES OF AMERICA

INFORMATION MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference *PK*

SUBJECT: Daily INTELSAT Conference Summary - March 6, 1969

COMMITTEE I - Structure and Functions of INTELSAT

The United States, in a full statement of its views on the structure of INTELSAT, responded to the contention of many countries that the manager of the Organization should be an international body rather than a national corporation. Vice Chairman Frank E. Loy maintained that INTELSAT was already international in the physical sense of worldwide membership and global geographic coverage, and arrangements making it truly international from an institutional standpoint could undoubtedly be worked out. To do this, the United States could see no reason conceptually why every aspect of the organization need be internationalized. INTELSAT was created for a special purpose, and any attempt to pattern its structure on that of international organizations with altogether different objectives would be unwise and dangerous. Similarly, the governing body should be designed to provide satellite communications as efficiently as possible, and should be kept free of the political considerations which burden other international organizations. Finally, the overall policy responsibility which others have proposed for the assembly is a matter of concern. The United States believes that an assembly with the authority to design the system and direct the work of the organization is not practicable.

A number of countries, speaking before and after the United States, emphasized the importance of not disrupting the efficiency of INTELSAT. The Italian delegate warned that it is dangerous to deal lightly with a highly complex operating organization; "the ComSat-NASA team," he said, should not be touched until a comparable team of equal efficiency can be developed. Pakistan, Israel, and Thailand also voiced varying degrees of concern about a too precipitate internationalization of the manager. New Zealand maintained that it is not self-evident that an international

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manager would be preferable to a "payed servant" responsible to a fully international assembly and governing body.

India elaborated on the proposal which it had previously tabled with Canada and Germany. Except, however, for expressions of support by Mexico and Turkey, the proposal received less attention than during the preceding two days' debate.

COMMITTEE III - Financial Arrangements

Committee III had a rather unenlightening discussion of the rights of possible withdrawing members, particularly whether they have a right to the return of their capital. Some members thought this a problem, while others considered that periodic adjustment of investment shares under the investment/use plan would automatically liquidate the shares of any withdrawing members.

With a consensus in favor of investment shares based on use of the system, probably the most debated question this Committee has to resolve is whether domestic use of the INTELSAT system should be included along with international traffic in determining investment shares. The United States favors counting domestic traffic. However, views on this question appear to be about equally divided.

COMMITTEE IV - Operational Arrangements

The 12 country working group on procurement policy met and continued discussion of a draft article based upon the Venezuelan proposal of March 5. The French document was not discussed, although it was reviewed in toto by the French representative. Concern was expressed by Italy and France that the Venezuelan proposal does not expressly consider encouragement of international participation in procurement. The Working Group will continue discussion of the Venezuelan draft on March 7.

Committee IV met to receive a progress report of the Working Group, but transacted no other business.

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COMMITTEE II - Legal and Procedural Questions

Proceedings, March 5. A large measure of agreement with U.S. proposals on "accession, supersession, and buy out" emerged in Committee II debate on March 5th. Sweden's argument that all parties to the Interim Arrangements must adhere to the new agreements before they could enter into force and replace the old was supported only by France and rejected by the numerous other speakers. However, Chile and Switzerland pointed out that the U.S. proposal, requiring 80% of the ownership to adhere before the new arrangements enter into force would give one party, the United States, a veto over the new arrangements. Switzerland rejected such a U.S. veto categorically.

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INFORMATION MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference

SUBJECT: Daily INTELSAT Conference Summary - March 5, 1969

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E.O. 13526, Sec. 53(b)(3)  
ISCAP 2014-015  
By ISCAP, NARA, Date 11/13/14

COMMITTEE I - Structure and Functions of INTELSAT

Debate in Committee I focused on the fundamental political issues of the Conference --the structure and functions of the assembly, the governing body, and the manager of INTELSAT. All delegations which addressed the question of the future role and identity of the manager maintained that the management body should be internationalized. There was general recognition that COMSAT had performed the managerial function well and efficiently, and that a change to international management could not be accomplished overnight. In particular, Canada, Denmark, the United Kingdom, Japan, and the Philippines emphasized the need for a transition period sufficiently long to ensure continuity and the maintenance of a high level of competence. Most of the discussion centered on the proposal submitted yesterday by Canada, India, and the FRG, which Canada described as a "middle" position, capable of being acted on with minor changes.

Most delegations supported broader powers in the assembly than favored by the United States, and there was widespread sentiment that voting in the assembly be on a one nation, one vote basis. Greece and Algeria supported Sweden in recommending sweeping powers of action and review for the assembly, Algeria maintaining that such powers were necessary if the developing countries, who comprise two-thirds of INTELSAT's membership, were to be adequately represented. Japan and the United Kingdom, however, were among those insisting that primary authority remain in the governing body.

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### COMMITTEE III - Financial Arrangements

Committee III discussed the question whether return on capital, as used as a basis of space segment utilization charges, should be based on the cost of money or should be "not substantially lower" than the 14% rate now used. Some 30 delegations expressed views, about two-thirds, including the United States, in favor of the cost of money and one-third, led by the United Kingdom in favor of a higher "commercial" rate. The question of financial conditions for use of the space segment by non-members also was discussed, but without firm conclusions, partly because the question of non-member access is up to Committee I and has not yet been decided. It was agreed that such conditions should be "non'discriminatory," but not agreed just what this would mean.

Canada and the Chairman suggested that this might be left to the Board of Governors.

### COMMITTEE IV - Operational Arrangements

All 12 members participated in wide ranging discussion of procurement policy. Three specific proposals have been tabled and a fourth has been promised:

- (1) A draft article was suggested by Venezuela reading--  
"The Governing Body will insure all contracts will be awarded on the basis of the best quality at the best price and at the shortest delivery period and by open international bidding."
- (2) The United Kingdom proposed to carry forth Article X of the 1964 Agreement.
- (3) The United States referred to its draft Article X at p.21, Document 10.

The representative of France said his delegation has submitted a proposal to the Secretariat for publication and it should be available tomorrow. It describes a proposed technical assistance program.

The Working Group adjourned without taking any decisions and commending to the members a careful study of the French proposal. The Group will reconvene at the call of the Chair.

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Committee II did not meet.

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MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference *fm*

SUBJECT: Daily INTELSAT Conference Summary - MARCH 4, 1969

COMMITTEE I - Structure and Functions of INTELSAT

Canada, India and the Federal Republic of Germany submitted a document to Committee I outlining a proposed structure for INTELSAT under the Definitive Arrangements. The proposal, on which each of the three Delegations briefly commented, would establish a three-tiered organization, consisting of an assembly, a governing body and a management body. The plan calls for "full internationalization of the Manager as soon as practicable, consistent with the maintenance of a high level of competence." While the procedure for internationalization of the Manager is left for treatment in a future paper, one responsibility of the Governing Body would be "to appoint the Senior Officials of the Management Body, other than the General Manager..." The sponsoring countries emphasized that their aim was to make INTELSAT genuinely international in scope while maintaining its efficiency and safeguarding the investment of its members. The proposal was supported in principle by Mexico, Venezuela, and the United Kingdom; it was not commented on by most delegations, presumably because of insufficient time for consideration.

Debate was opened briefly on the question of eligibility for membership in INTELSAT. The observer delegations of Romania and Poland argued for membership by all states, Poland contending that the ITU membership requirement was discriminatory and contrary to UN Resolution 1721 and the Outer Space Treaty. The United Kingdom said that a clear distinction should be made between the right of access to the system and the right of membership; access to the system should be open to all nations, but only countries which were members of the ITU and subject to its regulations should be eligible to join INTELSAT. The British position was supported by Greece and France. This question will be taken up again after the Committee completes its debate on the structure.

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COMMITTEE II - Legal and Procedural Questions

Committee II began discussion of privileges and immunities (P & I). Sweden, the United Kingdom, and other proponents of legal personality attempted to link the two subjects and delay discussion of P & I until personality was resolved. However, the Committee proceeded at United States urging and made considerable progress on the basis of the United States' draft article in Document Committee II/3.

Sweden explained its own proposals as being based on a separation of commercial and public functions. However, the United States, Switzerland, Canada, and the United Kingdom argued that it was impossible to clearly separate all commercial from public functions. Except for Sweden, which believed that the commercial side should have no privileges and immunities, most delegates felt that some privileges and immunities should be granted, including immunity from taxation, but that details of P & I might well be left for later agreement.

COMMITTEE III - Financial Arrangements

Committee III had a further inclusive exchange of views on details of the proposed financial arrangements relating investment to use.

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Committee IV did not meet.

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DRAFTERS:

IO/UNP, *for Ben J L* Mr. J. Lorenz - *RDK ben* L/UNA, Mr. D. Small - *REP Ben W Miller* E/TD, Mr. W. Miller



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DELEGATION OF THE UNITED STATES OF AMERICA

MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference

SUBJECT: Daily INTELSAT Conference Summary - March 3, 1969

Committee I - Structure and Functions of INTELSAT

Committee I concluded debate on the second item of its agenda "the scope of INTELSAT's activities." There was unanimous agreement that INTELSAT should continue to provide only the space segment of telecommunications, and that the Organization's primary objective should be the provision of international public telecommunications services. Debate centered on the question of whether specialized telecommunications services should be authorized along with traditional services. The majority view appeared to be that specialized services should be authorized so long as they did not interfere economically or technically with INTELSAT's primary functions. Developing countries such as Iran and Turkey argued that it was particularly important for countries that do not have extensive terrestrial or submarine cables that no attempt be made to prevent INTELSAT from providing specialized services such as maritime and navigational aid and direct broadcasting. The United States agreed with the view that international public telecommunications were INTELSAT's primary function, but contended that as a practical matter priorities would not be important in the future. The system must be designed so as to avoid scarcity, and the organization should work on the principle that sufficient capacity will be available for all purposes. Favoring a more limited scope of activity were the United Kingdom, Belgium, and Switzerland, which suggested that specialized services should be authorized only by amendment to the definitive agreements.

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Committee III - Financial Arrangements

Committee III discussed basic principles for financial arrangements and there was widespread agreement on a system relating investment to use, with periodic adjustments. Questions which emerged, but were not resolved, included what types of use should be considered for calculation of investment shares (especially whether domestic use should be included), whether projected as well as past use should be taken into consideration, how often adjustments should be made, and whether increased shares based on increased use should be mandatory.

Committee IV - Operational Arrangements

An exchange of views on procurement policy continued in general debate. The primary principle of procurement on the basis of best quality goods and services at the best price was supported by Austria, Algeria, Japan, Kuwait, Venezuela, Pakistan, and the United States.

The desirability of providing for increased international participation in INTELSAT procurement was supported by Austria, Algeria, Japan, Kuwait, and Venezuela, and tacitly by the United States.

Continuation of the present procurement provisions of the 1964 agreement in the definitive arrangements was supported by Austria and Japan.

Payment of compensation by members receiving contracts at increased cost resulting from the "spreading" was supported by Algeria, Colombia, Kuwait, Pakistan, Tunisia, and Venezuela.

Establishing technical assistance programs either within or outside of INTELSAT as a compensatory feature for the LDC's was supported in various ways by Japan, Germany, Turkey, India, and the observer from Poland.

A Working Party was created for the purpose of reducing the many proposals tabled to more specific proposed alternatives which could be further studied by the Committee. Working Party members include Algeria, Argentina, France, Germany, India, Italy, Japan, Pakistan, the Philippines, United Kingdom, the United States, and Venezuela, with sessions open to observers.

Committee II did not meet March 3.

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- 3 -

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GENEVA - Mr. Denny  
All Members US Delegation

Drafters:

E/TD - Mr. W.K. Miller  
IO/UNP - Mr. J. Lorenz  
E/TD - Mr. S. Doyle

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DELEGATION OF THE UNITED STATES OF AMERICA

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E.O. 13526, Sec. 5.3(b)(3)

ISCAP 2014-045  
By ISCAP, NARA, Date 7/13/14

MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference

SUBJECT: Daily INTELSAT Conference Summary - March 1, 1969 <sup>W.P.S.</sup>

Today the U.S. Delegation submitted as a working document of the Conference a set of draft agreements on definitive arrangements for INTELSAT. The document has not been discussed. Two formal working sessions were convened: Committee I and a small Working Group of Committee II.

Committee I - Structure and Functions of INTELSAT

Debate in Committee I continued to center on the relationship of domestic and regional satellite systems to the global system of INTELSAT. France became increasingly isolated in its contention that "a single global satellite communications system" was monopolistic, being opposed by other European countries as well as by most developing nations. Italy remarked that INTELSAT was set up by people for their own use, and could no more be called monopolistic than a single world meteorological organization. Spain, the Netherlands, and Ireland agreed with Italy that regional and domestic systems need not be incompatible with a single global system. Before adjourning, the U.S. led off a brief discussion on the second agenda item, "scope of services", maintaining that INTELSAT should have authority to furnish all kinds of services that can be provided by communications satellites, as well as traditional public telecommunications services. It was decided to set up a working group after conclusion of debate on the first two or three agenda items in order to draft provisions for the Committee's consideration.

Further opposition to the U.S. proposal on legal status was expressed in Committee II's working group. The United Kingdom listed a series of legal disabilities resulting from joint

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-2-

venture status not associated with international corporate status. The Swedish representative, introducing Sweden's elaborate international corporation proposal, focussed on the broader political question of universal acceptance of the definitive arrangements, arguing that legal personality was necessary if COMSAT as manager was to be eliminated as a charter requirement; only by eliminating this requirement, he contended, could the definitive arrangements be broadly acceptable. The U.S. pointed out that the Swedish proposed corporation would involve tying up capital otherwise available to the members in reserve and depreciation accounts that a corporate structure would require.

Committees III and IV did not meet March 1.

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*JPL per RDB*  
IO/UNP: JPLorenz  
L/E: DHSsmall 3/2/69  
*L.H.S. per RDB*

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DELEGATION OF THE UNITED STATES OF AMERICA

MEMORANDUM

TO: The Acting Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference *File*

SUBJECT: Daily INTELSAT Conference Summary - February 26, 1969  
INFORMATION MEMORANDUM

There were no plenary sessions. Committee III transacted no business; Committee IV did not meet; Committee I met at 10:00 a.m.; Committee II met at 3:00 p.m. Summary of the committee meetings follows.

Committee I - Structure and functions of INTELSAT

The Vice Chairman, O. H. Mohammad (Pakistan) was elected. Nominated by the U.K.; supported by Iran, France, Kuwait, Argentina and Algeria.

The SYG of the ITU, Mr. Mili, delivered an address, the text of which will be distributed by the Secretariat.

There was considerable discussion concerning the suggested order of work set forth in the Secretariat's Document I/1. The Swiss proposed that the basis for discussion in Committee I be the ICSC Report. Canada and India supported the Swiss proposal as did Italy, which also requested and received an explanation from the Secretariat as to the reasons for departures from the sequence of the ICSC Report. The Secretariat requested guidance in rearranging the order of work. The U.K. suggested rearranging the categories listed by Roman numeral in the Secretariat document rather than to completely reshuffle all the topics covered in the ICSC Report.

Mexico supported the U.K. suggestion, noting that the Secretariat document was valuable in that it indicated the correlative paragraphs within each Roman numerated category.

The Chairman decided, with the approval of the Committee, to establish a working group open to any country which wished to participate. (UK, Switzerland, Mexico, Algeria, India, Nigeria and the U.S.) to consult with the Secretariat in drafting a revised order of work.

Japan proposed that Item VII of the Secretariat order of

work should be taken up after consideration of the preamble, and the Committee so decided.

Nigeria proposed that the Chairman of Committee I consult with the Steering Committee with a view to rearranging the present conference schedule so as to avoid holding Committee meetings simultaneously.

Lebanon supported the Nigerian proposal, and the Chairman agreed to undertake the suggested consultations.

The Committee then discussed the "objectives and purposes" of INTELSAT. Sweden opened the debate by referring to the working document which it had submitted to the Conference (Doc. 8 of 22 Feb.) and asked that the proposed agreement incorporated therein be considered in conjunction with the ICSC Report.

The Swiss made general remarks about the objectives of INTELSAT, emphasizing that the entry into force of the Outer Space Treaty had created new responsibilities for INTELSAT since the Treaty provides that Outer Space shall be free for use by all States without discrimination of any kind.

Austria in its opening remarks also referred to the principles of the Outer Space Treaty and UNGA Res. 1721, and expressed hope that the Conference would be able to find a way to open the door to INTELSAT to countries that have not yet joined.

Canada said that it would like to see a strong international telecommunications organization emerge from the Conference, one designed to attract as many members of the ITU as possible.

The U.S. (Mr. Loy) said that although differences of opinion clearly existed on some of the issues before the Conference, the ICSC Report could be used as a good guide for the work of the Conference -- particularly in the case of those paragraphs which had been unanimously adopted by the Interim Committee. Paras 166-169 of the ICSC Report which concerned the preamble fell into this category. Mr. Loy emphasized that the principle stated in para 166, that of creating a world telecommunications organization, had already been achieved to a far greater extent than had been believed possible when the interim arrangements were drawn up in 1964. Mr. Loy stated that it was the U.S. view that the four principles reflected in paras 166-169 of the ICSC Report should be incorporated in the permanent agreement. He also urged the inclusion of the four principles contained in paragraph 181.

India responded that 67 countries constituted only about one-half the nations of the world, and that nearly one-third of

the world's population remained outside the framework of INTELSAT. The Conference goal he said should be to make INTELSAT reach every man, no matter what his nation. He added that while he was happy to see 15 countries attending the Conference as observers, it was the task of the Conference to see what was troubling countries which had not joined INTELSAT and to bring them into the fold. The management body of the new organization, he concluded, should be genuinely and truly international.

Malaysia supported incorporation of the first four principles into the permanent agreement. The Malaysian Delegation spoke out strongly against independent regional organizations, emphasizing that there should be no pockets of regional systems which would detract from a single global system. Independent systems, he said, would leave the poor nations to shoulder the principal financial burden of the organization in order to encourage the development of independent systems by industrialized countries.

The French representative said that it was not possible to simply incorporate the 1964 principles into the permanent agreement. Those principles assume the establishment of a single global system; by leaving out the possibility of establishing independent regional systems, they are basically monopolistic. INTELSAT, he said, is not an international agency; the ITU is the only qualified body to prescribe regulations for the use of space communications. INTELSAT does not and should not have the authority to prevent countries from directing their communications through channels other than INTELSAT. The diversification of communications systems would in the long run inevitably benefit countries more than one single monopolistic system.

The Nigerian representative said that it supported Malaysia on the issue of a single worldwide organization. Domestic and regional arrangements, he said, must be on a basis that will safeguard the economic viability of a global system.

The U.S. Representative stated that it supported Malaysia and Nigeria in the view that it was imperative that a single global communications system be continued. Satellite communications was an area in which the economies of scale were particularly important. We must permit all countries the opportunity to take advantage of the savings which accrue from large flexible facilities in space and a wide network of earth stations. In the Public Utilities context, Mr. Loy said the question was not one of monopoly, but rather of providing efficient communications service to all nations as economically as possible.

Mexico, while favoring a single global system, considered that the permanent agreement should provide for regional systems in appropriate circumstances.

Syria supported France and expressed the view that it was necessary to avoid a monopoly of any kind.

India said that it wished to clarify its position on regional systems. While believing that there should be a truly international worldwide system, many countries such as India had a special interest in the use of satellite communications for domestic purposes. The possibility of such systems should not be ruled out; however, compatibility with the global communications system should be assured.

Belgium, while supporting incorporation of the first four principles into the permanent agreement, supported France's viewpoint on the matter of providing for independent regional organizations.

#### Committee II - Legal and Procedural Questions

Committee II considered and, after considerable debate, adopted its program of work. It decided to proceed on the basis of Secretariat suggestion, Document Com. II/1, leaving "definitions" aside for the moment and modifying the subheadings in paragraph IV of Com. II/1.

The Chairman requested views on the topic of INTELSAT's legal status. The U.S. document on "Legal Status of INTELSAT under the Definitive Arrangements" (Com. II/2) was circulated to representatives and introduced in the Committee by Mr. Loy. He pointed out that the joint venture arrangement has proved its workability and argued that it well reflected the actual function and purpose of INTELSAT.

Sweden argued strongly for the international corporation form contained in its proposal (Conference Doc. 8), pointing out that the lack of legal personality which obliged the owners to deal through an agent (COMSAT) instead of in their own name, was a serious political problem.

Australia requested the U.S. to explain in more detail the "problems" referred to generally in the U.S. paper (Com. II/2) which could arise for members and the organization if INTELSAT were accorded an independent legal personality.

Correction: In the Daily Summary for February 25, concerning Committee IV, the name of the Vice Chairman and the note associated therewith should be deleted. Insert the name Mr. A. A. Bodede (Nigeria).

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E - Mr. Greenwald  
All Members US Delegation

Drafters:

IO/OIC - Mr. Belt *RDY*  
E/TD - Mr. Doyle *RDY*  
IO/UNP - Mr. Lorenz *RDY*  
L/UNA - Mr. Small *RDY*



DELEGATION OF THE UNITED STATES OF AMERICA

MEMORANDUM

TO: The Acting Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference *FM*

SUBJECT: Daily INTELSAT Conference Summary - February 25, 1969  
INFORMATION MEMORANDUM

The business of the day was restricted to election of chairmen and vice chairmen of the four working conference committees. All nominated candidates were elected by acclamation. The committees met consecutively. Conference Chairman, Ambassador Marks, opened each session and presided until the election of each committee chairman. Following is a summary of the elections:

Committee I - Structure and functions of INTELSAT

Chairman - Ambassador E. A. Roca (Argentina)  
Nominated by Brazil, supported by Nigeria,  
Italy and Venezuela.

Vice Chairman - election postponed until February 26.

Committee II - Legal and Procedural Questions

Chairman - Mr. Motoo Ogiso (Japan)  
Nominated by Australia; supported by Germany,  
Indonesia, China and Venezuela.

Vice Chairman - Professor C. A. Dunshee de Abranches (Brazil)  
Nominated by Jamaica; supported by Argentina,  
Lebanon and Japan.

Committee III - Financial Arrangements

Chairman - Mr. Harold White (Australia)  
Nominated by Indonesia; supported by Kenya, Iran,  
Korea, Mexico and the Netherlands.

Vice Chairman - Mr. A. R. K. al-Ghuneim (Kuwait)  
Nominated by Tanzania; supported by Japan,  
Pakistan, Indonesia, Morocco and Iran.

Committee IV - Operational Arrangements

Chairman - Ambassador A. Alessandrini\* (Italy)  
Nominated by Germany; supported by Venezuela,  
Israel and Austria.

Vice Chairman - Mr. V. A. Haffner\*\* (Nigeria)  
Nominated by Syria; supported by Mexico  
and Argentina.

During the meeting of Committee I the U.S. spokesman (Mr. Loy) suggested, and it was unanimously agreed, that the Honorable Mohammed Mili, Secretary General of the International Telecommunication Union, (an observer) be invited to address the Committee on February 26.

Mr. Minashin (USSR Representative), Department Chief, Ministry of Communication, called on Ambassador Marks for a private discussion. This will be reported separately.

- 
- \* Elected in absentia - expected to arrive February 26.  
\*\* Elected in absentia - arrival date unknown.

Distribution:

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E - Mr. Greenwald

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E/TD:SEDoyle:ejk 2/25/69



DEPARTMENT OF STATE

Washington, D.C. 20520

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MEMORANDUM

TO: INTELSAT - Ambassador Marks February 24, 1969  
FROM: E/TD - William K. Miller  
SUBJECT: Swedish Draft Agreements.

This is a new proposal - many of the main concepts are not reflected in the ICSC Report.

Following are some of the highlights of the Swedish draft agreements:

1. There would be two agreements, setting up (a) an Organization, with an Assembly and a Secretariat, and (b) an international Corporation, with a Governing Body, an Executive Board, and a General Manager.
2. The Assembly clearly would be the boss (Articles VI and X). It would operate on the basis of one nation-one vote with a 2/3 vote on selected matters. (See also 7 below.)
3. There would be free access for all states on equal terms and conditions (Article II) with the same tariffs (Article 25), but there would be an ITU membership requirement for membership (XXI (b)).
4. Initial quotas would be established in the agreement. They would be adjusted every three years in relation to use (Article IV) or as members accede or withdraw.
5. The Organization (presumably ultimately the Assembly) would settle certain Party-Corporation disputes (Articles IX and XX).
6. The Organization's headquarters is left blank (XV); however, the Corporation's headquarters would be in Washington (4).
7. The intergovernmental agreement could be amended by the Assembly without action by governments (XVII).

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8. The intergovernmental agreement would come into force only with the approval of all Parties to the Interim Agreement (XXII).

9. The organization would provide only traditional services (Article 1).

10. The Governing Body would operate by weighted vote.

11. The procurement article would follow the article in the Interim Agreement (Article 21).

12. There is no ban on participating in an outside system.

13. There is nothing on domestic or regional satellites.

14. Public and commercial functions are not as well separated as apparently was intended, or even as well as under the present arrangements.

AGREEMENT  
ON A GLOBAL COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Governments Signatory to this Agreement,  
Recalling the principle set forth in Resolution No 1721 (XVI) of the General Assembly of the United Nations that communications by means of satellites should be available to the nations of the world as soon as practicable on a global and non-discriminatory basis;

Desiring to maintain and develop the world-wide communications satellite system created in accordance with the Agreement establishing Interim Arrangements for a global commercial Communications Satellite System - hereinafter referred to as the Interim Agreement - and the Special Agreement, both signed in Washington on the 20th of August 1964;

Considering that the system so created and further developed will, provide expanded telecommunications services to all areas of the world and will thus contribute to economic and cultural progress on equal conditions in every part of the world and to world peace and understanding;

Determined, to this end, to provide for the benefit of all nations of the world, an efficient and economical service consistent with the best and most equitable use of the radio spectrum;

Believing that all States should have access to the world wide system and that those States so wishing should have the right to invest in the system with consequent participation in the ownership and operation of the system;

Convinced that the commercial character of the activity calls for a type of organization which will most efficiently serve this kind of activity on a world-wide basis and on equitable terms as between the participants;

Convinced also that the public functions with

regard to the maintenance, development and operation of the system should be exercised jointly by the Governments;

Agree as follows:

#### Article I

(a) The Parties to this Agreement shall co-operate to provide, in accordance with the principles set forth in the Preamble to this Agreement for the maintenance, improvement and operation of the space segment of the satellite system established in application of the Interim Agreement and the Special Agreement.

(b) In this Agreement the term "space segment" comprises the communications satellites and the tracking, control, command and related facilities and equipment required to support the operation of the communications satellites.

#### Article II

All States, irrespective of whether they are parties to this Agreement shall have access to the system as users on equal terms and conditions.

#### Article III

(a) The States Parties to this Agreement hereby establish the International Telecommunications Corporation, hereinafter referred to as "the Corporation", which shall own and operate the space segment in application of the Statute embodied in Annex A to this Agreement and in accordance with any other applicable provisions of this Agreement and its Annexes.

(b) A State Party to this Agreement shall either enter the Corporation as participant or designate a communications entity, public or private, to participate on its side in the Corporation.

(c) The Corporation shall, in the territory of each State Party to this Agreement, enjoy such legal capacity and be granted such freedom of activity and such protection as is necessary for the fulfilment of its purposes and the exercise of its

Taxes etc

functions as a commercial enterprise in conformity with this Agreement and its Annexes.

(d) The Corporation shall enjoy in the territory of each State Party to this Agreement no less favourable treatment with regard to rights and obligations than if it would have been incorporated or otherwise established under the laws of that State for the purposes set forth in this Agreement and its Annexes.

(e) The Corporation shall not be subject to the control or supervision by the authorities of any State Party to this Agreement with regard to management, finances or any other internal matters or business.

(f) The Corporation shall, in the territory of each State Party to this Agreement be exempt from any taxation on its income but shall, subject to the provision under subparagraph (d) of this Article, enjoy no other special privileges or immunities.

(g) The liability of the Corporation shall not exceed the total value of its property.

Article IV

(a) The States Parties to the Interim Agreement accept, when entering this Agreement, the quotas of the initial common contribution to the capital of the Corporation set out in Annex B to this Agreement.

(b) Annex B to this Agreement shall be revised by the Organization every third year with a view to keep the quotas proportionate to the sharing of the respective States in the total utilization of the space segment.

(c) Additional Parties to this Agreement shall be assigned quotas proportionate to their estimated sharing in the total utilization of the space segment and the quotas of the other Parties to the Agreement shall be reduced accordingly in proportion to the quotas.

(d) Upon any withdrawal from this Agreement, to the extent required to account for the quota of the withdrawing State, the quotas of the remaining Parties to this Agreement shall be increased in proportion to their respective quotas.

Same

Tuning

Same

(e) Upon decision under subparagraphs (c) and (d) of this Article Annex B to this Agreement shall be revised accordingly by the Organization.

#### Article V

(a) An International Telecommunications Satellite Organization, hereinafter referred to as "the Organization" is hereby established to safeguard the proper implementation of the principles underlying this Agreement and its Annexes.

(b) The Organization shall consist of an Assembly and such subordinate organs as the Assembly may at any time consider necessary; and a Secretariat.

#### Article VI

The functions of the Organization shall be:

- (1) to adopt and issue general policy directives to be followed by the Corporation;
- (2) to receive from the Corporation annual reports, programs and budgets and such other messages regarding the present and planned activity and the financial situation of the Corporation which the latter submits to the Organization;
- (3) to decide on amendments to this Agreement and its Annex C and on revision of its Annex B;
- (4) to approve any decision by the Corporation to amend Annex A to this Agreement;
- (5) to determine the investment quotas in the Corporation of the States Parties to this Agreement which were not parties to the Interim Agreement; and to take any decision under Article IV of this Agreement;
- (6) to approve the choice of type or types of space segment to be established and operated by the Corporation;
- (7) to adopt and, where appropriate, amend general standards for the acceptance by the Corporation of earth stations for access to the space segment;
- (8) to approve general tariff regulations and amendments thereto adopted by the Corporation to be applied for the use of the system;
- (9) to approve any decision by the Corporation to raise loans;

*Confused  
First combined  
then separated* →

*as opposed  
to cost sharing  
?*

(10) to elect the members of the Arbitration tribunal established in pursuance of Annex C to this Agreement;

(11) to approve any decision by the Corporation on compulsory withdrawal from it;

(12) to decide on any other matter referred to the Organization by the Corporation.

#### Article VII

Subject to the provisions of Article VI of this Agreement the Organization shall not have power to alter or nullify any decision taken by the Corporation or to suspend or inhibit the implementation of such decision.

#### Article VIII

(a) The Corporation shall submit to the Organization on a yearly basis

(1) a statement on the activity and the financial situation of the Corporation;

(2) the estimates for the following year with regard to the activity and financial situation of the Corporation;

(3) a complete list of decisions taken by the Governing body of the Corporation during the previous year.

(b) The Corporation shall also submit to the Organization any long term plans or programs for the development of the space segment and its operation adopted by the Corporation together with the necessary explanatory statements on the financial implications of the realisation of such plans or programs.

#### Article IX

The Corporation shall furnish to the Organization such information as may be required by any State Party to this Agreement to enable that State to discharge its responsibilities as a Member of the Organization.

In case of a dispute between a State and the Corporation with regard to the obligation of the Corporation under this Article the decision shall lie with the Organization.

*Now separate  
again  
assembly powers  
greatly limited  
Beyond US Proposals*

*Now we have the  
governing body.*

*Tougher  
than ever*

Article X

(a) The Assembly shall perform the functions of the Organization. It shall be composed of one representative of each State Party to this Agreement.

(b) Regular sessions of the Assembly shall take place once every year. Extraordinary sessions shall be convened after a notice of thirty days whenever one fifth (fourth third) of the members give notice to the Secretary-General that they desire a session to be arranged and at any time of deemed necessary by the President of the Assembly (or the Secretary-General), after a notice of thirty days.

(c) Each State Party to this Agreement shall have one vote in the Assembly.

(d) A quorum for any meeting of the Assembly shall consist of representatives of a majority of the States Parties to this Agreement.

Article XI

The Assembly shall:

(a) at each regular session elect, from among the representatives of the States Parties to this Agreement, its President and two Vice-Presidents who shall hold office until the next regular session;

(b) subject to the provisions of this Agreement and its Annexes, adopt and, where appropriate, amend the rules of procedure of the Assembly and such subordinate organs as the Organization may establish;

(c) vote the budget and determine the financial arrangements of the Organization;

(d) review the expenditure and approve the accounts of the Organization;

(e) apportion the expenses of the Organization among the States Parties to this Agreement in accordance with a scale to be fixed by it.

*No continuity*

*We have  
1 vote and  
pay most of  
the bill*

Article XII

*Plurality*

(a) The Assembly shall be endeavour to act unanimously; however if it fails to reach agreement it shall take decisions by a majority of the votes cast, except where otherwise provided in this Agreement and its Annexes.

*2/3 voting*

(b) With respect to the following matters any decision of the Assembly must have the concurrence of two thirds of the representatives present and voting:

- (i) any matter listed under (3), (4), (6), (7) and (8) in Article VI of this Agreement;
- (ii) adoption of the rules of procedure of the Assembly and the subordinate organs and of amendments to these rules;
- (iii) change of the site of the headquarters of the Organization;
- (iv) - - -
- (v) - - -

Article XIII

(a) The Secretariat shall comprise the Secretary-General and such staff as the Organization may require. The Secretary-General shall be the Chief administrative officer of the Organization, and shall, subject to the provision of subparagraph (b) of this Article, appoint the members of the staff.

(b) The Assembly shall appoint the Secretary-General. The Assembly shall also make provision for the appointment of such other personal as may be necessary, and determine the terms and conditions of service of the Secretary-General and other personal.

(c) The appointment of the Secretary-General shall be by an absolute majority of the votes cast.

(d) The Secretariat shall maintain all such records as may be necessary for the efficient discharge of the functions of the Organization and shall prepare, collect and circulate the papers, documents, agenda, minutes and information that may be required for the work of the Assembly and such subordinate organs as the Organization

may establish.

(e) The Secretary-General shall prepare and submit to Assembly at its regular sessions the financial statements and budget estimates for each year.

(f) The Secretary-General shall keep the States Parties to this Agreement informed with respect to the activities of the Organization.

(g) The Secretary-General shall perform such other tasks as may be assigned to him by this Agreement and its Annexes, the Assembly and such subordinate organs as the Organization may establish.

#### Article XIV

In the performance of their duties the Secretary-General and the staff shall not seek or receive instructions from any Government or from any authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials. Each State Party to this Agreement on its part undertakes to respect the exclusively international character of the responsibilities of the Secretary-General and the staff and not to seek to influence them in the discharge of their responsibilities.

#### Article XV

(a) The headquarters of the Organization shall be established in - - - .

(b) The Assembly and, subject to the rules which the Assembly may adopt for this purpose, the subordinate organs may hold sessions in any place other than the headquarters.

#### Article XVI

(a) The Organization shall enjoy in the territory of each State Party to this Agreement such legal capacity as is necessary for the fulfilment of its purposes and the exercise of its functions.

?  
 (b) The Organization shall enjoy in the territory of each State Party to this Agreement such privileges and immunities as are necessary for the fulfilment of its purposes and the exercise of its functions.

(c) Representatives of the States Parties to this Agreement, including alternates and advisers, and officials and employees of the Organization shall similarly enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connexion with the Organization.

#### Article XVII

Tough  
 (a) Texts of proposed amendments to this Agreement and its Annexes shall be communicated by the Secretary-General to the States Parties to this Agreement at least six months in advance of their consideration by the Assembly. Twelve months after its acceptance by the Assembly each amendment shall come into force for all States Parties to this Agreement except those which, before it comes into force, make a declaration that they do not accept the amendment. The Assembly may by a two-thirds majority vote determine at the time of its adoption that an amendment is of such a nature that any State which has made such a declaration and which does not accept the amendment within a period of twelve months after the amendment comes into force shall, upon expiry of this period, cease to be a party to this Agreement.

Why US  
 (b) Any amendment adopted under subparagraph (a) of this Article shall be deposited with the Government of the United States of America, who will immediately forward a copy to all States Parties to this Agreement.

(c) A declaration or acceptance under subparagraph (a) of this Article shall be made by communication of an instrument to the Secretary-General for deposit with the Government of the United States of America. The Secretary-General will notify the States Parties to this Agreement of the receipt of any such instrument and of the date when the amendment enters into force.

Article XVIII

(a) Any State Party to this Agreement may withdraw from the Agreement and the Agreement shall cease to be in force for that State three months after it shall have notified the Government of the United States of America of its intention to withdraw and the latter shall inform the other Parties accordingly.

(b) The termination of the participation in the Corporation on the side of a State Party to this Agreement shall automatically effect withdrawal from this Agreement.

Article XIX

Transfer of the rights and obligations under this Agreement of one State withdrawing from the Agreement to any State Party to the Agreement is subject to the approval of the Organization.

Article XX

(a) Any dispute between States Parties to this Agreement concerning the interpretation or application of the Agreement with exception of the Annexes shall be referred for settlement to the Assembly, or shall be settled in such other manner as the parties to the dispute agree.

(b) Any legal question which cannot be settled as provided in subparagraph (a) of this Article shall be referred by the Organization to the Arbitration tribunal established in pursuance of Annex C to this Agreement for an advisory opinion.

Article XXI

(a) This Agreement shall be open at Washington for six months from - - - -, 19 - -, for signature:

- (i) by the Governments of the States Parties to the Interim Agreement;
- (ii) by the Government of any other State which is a member of the International Telecommunications Union.

(b) The Government of any State which is a member of the International Telecommunications Union may accede to this Agreement after it has been closed for signature.

Article XXII

This Agreement shall enter into force ninety days after the day when it has been signed without reservation as to approval or has been approved after such reservation by the Governments of the States Parties to the Interim Agreement.

Article XXIII

No reservation may be made to this Agreement except as provided in Article XIX.

Article XXIV

(a) Notifications of approval and instruments of accession shall be deposited with the Government of the United States of America.

(b) The Government of the United States of America shall notify all signatory and acceding States and the Secretary-General of signatures, reservations of approval, deposits of ratifications of approval, deposits of instruments of accession and notifications of withdrawals from this Agreement.

Article XXV

Upon entry into force of this Agreement, the Government of the United States of America shall register it with the Secretary-General of the United Nations in accordance with Article 102 of the Charter of the United Nations.

IN WITNESS WHEREOF etc. etc.

Statute  
of  
The International Telecommunications Satellite Corporation

Purpose of the Corporation

Article 1

The purpose of the Corporation shall be

(a) to take over, maintain, improve and operate the space segment of the communications satellite system established in pursuance of the Interim Agreement and the Special Agreement,

(b) to provide, via the space segment, public telecommunications services between any parts of the world on a commercial basis comprising:

(i) telephony,

(ii) telegraphy,

(iii) telex,

(iv) facsimile and data transmission,

(v) relay of radio and television programs,

(c) to promote the development of the technology of satellite communications and the sharing of the States Parties to the Agreement and their designated Participants in the Corporation in the benefits of the advances in this field,

(d) to provide to industries in the States Parties to the Agreement the opportunity to compete on fair and equal conditions for the improvement of the system.

Participants

Article 2

Participants in the Corporation are those listed in Annex B to the Agreement.

Capital

Article 3

The initial capital of the Corporation shall be US \$, 000 000, to be contributed by the Participants in proportion

to their respective quotas, as shown in Annex B to the Agreement, causing the following assets and liabilities to be taken over by the Corporation:

- (i) all properties and rights jointly owned by and liabilities jointly incurred by the Participants, or those entities of which they may be the successors, under the Interim Agreement or the Special Agreement,
- (ii) such liabilities for which any of the Participants may be responsible on behalf or account of the Signatories to the Special Agreement under the Interim Agreement or the Special Agreement,
- (iii) cash funds to the extent required for reaching a net initial capital as set out above.

#### Headquarters

##### Article 4

The headquarters of the Corporation shall be in Washington DC.

#### Management

##### Article 5

The affairs of the Corporation shall be managed by a Governing Body and an Executive Board headed by a General Manager.

##### Article 6

*Similar* The Governing Body shall be composed as follows: one representative from each of the Participants whose quota is not less than .... per cent, and one representative from any two or more Participants whose combined quotas total not less than .... per cent and which have agreed to be so represented.

##### Article 7

The Governing Body may establish such advisory subcommittees as it thinks fit.

Article 8

(a) The Executive Board shall be appointed by the Governing Body for a period to be fixed by it and shall consist of ..... members with ..... deputies. The Governing Body shall appoint one of the Members of the Board to serve as its Chairman in the capacity as General Manager of the Corporation. The Governing Body shall also from among the members of the Board appoint one first Vice-chairman and one second Vice-chairman.

(b) The Governing Body shall also appoint Managers and higher officials of the Corporation.

The Governing Body

Article 9

(a) Meetings of the Governing Body shall be held every third month and at such time in between as the Governing Body may from time to time determine.

(b) Special meetings of the Governing Body shall be held whenever called by the President or the General Manager. Notice of such meetings shall be given the Members not later than ten days before the meeting. The notice shall specify the business to be dealt with at the meeting.

Article 10

(a) Each Participant or group of Participants represented on the Governing Body shall have a number of votes equal to its quota, or to their combined quotas, as the case may be.

(b) A quorum for any meeting of the Governing Body shall consist of representatives having, in total, a number of votes exceeding .....

Article 11

The Governing Body shall endeavour to act unanimously; however if it fails to reach agreement it shall take decisions by a majority of the votes cast, except that with respect to the following matters any decision must have the concurrence of representatives whose total votes exceed .....

- (i) choice of type or types of space segment to be established and operated;

- (ii) approval of budgets;
- (iii) adjustments of accounts;
- (iv) adoption of general tariff regulations and amendments thereto to be applied for the use of the system;
- (v) decisions on amendments of this Statute;
- (vi) adoption of rules of procedure of the Governing Body and of rules governing the authority, duties and activities of the different organs and officials of the corporation;
- (vii) the placing of contracts exceeding .....;
- (viii) decisions in matters relating to satellite launchings;
- (ix) raising of loans;
- (x) decisions relating to withdrawal.

#### The Executive Board

##### Article 12

(a) The Executive Board shall have, unless otherwise prescribed in this Statute, the same authority and duties as the Board does normally have in a Corporation.

(b) The Governing Body shall prescribe detailed rules for the Board's activities and authority.

#### The General Manager and Personal of the Corporation

##### Article 13

The General Manager shall be the Chief Executive Officer of the Corporation and shall, unless otherwise provided in this statute, have the same powers and duties as are normally held by a general manager of a corporation, in relation to the Executive Board and the personal of the Corporation and in relation to third parties. The Governing Body shall prescribe detailed rules for the authority and activities of the General Manager.

Article 14

When appointing the personal of the Corporation the Governing Body, the Executive Board or the General Manager, as the case may be, shall make any effort to achieve an organization which is as rational and efficient as possible. The appointing of high officials and technical personal shall be made with due regard also to achieving a reasonable proportion between the nationalities represented among the Participants.

Accounts and Audit

Article 15

(a) The fiscal year of the Corporation shall be from ..... till ..... . The first fiscal year shall be .....

(b) The accounts of the Corporation shall be audited by ..... Auditors, appointed by .....

(c) The yearly accounts of the Corporation shall be handed over to the Auditors not later than ..... months after the end of the fiscal year. Not later than one month thereafter the Auditors' Report shall be placed before the Chairman of the Governing Body. The Chairman of the Governing Body shall call a meeting of the Body to review the Auditors' Report and to approve the final accounts. In connection with the closing of the accounts, provision shall be made for such depreciation in respect of the assets of the Corporation and for such reserves to cover special risks, which may be found necessary from a sound business viewpoint.

Contributions

Article 16

*Tougher* Each Participant shall pay the amount due from it under Article 3 of this Statute on the date decided by the Governing Body. Interest at the rate of six per cent per annum shall be added to any amount unpaid after that date.

Article 17

Upon payment by an acceding Participant of its contribution an amount corresponding to the consequent reduction of the quotas of the other Participants shall be transferred to the reserve fund provided for in Article 18 of this Statute when the Governing Body does not otherwise decide.

FundsArticle 18

(a) From the yearly net profit of the Corporation shall, after reduction of any amount necessary to offset any remaining loss from a foregoing year, at least ..... per cent be held back and transferred to a reserve fund. When the fund has reached an amount equal to ..... per cent of the capital of the Corporation or the higher amount which the Governing Body may have determined no further reservation is needed.

(b) The reserve fund may be drawn upon only in order to offset a loss on the total activity of the Corporation which could not be covered by recourse to other means set aside for future disposal.

(c) Notwithstanding the fact that the reserve fund totals the amount determined in sub-paragraph (c) in this Article reservations shall continue when the liabilities of the Corporation exceed its capital and the reserve fund together.

(d) The Governing Body may decide to establish such other funds as it deems useful for the efficient conduct of the Corporation's business and lay down the necessary rules for the use of such funds.

(e) In no case may the Participants be required to contribute to the funds of the Corporation with other means than the net profit of the Corporation if not otherwise provided in this Statute.

Dividends

Article 19

(a) The Governing Body shall decide if and to what extent dividends shall be paid to the Participants.

(b) Dividends are paid in proportion to the quotas held by the respective Participants.

(c) Dividends may not be paid out as long as the total amount of the Corporation's capital and the reserve fund does not exceed the total amount of its liabilities.

Loans

Article 20

✓The authority of the Corporation to raise loans whether from the States Parties to the Agreement or on the market should be determined in the Statute.✓

## Contracts

### Article 21

In considering contracts and in exercising their other functions the Corporation shall be guided by the need to design, develop and procure the best equipment and services at the best price for the most efficient conduct and operation of the space segment. When proposals or tenders are determined to be comparable on terms of quality, c.i.f. price and timely performance the Corporation shall seek to ensure that equipment is designed, developed and procured in the States Parties to the Agreement in approximate proportion to their quotas according to Annex B; provided that such design development and procurement are not contrary to the joint interest of the said States. The Corporation shall also seek to ensure that the foregoing principles are applied with respect to major sub-contracts to the extent that this can be accomplished without impairing the prime contractor for the performance of the work under the contract.

### Article 22

All contracts placed by the Corporation or on its behalf relating to design, development and procurement of equipment for the space segment shall, except as otherwise provided in the Agreement as by the Organization, as the case may be, be based on responses to appropriate requests for quotation or invitation to tender from among persons and organizations qualified to perform the work under the proposed contract.

### Article 23

(a) Except as otherwise provided by the Governing Body all contracts and sub-contracts placed for design, development and procurement of equipment for the space segment shall contain appropriate provisions to the effect that

all inventions, technical data and information arising directly from any work performed under such contracts shall be disclosed to the Corporation and may be used in the design development, manufacture and use of equipment and components for the space segment established under the Agreement without payment of royalties by each Participant or the Government which has designated the Participant or any person on the jurisdiction of such Government.

(b) Except as the Governing Body may otherwise determine the Corporation shall endeavour to have included in all contracts placed for design and development appropriate provisions which will ensure that inventions, technical data and information owned by the contractor and its sub-contractors which are directly incorporated in work performed under such contracts, may be used on fair and reasonable terms by each Participant or the Government which has designated the Participant or by any person in the jurisdiction of such Government, provided that such use is necessary and to the extent it is necessary to use such inventions, technical data and information for the exercise of the right to use under sub-paragraph (a) of this Article.

#### Article 24

All contracts exceeding - - - - shall be decided by the Governing Body.

#### Tariffs

#### Article 25

(a) The Corporation shall specify the unit of satellite utilization and from time to time shall establish the rate of charge per unit at a level which, as a general rule, shall be sufficient, on the basis of the estimated total use of the space segment, to cover

*A profit making corp.  
in which users do not share*

amortization of the capital cost of the space segment, an adequate compensation for use of capital, and the estimated operating, maintenance and administration costs of the space segment.

(b) The Corporation shall on the basis of the provision in sub-paragraph (a) of this Article, adopt general tariff regulations to be applied without discrimination to all users of the space segment whether they are Participant or not. Such general regulation shall be submitted to the Organization for approval.

Suspension of rights

Article 26

(a) If a Participant has not made a payment due from him to the Corporation under the Agreement as this Statute or in accordance with decision of the Arbitral tribunal within three months of its becoming due, the rights of the Participant under the Agreement and this Statute may be suspended by decision of the Governing Body.

(b) A decision of suspension shall cease to be in force upon payment by the suspended Participant or on its behalf of the entire amount due from it.

Withdrawals

Article 27

(a) A Participant may withdraw from the Corporation three months after notification of its intention to withdraw to the Governing Body.

(b) Withdrawal from the Agreement by a State Party to it shall automatically effect withdrawal from the Corporation by the Participant designated by that State.

(c) Not less than three months after the rights of a Participant have been suspended pursuant to Article 27 of this Statute and if all sums due have not meanwhile been paid by the Participant or on its behalf, the Governing Body, having taken into account any statement of that Participant, may decide that the Participant is deemed to have withdrawn from the Corporation.

(d) A decision pursuant to subparagraph (c) of this Article shall not have effect until it has been approved by the Organization.

#### Article 28

(a) Subject to the provision of subparagraph (c) of this Article a withdrawing Participant shall have forfeited its contribution to the Corporation's capital and its share in any other assets of the Corporation and shall pay all sums already due from it under the Agreement and this Statute. The shares of the remaining Participants shall be increased pro rata so as to account for the share of the withdrawing Participant in conformity with the respective quotas as revised by the Organization.

(b) In case of withdrawal as a consequence of the Agreement ceasing, pursuant to its Article XVII subparagraph (a), to be in force for the State which has designated the Participant, the latter shall have the right to have its share in the Corporation reimbursed. Such reimbursement shall be immediately accounted for by additional contributions of the remaining Participants in conformity with the respective quotas as revised by the Organization.

#### Amendments

#### Article 29

(a) Each Participant may propose to amend this Statute. Such proposal shall be communicated to the Chairman of the Governing Body who shall put it on the agenda of the meeting of the Governing Body which follows after the lapse of one month following the receipt of the proposal.

(b) The Governing Body shall decide on the amendment. If the Participant who has proposed the amendment is not a member of the Governing Body it shall be invited to attend any meeting of the Body at which the proposal is treated, with the right to take part in the deliberations but with no right to vote.

(c) Any amendment, including the increase of the capital of the Corporation, adopted by the Governing Body shall immediately be submitted to the Organization for approval.

### Settlement of Disputes

#### Article 30

Any dispute between Participants or between one or more Participants and the Corporation regarding the interpretation or application of the Agreement and this Statute shall, if not otherwise settled between the parties, be submitted for decision of the Arbitration tribunal established in pursuance of Annex C to the Agreement at the request of either party to the dispute.

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List of Participants on  
The International Telecommunications Corporation

Country

Name of Participant

Quota

(To be drafted)

Statute  
of  
The Arbitration Tribunal

This Statute should contain i.a. rules relating to:

Composition

Election of members

Competence

Procedure

Judgements, their binding force and  
exegibility

Secretariat

Costs

AGREEMENT  
ON A GLOBAL COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Governments Signatory to this Agreement,  
Recalling the principle set forth in Resolution No 1721 (XVI) of the General Assembly of the United Nations that communications by means of satellites should be available to the nations of the world as soon as practicable on a global and non-discriminatory basis;

Desiring to maintain and develop the world-wide communications satellite system created in accordance with the Agreement establishing Interim Arrangements for a global commercial Communications Satellite System - hereinafter referred to as the Interim Agreement - and the Special Agreement, both signed in Washington on the 20th of August 1964;

Considering that the system so created and further developed will, provide expanded telecommunications services to all areas of the world and will thus contribute to economic and cultural progress on equal conditions in every part of the world and to world peace and understanding;

Determined, to this end, to provide for the benefit of all nations of the world, an efficient and economical service consistent with the best and most equitable use of the radio spectrum;

Believing that all States should have access to the world wide system and that those States so wishing should have the right to invest in the system with consequent participation in the ownership and operation of the system;

Convinced that the commercial character of the activity calls for a type of organization which will most efficiently serve this kind of activity on a world-wide basis and on equitable terms as between the participants;

Convinced also that the public functions with

regard to the maintenance, development and operation of the system should be exercised jointly by the Governments;

Agree as follows:

#### Article I

(a) The Parties to this Agreement shall co-operate to provide, in accordance with the principles set forth in the Preamble to this Agreement for the maintenance, improvement and operation of the space segment of the satellite system established in application of the Interim Agreement and the Special Agreement.

(b) In this Agreement the term "space segment" comprises the communications satellites and the tracking, control, command and related facilities and equipment required to support the operation of the communications satellites.

#### Article II

All States, irrespective of whether they are parties to this Agreement shall have access to the system as users on equal terms and conditions.

#### Article III

(a) The States Parties to this Agreement hereby establish the International Telecommunications Corporation, hereinafter referred to as "the Corporation", which shall own and operate the space segment in application of the Statute embodied in Annex A to this Agreement and in accordance with any other applicable provisions of this Agreement and its Annexes.

(b) A State Party to this Agreement shall either enter the Corporation as participant or designate a communications entity, public or private, to participate on its side in the Corporation.

(c) The Corporation shall, in the territory of each State Party to this Agreement, enjoy such legal capacity and be granted such freedom of activity and such protection as is necessary for the fulfilment of its purposes and the exercise of its

*Taxes etc*

functions as a commercial enterprise in conformity with this Agreement and its Annexes.

(d) The Corporation shall enjoy in the territory of each State Party to this Agreement no less favourable treatment with regard to rights and obligations than if it would have been incorporated or otherwise established under the laws of that State for the purposes set forth in this Agreement and its Annexes.

(e) The Corporation shall not be subject to the control or supervision by the authorities of any State Party to this Agreement with regard to management, finances or any other internal matters or business.

(f) The Corporation shall, in the territory of each State Party to this Agreement be exempt from any taxation on its income but shall, subject to the provision under subparagraph (d) of this Article, enjoy no other special privileges or immunities.

(g) The liability of the Corporation shall not exceed the total value of its property.

Article IV

(a) The States Parties to the Interim Agreement accept, when entering this Agreement, the quotas of the initial common contribution to the capital of the Corporation set out in Annex B to this Agreement.

(b) Annex B to this Agreement shall be revised by the Organization every third year with a view to keep the quotas proportionate to the sharing of the respective States in the total utilization of the space segment.

(c) Additional Parties to this Agreement shall be assigned quotas proportionate to their estimated sharing in the total utilization of the space segment and the quotas of the other Parties to the Agreement shall be reduced accordingly in proportion to the quotas.

(d) Upon any withdrawal from this Agreement, to the extent required to account for the quota of the withdrawing State, the quotas of the remaining Parties to this Agreement shall be increased in proportion to their respective quotas.

*Same*

*Tuning*

*Same*

(e) Upon decision under subparagraphs (c) and (d) of this Article Annex B to this Agreement shall be revised accordingly by the Organization.

#### Article V

(a) An International Telecommunications Satellite Organization, hereinafter referred to as "the Organization" is hereby established to safeguard the proper implementation of the principles underlying this Agreement and its Annexes.

(b) The Organization shall consist of an Assembly and such subordinate organs as the Assembly may at any time consider necessary; and a Secretariat.

#### Article VI

The functions of the Organization shall be:

- (1) to adopt and issue general policy directives to be followed by the Corporation;
- (2) to receive from the Corporation annual reports, programs and budgets and such other messages regarding the present and planned activity and the financial situation of the Corporation which the latter submits to the Organization;
- (3) to decide on amendments to this Agreement and its Annex C and on revision of its Annex B;
- (4) to approve any decision by the Corporation to amend Annex A to this Agreement;
- (5) to determine the investment quotas in the Corporation of the States Parties to this Agreement which were not parties to the Interim Agreement; and to take any decision under Article IV of this Agreement;
- (6) to approve the choice of type or types of space segment to be established and operated by the Corporation;
- (7) to adopt and, where appropriate, amend general standards for the acceptance by the Corporation of earth stations for access to the space segment;
- (8) to approve general tariff regulations and amendments thereto adopted by the Corporation to be applied for the use of the system;
- (9) to approve any decision by the Corporation to raise loans;

*Confused  
First combined  
then separated*

*as opposed  
to cost sharing  
?*

(10) to elect the members of the Arbitration tribunal established in pursuance of Annex C to this Agreement;

(11) to approve any decision by the Corporation on compulsory withdrawal from it;

(12) to decide on any other matter referred to the Organization by the Corporation.

Article VII

Subject to the provisions of Article VI of this Agreement the Organization shall not have power to alter or nullify any decision taken by the Corporation or to suspend or inhibit the implementation of such decision.

*Now separate again assembly powers greatly limited beyond CS proposals*

Article VIII

(a) The Corporation shall submit to the Organization on a yearly basis

(1) a statement on the activity and the financial situation of the Corporation;

(2) the estimates for the following year with regard to the activity and financial situation of the Corporation;

(3) a complete list of decisions taken by the Governing body of the Corporation during the previous year.

*Now we have the governing body.*

(b) The Corporation shall also submit to the Organization any long term plans or programs for the development of the space segment and its operation adopted by the Corporation together with the necessary explanatory statements on the financial implications of the realisation of such plans or programs.

Article IX

The Corporation shall furnish to the Organization such information as may be required by any State Party to this Agreement to enable that State to discharge its responsibilities as a Member of the Organization.

In case of a dispute between a State and the Corporation with regard to the obligation of the Corporation under this Article the decision shall lie with the Organization.

*Tougher than ours*

Article X

(a) The Assembly shall perform the functions of the Organization. It shall be composed of one representative of each State Party to this Agreement.

(b) Regular sessions of the Assembly shall take place once every year. Extraordinary sessions shall be convened after a notice of thirty days whenever one fifth (fourth third) of the members give notice to the Secretary-General that they desire a session to be arranged and at any time of deemed necessary by the President of the Assembly (or the Secretary-General), after a notice of thirty days.

(c) Each State Party to this Agreement shall have one vote in the Assembly.

(d) A quorum for any meeting of the Assembly shall consist of representatives of a majority of the States Parties to this Agreement.

Article XI

The Assembly shall:

(a) at each regular session elect, from among the representatives of the States Parties to this Agreement, its President and two Vice-Presidents who shall hold office until the next regular session;

(b) subject to the provisions of this Agreement and its Annexes, adopt and, where appropriate, amend the rules of procedure of the Assembly and such subordinate organs as the Organization may establish;

(c) vote the budget and determine the financial arrangements of the Organization;

(d) review the expenditure and approve the accounts of the Organization;

(e) apportion the expenses of the Organization among the States Parties to this Agreement in accordance with a scale to be fixed by it.

*No continuity*

*We have  
1 vote and  
pay most of  
the bill*

Article XII

Plurality

(a) The Assembly shall be endeavour to act unanimously; however if it fails to reach agreement it shall take decisions by a majority of the votes cast, except where otherwise provided in this Agreement and its Annexes.

2/3 voting

(b) With respect to the following matters any decision of the Assembly must have the concurrence of two thirds of the representatives present and voting:

- (i) any matter listed under (3), (4), (6), (7) and (8) in Article VI of this Agreement;
- (ii) adoption of the rules of procedure of the Assembly and the subordinate organs and of amendments to these rules;
- (iii) change of the site of the headquarters of the Organization;
- (iv) - - -
- (v) - - -

Article XIII

(a) The Secretariat shall comprise the Secretary-General and such staff as the Organization may require. The Secretary-General shall be the Chief administrative officer of the Organization, and shall, subject to the provision of subparagraph (b) of this Article, appoint the members of the staff.

(b) The Assembly shall appoint the Secretary-General. The Assembly shall also make provision for the appointment of such other personal as may be necessary, and determine the terms and conditions of service of the Secretary-General and other personal.

(c) The appointment of the Secretary-General shall be by an absolute majority of the votes cast.

(d) The Secretariat shall maintain all such records as may be necessary for the efficient discharge of the functions of the Organization and shall prepare, collect and circulate the papers, documents, agenda, minutes and information that may be required for the work of the Assembly and such subordinate organs as the Organization

may establish.

(e) The Secretary-General shall prepare and submit to Assembly at its regular sessions the financial statements and budget estimates for each year.

(f) The Secretary-General shall keep the States Parties to this Agreement informed with respect to the activities of the Organization.

(g) The Secretary-General shall perform such other tasks as may be assigned to him by this Agreement and its Annexes, the Assembly and such subordinate organs as the Organization may establish.

#### Article XIV

In the performance of their duties the Secretary-General and the staff shall not seek or receive instructions from any Government or from any authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials. Each State Party to this Agreement on its part undertakes to respect the exclusively international character of the responsibilities of the Secretary-General and the staff and not to seek to influence them in the discharge of their responsibilities.

#### Article XV

(a) The headquarters of the Organization shall be established in - - - .

(b) The Assembly and, subject to the rules which the Assembly may adopt for this purpose, the subordinate organs may hold sessions in any place other than the headquarters.

#### Article XVI

(a) The Organization shall enjoy in the territory of each State Party to this Agreement such legal capacity as is necessary for the fulfilment of its purposes and the exercise of its functions.

?  
 (b) The Organization shall enjoy in the territory of each State Party to this Agreement such privileges and immunities as are necessary for the fulfilment of its purposes and the exercise of its functions.

(c) Representatives of the States Parties to this Agreement, including alternates and advisers, and officials and employees of the Organization shall similarly enjoy such privileges and immunities as are necessary for the independent exercise of their functions in connexion with the Organization.

#### Article XVII

*Tough*  
 (a) Texts of proposed amendments to this Agreement and its Annexes shall be communicated by the Secretary-General to the States Parties to this Agreement at least six months in advance of their consideration by the Assembly. Twelve months after its acceptance by the Assembly each amendment shall come into force for all States Parties to this Agreement except those which, before it comes into force, make a declaration that they do not accept the amendment. The Assembly may by a two-thirds majority vote determine at the time of its adoption that an amendment is of such a nature that any State which has made such a declaration and which does not accept the amendment within a period of twelve months after the amendment comes into force shall, upon expiry of this period, cease to be a party to this Agreement.

*why US*  
 (b) Any amendment adopted under subparagraph (a) of this Article shall be deposited with the Government of the United States of America, who will immediately forward a copy to all States Parties to this Agreement.

(c) A declaration or acceptance under subparagraph (a) of this Article shall be made by communication of an instrument to the Secretary-General for deposit with the Government of the United States of America. The Secretary-General will notify the States Parties to this Agreement of the receipt of any such instrument and of the date when the amendment enters into force.

Article XVIII

(a) Any State Party to this Agreement may withdraw from the Agreement and the Agreement shall cease to be in force for that State three months after it shall have notified the Government of the United States of America of its intention to withdraw and the latter shall inform the other Parties accordingly.

(b) The termination of the participation in the Corporation on the side of a State Party to this Agreement shall automatically effect withdrawal from this Agreement.

Article XIX

Transfer of the rights and obligations under this Agreement of one State withdrawing from the Agreement to any State Party to the Agreement is subject to the approval of the Organization.

Article XX

(a) Any dispute between States Parties to this Agreement concerning the interpretation or application of the Agreement with exception of the Annexes shall be referred for settlement to the Assembly, or shall be settled in such other manner as the parties to the dispute agree.

(b) Any legal question which cannot be settled as provided in subparagraph (a) of this Article shall be referred by the Organization to the Arbitration tribunal established in pursuance of Annex C to this Agreement for an advisory opinion.

Article XXI

(a) This Agreement shall be open at Washington for six months from - - - -, 19 - -, for signature:

- (i) by the Governments of the States Parties to the Interim Agreement;
- (ii) by the Government of any other State which is a member of the International Telecommunications Union.

(b) The Government of any State which is a member of the International Telecommunications Union may accede to this Agreement after it has been closed for signature.

Article XXII

This Agreement shall enter into force ninety days after the day when it has been signed without reservation as to approval or has been approved after such reservation by the Governments of the States Parties to the Interim Agreement.

Article XXIII

No reservation may be made to this Agreement except as provided in Article XIX.

Article XXIV

(a) Notifications of approval and instruments of accession shall be deposited with the Government of the United States of America.

(b) The Government of the United States of America shall notify all signatory and acceding States and the Secretary-General of signatures, reservations of approval, deposits of ratifications of approval, deposits of instruments of accession and notifications of withdrawals from this Agreement.

Article XXV

Upon entry into force of this Agreement, the Government of the United States of America shall register it with the Secretary-General of the United Nations in accordance with Article 102 of the Charter of the United Nations.

IN WITNESS WHEREOF etc. etc.

Statute  
of  
The International Telecommunications Satellite Corporation

Purpose of the Corporation

Article 1

The purpose of the Corporation shall be

(a) to take over, maintain, improve and operate the space segment of the communications satellite system established in pursuance of the Interim Agreement and the Special Agreement,

(b) to provide, via the space segment, public telecommunications services between any parts of the world on a commercial basis comprising:

(i) telephony,

(ii) telegraphy,

(iii) telex,

(iv) facsimile and data transmission,

(v) relay of radio and television programs,

(c) to promote the development of the technology of satellite communications and the sharing of the States Parties to the Agreement and their designated Participants in the Corporation in the benefits of the advances in this field,

(d) to provide to industries in the States Parties to the Agreement the opportunity to compete on fair and equal conditions for the improvement of the system.

Participants

Article 2

Participants in the Corporation are those listed in Annex B to the Agreement.

Capital

Article 3

The initial capital of the Corporation shall be US \$, 000 000, to be contributed by the Participants in proportion

to their respective quotas, as shown in Annex B to the Agreement, causing the following assets and liabilities to be taken over by the Corporation:

- (i) all properties and rights jointly owned by and liabilities jointly incurred by the Participants, or those entities of which they may be the successors, under the Interim Agreement or the Special Agreement,
- (ii) such liabilities for which any of the Participants may be responsible on behalf or account of the Signatories to the Special Agreement under the Interim Agreement or the Special Agreement,
- (iii) cash funds to the extent required for reaching a net initial capital as set out above.

#### Headquarters

##### Article 4

The headquarters of the Corporation shall be in Washington DC.

#### Management

##### Article 5

The affairs of the Corporation shall be managed by a Governing Body and an Executive Board headed by a General Manager.

##### Article 6

*Similar* The Governing Body shall be composed as follows: one representative from each of the Participants whose quota is not less than .... per cent, and one representative from any two or more Participants whose combined quotas total not less than .... per cent and which have agreed to be so represented.

##### Article 7

The Governing Body may establish such advisory subcommittees as it thinks fit.

Article 8

(a) The Executive Board shall be appointed by the Governing Body for a period to be fixed by it and shall consist of ..... members with ..... deputies. The Governing Body shall appoint one of the Members of the Board to serve as its Chairman in the capacity as General Manager of the Corporation. The Governing Body shall also from among the members of the Board appoint one first Vice-chairman and one second Vice-chairman.

(b) The Governing Body shall also appoint Managers and higher officials of the Corporation.

The Governing Body

Article 9

(a) Meetings of the Governing Body shall be held every third month and at such time in between as the Governing Body may from time to time determine.

(b) Special meetings of the Governing Body shall be held whenever called by the President or the General Manager. Notice of such meetings shall be given the Members not later than ten days before the meeting. The notice shall specify the business to be dealt with at the meeting.

Article 10

(a) Each Participant or group of Participants represented on the Governing Body shall have a number of votes equal to its quota, or to their combined quotas, as the case may be.

(b) A quorum for any meeting of the Governing Body shall consist of representatives having, in total, a number of votes exceeding .....

Article 11

The Governing Body shall endeavour to act unanimously; however if it fails to reach agreement it shall take decisions by a majority of the votes cast, except that with respect to the following matters any decision must have the concurrence of representatives whose total votes exceed .....

- (1) choice of type or types of space segment to be established and operated;

- (ii) approval of budgets;
- (iii) adjustments of accounts;
- (iv) adoption of general tariff regulations and amendments thereto to be applied for the use of the system;
- (v) decisions on amendments of this Statute;
- (vi) adoption of rules of procedure of the Governing Body and of rules governing the authority, duties and activities of the different organs and officials of the corporation;
- (vii) the placing of contracts exceeding .....;
- (viii) decisions in matters relating to satellite launchings;
- (ix) raising of loans;
- (x) decisions relating to withdrawal.

#### The Executive Board

##### Article 12

(a) The Executive Board shall have, unless otherwise prescribed in this Statute, the same authority and duties as the Board does normally have in a Corporation.

(b) The Governing Body shall prescribe detailed rules for the Board's activities and authority.

#### The General Manager and Personal of the Corporation

##### Article 13

The General Manager shall be the Chief Executive Officer of the Corporation and shall, unless otherwise provided in this statute, have the same powers and duties as are normally held by a general manager of a corporation, in relation to the Executive Board and the personal of the Corporation and in relation to third parties. The Governing Body shall prescribe detailed rules for the authority and activities of the General Manager.

Article 14

When appointing the personal of the Corporation the Governing Body, the Executive Board or the General Manager, as the case may be, shall make any effort to achieve an organization which is as rational and efficient as possible. The appointing of high officials and technical personal shall be made with due regard also to achieving a reasonable proportion between the nationalities represented among the Participants.

Accounts and Audit

Article 15

(a) The fiscal year of the Corporation shall be from ..... till ..... . The first fiscal year shall be .....

(b) The accounts of the Corporation shall be audited by ..... Auditors, appointed by .....

(c) The yearly accounts of the Corporation shall be handed over to the Auditors not later than ..... months after the end of the fiscal year. Not later than one month thereafter the Auditors' Report shall be placed before the Chairman of the Governing Body. The Chairman of the Governing Body shall call a meeting of the Body to review the Auditors' Report and to approve the final accounts. In connection with the closing of the accounts, provision shall be made for such depreciation in respect of the assets of the Corporation and for such reserves to cover special risks, which may be found necessary from a sound business viewpoint.

Contributions

Article 16

Each Participant shall pay the amount due from it under Article 3 of this Statute on the date decided by the Governing Body. Interest at the rate of six per cent per annum shall be added to any amount unpaid after that date.

*Tougher*

Article 17

Upon payment by an acceding Participant of its contribution an amount corresponding to the consequent reduction of the quotas of the other Participants shall be transferred to the reserve fund provided for in Article 18 of this Statute when the Governing Body does not otherwise decide.

FundsArticle 18

(a) From the yearly net profit of the Corporation shall, after reduction of any amount necessary to offset any remaining loss from a foregoing year, at least ..... per cent be held back and transferred to a reserve fund. When the fund has reached an amount equal to ..... per cent of the capital of the Corporation or the higher amount which the Governing Body may have determined no further reservation is needed.

(b) The reserve fund may be drawn upon only in order to offset a loss on the total activity of the Corporation which could not be covered by recourse to other means set aside for future disposal.

(c) Notwithstanding the fact that the reserve fund totals the amount determined in sub-paragraph (c) in this Article reservations shall continue when the liabilities of the Corporation exceed its capital and the reserve fund together.

(d) The Governing Body may decide to establish such other funds as it deems useful for the efficient conduct of the Corporation's business and lay down the necessary rules for the use of such funds.

(e) In no case may the Participants be required to contribute to the funds of the Corporation with other means than the net profit of the Corporation if not otherwise provided in this Statute.

Dividends

Article 19

(a) The Governing Body shall decide if and to what extent dividends shall be paid to the Participants.

(b) Dividends are paid in proportion to the quotas held by the respective Participants.

(c) Dividends may not be paid out as long as the total amount of the Corporation's capital and the reserve fund does not exceed the total amount of its liabilities.

Loans

Article 20

∟The authority of the Corporation to raise loans whether from the States Parties to the Agreement or on the market should be determined in the Statute.∟

## Contracts

### Article 21

In considering contracts and in exercising their other functions the Corporation shall be guided by the need to design, develop and procure the best equipment and services at the best price for the most efficient conduct and operation of the space segment. When proposals or tenders are determined to be comparable on terms of quality, c.i.f. price and timely performance the Corporation shall seek to ensure that equipment is designed, developed and procured in the States Parties to the Agreement in approximate proportion to their quotas according to Annex B; provided that such design development and procurement are not contrary to the joint interest of the said States. The Corporation shall also seek to ensure that the foregoing principles are applied with respect to major sub-contracts to the extent that this can be accomplished without impairing the prime contractor for the performance of the work under the contract.

### Article 22

All contracts placed by the Corporation or on its behalf relating to design, development and procurement of equipment for the space segment shall, except as otherwise provided in the Agreement as by the Organization, as the case may be, be based on responses to appropriate requests for quotation or invitation to tender from among persons and organizations qualified to perform the work under the proposed contract.

### Article 23

(a) Except as otherwise provided by the Governing Body all contracts and sub-contracts placed for design, development and procurement of equipment for the space segment shall contain appropriate provisions to the effect that

all inventions, technical data and information arising directly from any work performed under such contracts shall be disclosed to the Corporation and may be used in the design development, manufacture and use of equipment and components for the space segment established under the Agreement without payment of royalties by each Participant or the Government which has designated the Participant or any person on the jurisdiction of such Government.

(b) Except as the Governing Body may otherwise determine the Corporation shall endeavour to have included in all contracts placed for design and development appropriate provisions which will ensure that inventions, technical data and information owned by the contractor and its sub-contractors which are directly incorporated in work performed under such contracts, may be used on fair and reasonable terms by each Participant or the Government which has designated the Participant or by any person in the jurisdiction of such Government, provided that such use is necessary and to the extent it is necessary to use such inventions, technical data and information for the exercise of the right to use under sub-paragraph (a) of this Article.

#### Article 24

All contracts exceeding - - - - shall be decided by the Governing Body.

#### Tariffs

#### Article 25

(a) The Corporation shall specify the unit of satellite utilization and from time to time shall establish the rate of charge per unit at a level which, as a general rule, shall be sufficient, on the basis of the estimated total use of the space segment, to cover

*a profit making corp  
in which users do not share*

amortization of the capital cost of the space segment, an adequate compensation for use of capital, and the estimated operating, maintenance and administration costs of the space segment.

(b) The Corporation shall on the basis of the provision in sub-paragraph (a) of this Article, adopt general tariff regulations to be applied without discrimination to all users of the space segment whether they are Participant or not. Such general regulation shall be submitted to the Organization for approval.

#### Suspension of rights

##### Article 26

(a) If a Participant has not made a payment due from him to the Corporation under the Agreement as this Statute or in accordance with decision of the Arbitral tribunal within three months of its becoming due, the rights of the Participant under the Agreement and this Statute may be suspended by decision of the Governing Body.

(b) A decision of suspension shall cease to be in force upon payment by the suspended Participant or on its behalf of the entire amount due from it.

#### Withdrawals

##### Article 27

(a) A Participant may withdraw from the Corporation three months after notification of its intention to withdraw to the Governing Body.

(b) Withdrawal from the Agreement by a State Party to it shall automatically effect withdrawal from the Corporation by the Participant designated by that State.

(c) Not less than three months after the rights of a Participant have been suspended pursuant to Article 27 of this Statute and if all sums due have not meanwhile been paid by the Participant or on its behalf, the Governing Body, having taken into account any statement of that Participant, may decide that the Participant is deemed to have withdrawn from the Corporation.

(d) A decision pursuant to subparagraph (c) of this Article shall not have effect until it has been approved by the Organization.

#### Article 28

(a) Subject to the provision of subparagraph (c) of this Article a withdrawing Participant shall have forfeited its contribution to the Corporation's capital and its share in any other assets of the Corporation and shall pay all sums already due from it under the Agreement and this Statute. The shares of the remaining Participants shall be increased pro rata so as to account for the share of the withdrawing Participant in conformity with the respective quotas as revised by the Organization.

(b) In case of withdrawal as a consequence of the Agreement ceasing, pursuant to its Article XVII subparagraph (a), to be in force for the State which has designated the Participant, the latter shall have the right to have its share in the Corporation reimbursed. Such reimbursement shall be immediately accounted for by additional contributions of the remaining Participants in conformity with the respective quotas as revised by the Organization.

#### Amendments

#### Article 29

(a) Each Participant may propose to amend this Statute. Such proposal shall be communicated to the Chairman of the Governing Body who shall put it on the agenda of the meeting of the Governing Body which follows after the lapse of one month following the receipt of the proposal.

(b) The Governing Body shall decide on the amendment. If the Participant who has proposed the amendment is not a member of the Governing Body it shall be invited to attend any meeting of the Body at which the proposal is treated, with the right to take part in the deliberations but with no right to vote.

(c) Any amendment, including the increase of the capital of the Corporation, adopted by the Governing Body shall immediately be submitted to the Organization for approval.

### Settlement of Disputes

#### Article 30

Any dispute between Participants or between one or more Participants and the Corporation regarding the interpretation or application of the Agreement and this Statute shall, if not otherwise settled between the parties, be submitted for decision of the Arbitration tribunal established in pursuance of Annex C to the Agreement at the request of either party to the dispute.

---

List of Participants on  
The International Telecommunications Corporation

Country

Name of Participant

Quota

(To be drafted)

Statute  
of  
The Arbitration Tribunal

This Statute should contain i.a. rules relating to:

Composition

Election of members

Competence

Procedure

Judgements, their binding force and  
exegibility

Secretariat

Costs

INTELSAT-Conference

Working Document submitted by the Swedish delegation.

The Swedish Government is determined to co-operate with all Nations of the World with a view to making the advantages of improved and expanded telecommunications via satellites available to all peoples and in every part of the world and to furthering, thereby, economic progress and cultural development. This is an aim which we also find reflected in last year's General Assembly resolution 2453 (XXIII) and which the Swedish Government has repeatedly tried to support in the United Nations and in other international contexts.

The most desirable solution for achieving this must be one international system, embodied in one Agreement, susceptible of being entered into by the whole family of Nations. The Swedish Government, after careful consideration, believes that a sound and equitable solution likely to be accepted universally could be reached through the adoption of an organizational scheme based on an adequate distinction between the public and commercial functions which both must be carried out jointly by all participants in the satellite system. The need for such distinction would follow from the fundamental difference between these two functions with regard to responsibilities and decision-making procedure. The public function would call for a decision-making machinery compatible with the sovereignty of the participating States which is always the basis for the joint exercise of such functions. The commercial side of the activity, on the other hand, which is the basic element of the whole undertaking, necessitates an organizational framework and a type of legal personality similar to that of a market operating enterprise. The Agreement should provide for a proper balance between the two functions.

In order to give an example of the kind of solution to which the scheme based on the distinction between functions would lend itself, the Swedish delegation has worked out the attached text of an Agreement on a global telecommunications satellite system. In submitting this draft to the Conference the Swedish delegation suggests that separation of functions as illustrated by the text be adopted by the Conference as a basic principle for the working out of the text of a new Agreement.

February, 1969



DELEGATION OF THE UNITED STATES OF AMERICA

MEMORANDUM

TO: The Acting Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference *PRC*

SUBJECT: Daily INTELSAT Conference Summary - February 24, 1969  
INFORMATION MEMORANDUM

Initial plenary session went smoothly. Mr. Elliott Richardson, Acting Secretary of State, convened opening session as temporary chairman and welcomed delegates. Mr. J.A. Wiltgen, Brazilian representative offered cordial response. U.S. representative Leonard Marks elected Conference Chairman by acclamation on nomination by Australia, supported by Netherlands and Mexico.

Provisional agenda adopted unanimously without change.

Proposed rules of procedure discussed briefly and adopted unanimously without change. Nigeria proposed giving observers a vote, Jain of India responded negatively and the subject was dropped. Mr. J. E. Killick, UK representative, stated for record his hope that voting would be employed only as a last resort and only at latter stage of conference and encouraged chairman and all delegates to seek consensus on all issues. Indian expressed hope that the chairman's invitation to observers to speak and distribute documents would be liberally accorded in the interest of maximum circulation and exchange of ideas and to assure harmony. Swiss, Italian, and Dutch delegations supported UK views on voting and Indian views on liberal treatment of observers. Mr. Marks concurred in and indicated he would comply with these views.

Four uncontested Regional Vice Chairmen elected:

- (1) Europe - Mr. Hartogh (Netherlands) nominated by Italy, seconded by Germany.
- (2) Africa and Near East - Mr. Bairi (Algeria) nominated by Nigeria and seconded by Kuwait.
- (3) Far East/Asia - Mr. Jain (India) nominated by Korea, seconded by Thailand.

- (4) Americas - Dr. Soriano (Venezuela) nominated by Brazil, seconded by Canada.

All Vice Chairmen elected by acclamation.

Conference organization went very smoothly, with Chairman's suggested committee membership accepted without discussion.

Credentials Committee - Ireland, Norway, Panama, Philippines, and Turkey.

Editorial Committee - France, Belgium, Spain, Colombia, UK, and US.

Marks concluded plenary session with brief remarks of general nature being circulated as conference document.

Proposed committee structure, Doc. 7 (adopted), dated 2/24/69 adopted. Committees to elect own chairmen tomorrow. All four committees to hold organizational meetings seriatim on 2/25/69. Doc. 7 attached for all individuals listed.

Distribution:

J - Mr. Monja  
EUR/RPE - Mr. Katz  
H - Mr. Briggs  
EA - Mr. William Thomas  
ARA - Miss Goldstein  
AF - Mr. Courtney  
SCI - Mr. Pollack  
IO - Mr. Popper  
E/TD - Mr. Nelson  
INR - Mr. German  
USUN - Mr. Thacher  
All Members US Delegation  
E - Mr. Greenwald

E/TD:SEDoyle:mg 2/24/69  
*SEE*



PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR  
THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Doc. 7 (Adopted)  
February 24, 1969

WORKING COMMITTEE STRUCTURE

- Committee I    Structure and Functions of INTELSAT Consortium, with particular regard to questions of membership, scope of services, organizational structure including structure of major organs, their functions and voting.
- Committee II    Legal and Procedural Questions, including definitions, legal status, entry into force, duration, amendment, withdrawal, settlement of disputes.
- Committee III    Financial Arrangements.
- Committee IV    Other Operational Arrangements, including procurement policy, inventions and data, technical and operational matters.

Participation in all four Committees will be open to any delegation wishing to participate. Pursuant to Rule 9, observers may also attend unless the meetings determine otherwise.

\* \* \*



## DEPARTMENT OF STATE

Washington, D.C. 20520

February 12, 1969

~~CONFIDENTIAL~~DECLASSIFIED  
E.O. 13526, Sec. 53(b)(3)  
ISCAP 2014-045  
By ISC/AP, NARA, Date 11/13/14

TO : INTELSAT - Ambassador Marks and other  
members of Delegation Executive Committee

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

SUBJECT: Report of U.S. Delegation Responsible for  
Preparations for Committee I

In accordance with your request, this group met on February 10 and 12 and arrived at the following conclusions:

1. Temporary Chairman of Committee I.

Committee I needs a temporary chairman until it has selected its permanent chairman. The Executive Committee should determine whether it is desirable for you to act as temporary chairman or for you to designate one of the Conference Vice Chairmen so to act. Most of the group thought the latter was desirable.

2. Functions of Committee I.

We believe that Committee I as a whole should meet initially only for the purpose of agreeing to the establishment of Subcommittees IA and IB and their respective terms of reference. Thereafter, Committee I should recess and let the Subcommittees get started. Committee I would then meet something like every third day to receive reports from the Subcommittees. The work and the negotiation would take place mostly in the Subcommittees. Committee I would also, hopefully, not be the forum of general speeches or statements. If countries now insist on making these, we hope they will be made in the plenary.

3. Voting

There were numerous views on the question of the extent to which various bodies should vote or act by consensus. Our discussion produced the following:

- (a) The Subcommittees should be treated largely as working groups that try to limit the number of choices and try to negotiate various issues in an effort to get a consensus behind one choice, or at least a clear cut statement of alternatives. Subcommittees probably should not vote.

~~CONFIDENTIAL~~

- (b) It would be desirable to vote in Subcommittee I when the Subcommittee has produced clearly defined alternatives.
- (c) Some members of the group felt that voting in Committee I could only be achieved -- at least without a major fight on the Conference rules-- if we agreed not to have formal votes in the plenary in the absence of a substantial consensus. Others felt that we should not give up any voting except the vote on the texts of the agreement itself, as contemplated by paragraph 20 D of the Provisional Rules of Procedure. I might say that there was some dispute as to how serious it would be if we had a lengthy debate on adoption of these rules.

4. Dealing with the Europeans

There was total agreement and a strong feeling that it is a mistake for the US to make a secret deal with the Europeans in advance of the Conference. We had in mind the issue of voting, but the proposition is broader than that. Many others, not only LDCs but countries such as Australia and Japan, are worried about a US - Europe agreement that subordinates their views and interests. It was also the view of our group that it was undesirable to encourage the designation of a CETS spokesman for all the Europeans.

5. Working Groups

While it is possible that Subcommittees A and B would establish working groups to handle specific issues, the United States would not propose formal further subdivision of these Subcommittees. The reason is in part our commitment to a number of countries that not more than four groups would ever meet at the same time.

6. Terms of Reference and Agendas

Attached hereto are Terms of Reference for both Subcommittees and agenda for both Subcommittees. These were discussed and generally agreed but no one finally "signed off". The group felt that Committee I should, as a full Committee, approve the Terms of Reference for each of these Subcommittees, and that each Subcommittee, in turn, should adopt its agenda. Adoption of the agenda may be more contentious because the order in which matters are discussed can have some tactical significance.

7. Name of Governing Body

There was general consensus that the Governing Body as we envision it should be termed something else, and the most acceptable alternative to the group was "Board of Governors."

8. Committee Chairman

The group considered the draft of the proposed memorandum concerning Committee and Subcommittee chairmen, and made specific suggestion which will be reflected in a redraft of that memorandum.

9. Additional Documents

We identified the need for two kinds of additional documents:

First, documents we might wish to distribute, and second, documents which are in the nature of talking papers for the U.S. Delegation, marshaling arguments for various U.S. positions.

We have not, however, had a chance to prepare a list of these documents.

Attachments:

- Tab A - }
- Tab B - } Terms of Reference
- Tab C - Proposed Agenda for Subcommittee I(A).
- Tab D - Tentative Agenda for Subcommittee I(B)

E/TT:FELoy:fbp

cc: Messrs. Asher Ende,  
William English, John O'Malley

TABS A and B

Terms of Reference of Subcommittee I.B

Subcommittee I.B shall study and make recommendations with respect to legal and procedural questions associated with the structuring and entry into force of the definitive arrangements. Specifically, the subcommittee will include in its considerations what definitions should be specified in the agreements, the legal status of INTELSAT under the definitive arrangements, privileges and immunities, the mechanisms for accession and supercession, appropriate withdrawal provisions, the liability of partners, amendment processes and the means of settlement of disputes.

The Subcommittee shall adopt an appropriate agenda to facilitate consideration of the matters included in its terms of reference, and shall, after discussion and deliberation, report its recommendations to Committee I for appropriate action and forwarding to the Plenary.

Terms of Reference for Subcommittee I(A)

Subcommittee I(A) shall study and make appropriate recommendations with respect to purposes and objectives of Intelsat; Intelsat membership; scope of Intelsat activities; rights and obligations of members; structure of the organization; number and duration of agreements, as well as signatories thereto; and relationships with the ITU.

The Subcommittee shall adopt an appropriate agenda to facilitate consideration of the matters included in its terms of reference and shall, after due discussion and deliberation, report its recommendations to Committee I for appropriate action and forwarding to the Plenary.

- a) General 599-605
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609-611
- c) In relation to satellites for specialized services 612-617
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## PROPOSED AGENDA FOR SUBCOMMITTEE I(A)

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\*Paragraph references are to sections of the Report of the  
Interim Communications Satellite Committee on Definitive  
Arrangements for an International Global Communications  
Satellite System.

TENTATIVE AGENDA FOR SUBCOMMITTEE I.B

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- II. Legal Status of INTELSAT (231-236)
  - A. Comparison of present legal structure (Joint Venture) with an Independent Legal Status for INTELSAT
    - 1. Ability to conduct business
      - a. Contracting
      - b. Acquisition of property
      - c. Protection of property interests
    - 2. Ramifications
      - a. Ownership
      - b. Liabilities
      - c. Taxation
      - d. Other
    - 3. Implementation
  - B. Conclusions
  - C. Recommendations
  
- III. Privileges and Immunities (594-596)
  - A. Present Status of INTELSAT

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\*Paragraph references are to sections of the Report of the Interim Communications Satellite Committee on Definitive Arrangements for an International Global Communications Satellite System.

B. Categories of Immunities

1. Taxation
2. Customs
3. Civil and Criminal Process
4. Search, seizure and attachment
5. Confiscation of assets

C. Implementing Arrangements

1. Headquarters Agreements
2. Other Mechanisms

D. Recommendations

IV. Accession, Supersession and Buy-Out (626)

A. Accession and Supersession

1. Formula for Entry Into Force - Unanimity vs. Less Than Unanimity

a. General principles of International Law

b. Requirements of Article IX(b)

2. Transfer of Rights and Obligations under Interim Arrangements

B. Obligations and Rights of Non-Continuing Prior Members

1. Article IX(b)

2. General Principles of Equity and Law applicable to Partnerships and Joint Ventures

3. Financial Obligations and Rights

4. Patent and Data Rights

V. Withdrawal Provisions (622-625)

A. Voluntary Withdrawal - Permissive?

1. Obligations and Rights of Withdrawing Signatory

B. Involuntary Withdrawal

1. What constitutes Default?

a. Non-payment - grace period

b. Non-compliance with Terms of Agreements

2. Consequences

a. Suspension of Rights - Automatic?

b. Expulsion - Role of Assembly and Governing Body

VI. Liability of Partners Inter-Se

A. Article 13 of Special Agreement

B. For Obligations on behalf of INTELSAT

VII. Settlement of Disputes (591-593)

A. Adequacy of Existing Supplementary Agreement on Arbitration

1. Proposed Amendments

B. Operating Agreement or Separate Agreement?

VIII. Amendment Processes (581-590)

A. Intergovernmental Agreement

B. Operating Agreement

IX. Reservations



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## DELEGATION OF THE UNITED STATES OF AMERICA

### INFORMATION MEMORANDUM

TO: The Secretary

THROUGH: S/S

FROM: United States Delegation to the INTELSAT Conference *PLS*

SUBJECT: Daily INTELSAT Conference Summary for March 18, 1969

### PLENARY SESSION

A brief plenary session, the second of the Conference, was held to consider a number of administrative matters. Two new Vice-Chairmen, Mr. Alegrett of Venezuela and Ambassador Hartmann of Switzerland, were elected to replace the Latin and European regional Vice-Chairmen who had been called away from the Conference. The Editorial Committee was expanded to include Canada, Jamaica and Mexico. Finally, the Credentials Committee's report, to the effect that all credentials were in proper form, was accepted without objection.

### COMMITTEE I - Structure and Functions

Committee I considered and accepted the report of the Working Group which it had established to consider (1) the objectives and purposes of INTELSAT and (2) the scope of INTELSAT's activities. Debate centered on the Working Group's recommendation that domestic services should be provided by INTELSAT "to the degree that these services do not adversely affect the capacity of the Organization to achieve its primary purpose." Countries with overseas territories or non-contiguous areas, such as the U.K., Pakistan and Denmark, maintained that domestic public telecommunications services between geographically isolated points should be treated as if they were international. A proposal by the U.K. to this effect was appended as a footnote to the Working Group report. The U.S., in expressing satisfaction with the report, pointed out that the real need in the future was likely to be full utilization of facilities rather than finding space for domestic traffic because of a shortage of facilities.

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## COMMITTEE II - Working Group B

Working Group B completed its reports on Privileges and Immunities, Settlement of Disputes, and Amendments; leaving Withdrawal and Liability Inter Se to be dealt with at its next meeting.

The Privileges and Immunities report contains a draft article and commentary in which the majority recommends that the agreement not enumerate the precise Privileges and Immunities to be given INTELSAT but that it provide for a headquarter agreement to be negotiated containing "appropriate" Privileges and Immunities, and provides for the possibility of INTELSAT receiving Privileges and Immunities from other Parties by future agreements or other action of such Parties. A majority, not including the U.S., noted in the report that Privileges and Immunities could be granted to INTELSAT under existing law in their countries only if INTELSAT had legal personality.

The final round of discussion of Settlement of Disputes involved the question of method of selecting the Panel of Arbitrators. The majority opposed the U.S. view that the Governing Body (weighted voting) select the Panel, characterizing weighted voting as undemocratic. The U.S. succeeded in having the majority view expressed in the report as favoring selection of the panel "by the Assembly without the use of weighted voting" rather than "by a democratic process, not involving weighted voting." The report contains a set of draft articles which are characterized as acceptable to the majority. One of these articles provides that certain legal disputes between Parties or between Parties and INTELSAT shall be arbitrated, and, if the disputants agree, by the arbitration tribunal established under the arrangements. The second of these articles provides for arbitration between Signatories or between Signatories of INTELSAT of "all legal disputes arising in connection with the rights and obligations under" the definitive arrangements. The report notes that a minority would prefer the U.S. proposal (Article 15 of proposed Operating Agreement). The U.S. proposal provides for Signatories to arbitrate disputes, makes no provision for Parties to arbitrate, and limits scope of arbitrable disputes to "any legal dispute concerning whether an action or a failure to act by" the organs of INTELSAT or one or more Parties or Signatories is in compliance with the definitive arrangements.

The Working Group was able to draft only general statements on amendments. It could not agree on how proposed amendments would be channeled through the organs of INTELSAT. There was also disagreement over amending the Operating Agreement, with the U.S. and France wishing governments to have the power of amendment and the U.S. arguing that governments should be able to prevent amendments to the operating agreement but not to impose them on the Signatories.

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Committee IV transacted no business.

NOTE: Most of the Committees and Sub-Committees are now in the process of writing and reviewing final reports for action by the Conference in plenary session. No new topics are being introduced for discussion, therefore, subsequent reports will not be made on a daily basis.

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DELEGATION OF THE UNITED STATES OF AMERICA

INFORMATION MEMORANDUM

TO: The Secretary  
THROUGH: S/S  
FROM: United States Delegation to the INTELSAT Conference  
SUBJECT: Final Summary - INTELSAT CONFERENCE *JEL*

The INTELSAT Conference recessed March 21, 1969, after receiving and considering the reports of its four Working Committees, and is scheduled to reconvene November 18. No decisions regarding the structure of the Organization were taken. Before recessing, the Conference adopted a Steering Committee report (see attachment) proposing that an intercessional Preparatory Committee be established to carry forward the work of the Conference and prepare draft agreements for consideration by the reconvened Conference. The Preparatory Committee will be open to all members and interested observer states, and will convene in Washington as soon as possible after May 20.

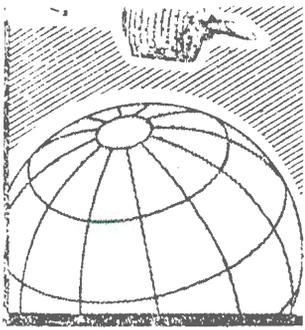
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All Members U.S. Delegation

Drafted: IO/UNP: JLorenz



# PLENIPOTENTIARY CONFERENCE ON DEFINITIVE ARRANGEMENTS FOR THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM

Washington, D.C., February - March 1969

Doc. ID (Rev. 1)  
March 20, 1969

## REPORT TO THE CONFERENCE FROM THE STEERING COMMITTEE

### Establishment of a Preparatory Committee

1. The Conference will recess on March 21 and reconvene in Washington on November 18.
2. In order to carry forward the work of the Conference after the close of the present session and to prepare draft agreements for consideration by the Conference when it reconvenes, it is proposed to establish a Preparatory Committee.
3. The Preparatory Committee should be broadly representative of all areas and attitudes. While the Committee should be small enough to work effectively, it is not proposed to exclude any member or observer wishing to participate. Members and observers should endeavor to notify the Conference Secretariat (care of Office of International Conferences, Department of State, Washington, D.C.) by April 15 if they intend to participate. Arrangements will be made to brief non-participating members and observers on the work of the Committee and to provide any additional and specific information they may require.
4. The Committee will convene in Washington as soon as possible after May 20 at a date to be notified promptly by the Conference Secretariat and will meet again thereafter at such times as it may decide and as may be necessary to complete its work.
5. The Committee should endeavor to resolve in an objective manner differences of views presented during the Conference. In order to do this, it should review and complete the work of the working committees of the Conference, giving consideration to the reports of the committees and their working groups, the summary records of the committees and plenary sessions of the Conference, and other Conference documents. It should prepare for consideration by the Conference draft texts of definitive arrangements. It should prepare alternative drafts reflecting significant views which should be considered by the Conference. The Committee shall not attempt in its report to reflect the degree of support for any alternative.
6. The Committee will not be empowered to negotiate definitive arrangements and no country shall be bound by the views and positions of the report whether or not it is represented on the Committee.

7. The Committee will elect its own Chairman.

8. The Committee shall determine its own procedures and methods of conducting its work.

9. The Committee shall report on the termination of its work to the Conference through the Secretary General by a date at least 60 days prior to the reconvening of the Conference. Its report should be in the form of draft agreements, with such alternate drafts of specific articles or parts of articles as may be necessary in accordance with paragraph 5 above.

10. If the Committee should be unable to complete its work by the scheduled date, it may decide to postpone the reconvening of the Conference. In such case, it should request the host Government to reconvene the Conference at the earliest convenient date.

11. Upon approval by the Conference in plenary session, this document will become the terms of reference of the Committee.

\* \* \*