

Tuesday 4/29/69

7:45 Checked with Mr. Hopkins' office; they have searched through the whole month of April and find no telegram to the President from Congressman Macdonald re the communications policies. Also checked for letters, etc. from the Hill and find none.

Thursday 5/1/69

4:45 Checked with Elaine in Mr. Hopkins' office -- she has checked again -- found none.

UNITED STATES GOVERNMENT

Memorandum

TO : Dr. C. T. Whitehead

DATE: 25 April 1969

FROM : William N. Lyons *L*

SUBJECT: Attached

FYI

At the same time, Stratton submitted two resolutions, one urging Congress to "rescind the application" of the FCC's rulemaking proceeding; the other calling for a "full and complete investigation and study of federal regulation" of CATV and the FCC's rulemaking proceeding.

Stratton's legislation, which was referred to the House Interstate and Foreign Commerce Committee, proposes: "That the Congress finds the interim procedures adopted by the... (FCC) are substantive rules that were not issued in accordance with applicable rulemaking procedures, that such procedures have had a substantial adverse effect on the... (CATV industry), and that it is therefore in the public interest that such procedures should not bar such television market proceedings pending the adoption by the Commission in accordance with applicable rulemaking procedures of new rules governing such proceedings."

Stratton's bill proposes that the FCC's interim procedures be of "no force or effect" upon approval of his proposed legislation.

Stratton's first resolution urged that the FCC's rulemaking should be rescinded until both Congress and the Commission have held hearings. The second resolution specifically called for the House Interstate and Foreign Commerce Committee to conduct a hearing and contained language authorizing the House Commerce Committee to hold hearings.

MACDONALD URGES RELEASE OF
PRESIDENT'S TASK FORCE REPORT

Congressman Torbert H. Macdonald (D.-Mass.) told the Mid America and Texas CATV associations last week

he had telegraphed President Nixon to urge that the Presidential Telecommunications Task Force report "be made available to appropriate Congressional committees and their staff experts."

The Massachusetts Congressman said the 450-page report, which was sent to the White House late last year with wide publicity, could be of "tremendous help" to Congress in formulating sound national communications policies.

Macdonald declared that a complete updating of the Communications Act of 1934, under which the FCC functions, is urgent. "Indeed," he added, "we in the Congress may even want to consider whether the FCC should be superseded by a new organization -- perhaps a cabinet-level Department of Telecommunications."

Macdonald charged that, in the absence of proper guidance from Congress, the FCC has tended "to react, rather than to act in a clear, confident manner." He explained that "Congress has been slow to acknowledge its duty not only to oversee but to formulate communications policy." He added, "I hope we are about to correct that situation."

Macdonald reminded that the FCC is "an agency created by the Congress to administer policy" and should not attempt to create it. When it comes, he observed, "the result tends to be a hodge-podge that fails to come to grips with the real issues and favors the status quo over emerging new technologies."

As this era of tremendous technological progress has arrived," Macdonald asserted, "we simply cannot rely on trial-and-error, hit-or-miss methods for establishing regulatory procedures."

NCTA ENCOURAGES EARLY
CONVENTION REGISTRATION

It's time to register now for NCTA's 18th annual convention at the San Francisco Hilton, June 22-25. Attendance is expected to surpass last year's crowd of 3,000 and only those registering in advance will be able to obtain rooms in one of NCTA's six convention hotels.

A complete registration kit is enclosed with this week's Bulletin and includes forms and information for members, non-members, women and children. NCTA will mail a hotel reservation form, as acknowledgement of registration, to each person who sends in the completed form accompanied by payment of the registration fee. The hotel reservation form should then be mailed to the San Francisco housing bureau, which is handling accommodations for all advance registrants. Convention registration forms -- and payment of appropriate registration fees -- should be returned promptly to NCTA.

On-site registration at the Hilton will begin at 10:00 a.m., Sunday, June 22. Those who have preregistered will simply pick up their tickets for the management and technical sessions at the advance registration desk in the East Lounge, directly across from the Continental Ballroom where seminars, business sessions and NCTA's banquet will be held. Partial registrants may purchase single tickets at the registration desk; they will not register in advance. Registration hours will be Sunday, 10:00 a.m. - 8:00 p.m.; Monday and Tuesday, 8:00 a.m. - 5:00 p.m. and Wednesday, 8:00 a.m. - 1:00 p.m.

Wives and children will register in their headquarters, the Kaleidoscope Room on the lobby floor. Their registration hours will be Sunday, 1:00 p.m. - 6:00 p.m.; Monday, 8:00 a.m. - 3:00 p.m., and Tuesday from 9:00 a.m. - noon.

Advance registration is urged as the simplest way to sign up for what promises to be the most successful NCTA convention ever.

MANHATTAN CABLE EXPANDS
PROGRAM ORIGINATIONS

Manhattan Cable Television has expanded their CATV originations to include a "TV High School" equivalency course and



**OFFICE OF
TELECOMMUNICATIONS
MANAGEMENT**

**REPLY to BUREAU OF THE BUDGET
LETTER OF JUNE 3, 1968 CONCERNING THE
FEDERAL GOVERNMENT'S TELECOMMUNICATIONS ACTIVITIES**

August 1968

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF TELECOMMUNICATIONS MANAGEMENT
WASHINGTON, D.C. 20504

OFFICE OF THE DIRECTOR

August 12, 1968

Mr. Howard Schnoor
Director, Government Organization Staff
Bureau of the Budget
Executive Office of the President
Washington, D.C. 20503

Dear Mr. Schnoor:

The attached report is forwarded in reply to your letter of June 3, 1968, which included descriptions for three telecommunications organizational models and a list of questions to be answered.

Advantage was taken of your invitation to expand on the list of questions and to add ideas for consideration. Four questions and an organizational concept have been added. The added questions, with their accompanying answers, I believe, will be of assistance in arriving at the heart of the telecommunications management problem. The organizational concept is a variant of your model 1; responsive to the thesis that unique characteristics of telecommunications preclude the President from responsibly delegating certain management functions outside of his office.

The uniqueness of telecommunications is evidenced by its all-pervasive nature, similar to that which may be observed in the field of research and development. Telecommunications functions as the central nervous system of our society. By reason of its availability, the President can be informed of events taking place throughout the world and order his resources to impact them. It enables him to provide for our national defense, for it is the essential capability that assures his command and control over our Armed Forces wherever they may be deployed. Other officials of the Government also are dependent upon telecommunications to discharge the responsibilities assigned to them by the President and the Congress. The dependence of contending officials for support from the existing telecommunication capability results in the need to manage this resource at a level above those who contend. This arrangement would be analogous to the control exercised by the Bureau of the Budget over the money resources used by the Executive Branch in the conduct

of its affairs. Departments and agencies develop strong and divergent positions regarding telecommunications. Resolution of disagreements among these officials is a Presidential responsibility. To arrive at decisions that are in the best national interest, the President requires expert and objective advice from an official closely identified with his office.

Objectivity in resolution of disputes among important officials can be made palatable to all disputants, only if advice on which the resolution is made, comes from one who is highly qualified and is not a party to the disputes.

Further, the advice should be provided by the official to whom the President has assigned the task of formulating and issuing national telecommunications policy, to assure that his decisions remain consistent with that policy.

The United States relies upon private enterprise for its domestic and much of its international telecommunications. Many of these services, regulated by the Federal Communications Commission, use the same radio spectrum as the Federal Government agencies. Under existing law and custom, the President is the only official who can properly take an over-view of both the Government and private enterprise.

The organizational concept is described in Section 2.8 of the report. It includes coverage of the interrelationships of the executive and legislative branches of the Federal Government to state and local jurisdictions and to industry. The concept clarifies the relationship of the President to his SAPT/DTM. The proposed arrangement will make it obvious to persons in government and industry that the Special Assistant to the President for Telecommunications speaks for the President on telecommunication matters.

Summarized, the principal tasks assigned to the SAPT/DTM are (subject to the authority and control of the President):

1. Formulate national telecommunication goals which will advance our national interests, and assure coordinated action to accomplish these goals.
2. Assure the availability of telecommunications to support national security.

3. Issue and assure compliance with telecommunications policy, procedures and standards developed in coordination with departments and agencies of the executive branch.
4. Assignment and control of use of frequencies by Federal Government agencies.

I am available to discuss my response to your questions and to provide additional explanation of the organizational arrangements which I recommend.

Sincerely,



J. D. O'Connell

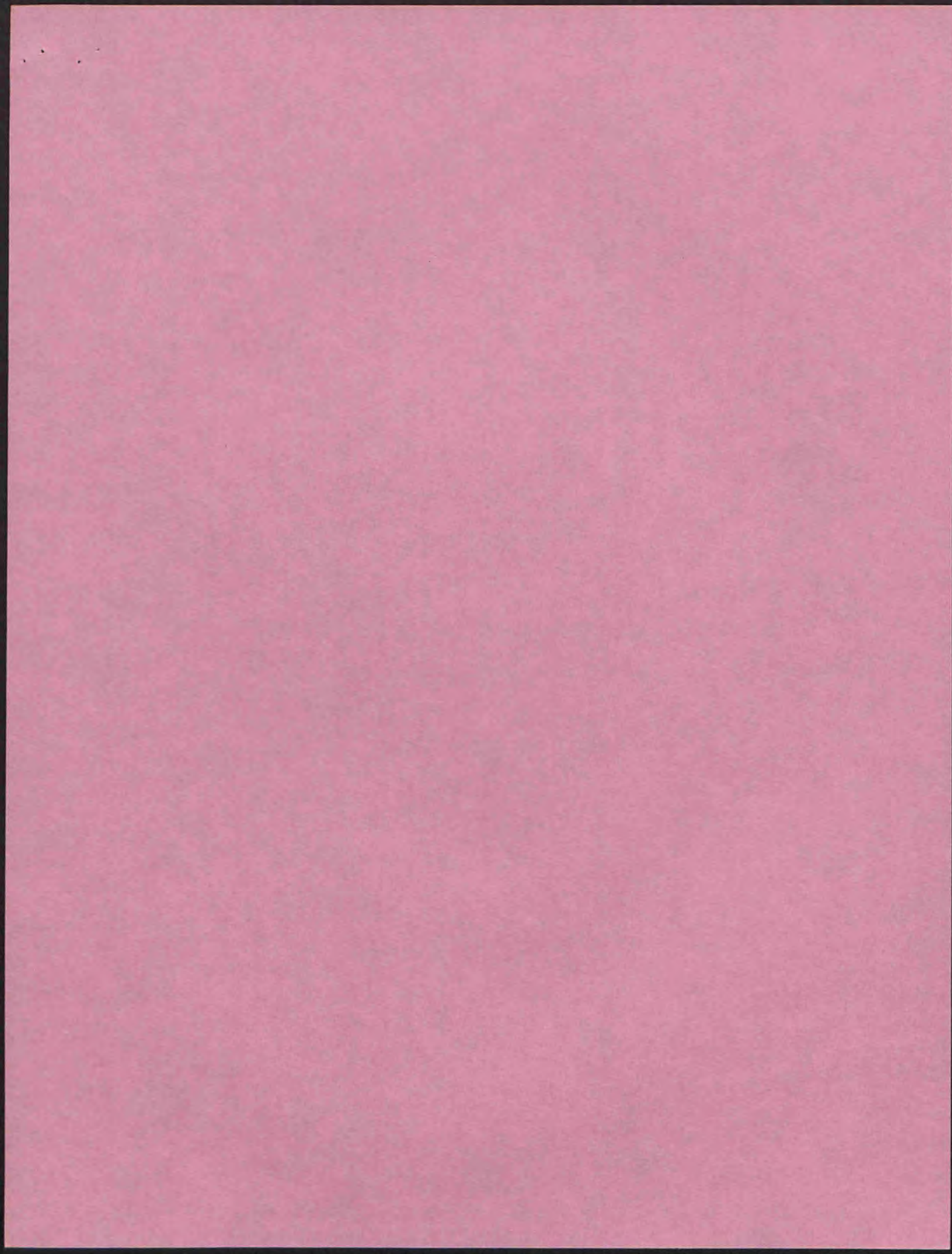
Enclosure

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August 18, 1966

Dear Governor:

This is the action I have taken as a result of our discussion in your office when I introduced Mr. Cole Armstrong.

It is consistent with the strong opinions voiced by Chairman Pastore of the Communications Subcommittee of the Committee on Commerce.

J. D. O'Connell

Enclosure

Governor Farris Bryant
Director
Office of Emergency Planning

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF TELECOMMUNICATIONS MANAGEMENT
WASHINGTON, D.C. 20504

OFFICE OF THE DIRECTOR

August 18, 1966

Honorable Charles L. Schultze
Director
Bureau of the Budget
Washington, D. C. 20503

Dear Mr. Schultze:

During the two year period that I have served as Director of Telecommunications Management it has become increasingly apparent that Executive Order 10995, dated February 16, 1962, should be modernized and modified so as to be consistent with the functions that are actually being carried out by this office.

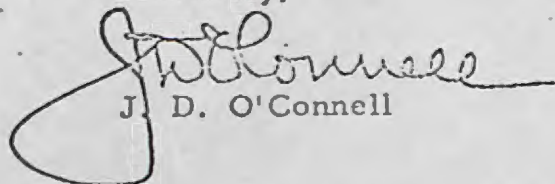
The comments of Senator Pastore, as voiced during the August 10 hearings of the Senate Commerce Committee, Subcommittee on Communications, have served to underline the need to bring Executive Order 10995 into conformance with the present concept of national telecommunications policy coordination.

I have attached for your consideration a revised version of Executive Order 10995 in which Section 2 through 6 of the Order are restated to more accurately represent current practice. I would very much appreciate your review of the attached draft and initiation of appropriate action to formally amend Executive Order 10995.

We have been advised that additional testimony from this office will be required during the current Senate Committee hearings on satellite communications. In view of Senator Pastore's stated interest in the activities of this office, I would very much appreciate advice concerning the outlook and tentative schedule for modifying Executive Order 10995 along the lines indicated in the enclosure.

If there are any questions concerning the enclosed draft Executive Order, Mr. John O'Malley of my legal staff (code 103 extension 5175) will be available to work with Bureau of the Budget representatives.

Sincerely,


J. D. O'Connell

Enclosure
cy Governor Bryant

Executive Order 10995 as amended

ASSIGNING TELECOMMUNICATIONS MANAGEMENT FUNCTIONS

WHEREAS telecommunications is vital to the security and welfare of this Nation and to the conduct of its foreign affairs;

WHEREAS it is imperative that the United States maintain an efficient and well-planned national and international telecommunications program capable of stimulating and incorporating rapid technological advances being made in the field of telecommunications;

WHEREAS the radio spectrum is a critical natural resource which requires effective, efficient and prudent administration in the national interest;

WHEREAS it is essential that responsibility be clearly assigned within the executive branch of the Government for promoting and encouraging effective and efficient administration and development of United States national and international telecommunications and for effecting the prudent use of the radio frequency spectrum by the executive branch of the Government;

WHEREAS there is an immediate and urgent need for an examination of ways and means of improving the administration and utilization of the radio spectrum as a whole;

WHEREAS there is an immediate and urgent need for integrated short and long-range planning with respect to national and international telecommunications programs, for continuing supervision over the use of the radio frequency spectrum by the executive branch of the Government and for the development of national policies in the field of telecommunications;

NOW, THEREFORE, as President of the United States and Commander-in-Chief of the armed forces of the United States, and by virtue of the authority vested in me by sections 305 and 606 of the Communications Act of 1934, as amended (47 U.S.C. 305 and 606), and by section 301 of Title 3 of the United States Code, it is hereby ordered as follows:

SECTION 1. There is hereby established the position of Director of Telecommunications Management, which position shall be held by one of the Assistant Directors of the Office of Emergency Planning provided for under Reorganization Plan No. 1 of 1958, as amended (72 Stat. 1799).

SEC. 2. Subject to the authority and control of the President, the Director of Telecommunications Management shall:

(a) ~~Coordinate telecommunications activities of the executive branch of the Government and be responsible for the formulation, after consultation with appropriate agencies, of overall policies and standards therefor. He shall promote and encourage the adoption of uniform policies and standards by agencies authorized to operate telecommunications systems. Agencies shall consult with the Director of Telecommunications Management in the development of policies and standards for the conduct of their telecommunications activities within the overall policies of the executive branch.~~

(b) ~~Develop data with regard to United States Government frequency requirements.~~

(c) ~~Encourage such research and development activities as he shall deem necessary and desirable for the attainment of the objectives set forth in section 6 below.~~

(d) ~~Contract for studies and reports related to any aspect of his responsibilities.~~

(a) Formulate, issue and ensure compliance with overall policies to guide the telecommunications activities of the Executive Branch of Government. Such policies are to be developed after consultation and coordination with the appropriate departments and agencies.

(b) Establish and ensure adherence to appropriate procedures necessary to promote and encourage the adoption of uniform policies and standards by agencies authorized to operate telecommunications systems. In the development of policies and standards for the conduct of their telecommunications activities within the overall policies of the Executive Branch, departments and agencies shall consult with and obtain the concurrence of the Director of Telecommunications Management.

(c) Develop data upon which to base policy studies, analysis and policy determinations and assign relative priorities of telecommunication requirements, including radio frequencies, of the Executive Branch of the Government.

(d) Review the research and development activities of the departments and agencies of the Executive Branch of Government in the fields of the telecommunication sciences and establish specific national telecommunications research and development objectives so as to promote and encourage such additional effort or realign such effort as may be necessary to attain the overall objectives and goals set forth in Section 6 below.

(e) Conduct and/or contract for studies and reports related to any aspect of his responsibilities.

(f) Formulate and recommend to the President national goals in telecommunication which will advance the national interest.

(g) Carry on essential long range planning studies for the most effective use of the frequency spectrum and to provide the necessary basis for overall telecommunication policy.

(h) Ensure fulfillment of the needs stated in the Preamble to this Order.

Sec. 3. (a) The authority to assign radio frequencies to Government agencies, vested in the President by subsection 305(a) of the Communications Act of 1934, as amended (47 U.S.C. 305(a)), including all functions heretofore vested in the Interdepartment Radio Advisory Committee, is hereby delegated to the ~~Director of the Office of Emergency Planning, who may redelegate such authority to the~~ Director of Telecommunications Management. Such authority shall include the power to amend, modify, or revoke frequency assignments.

(b) The authority to authorize a foreign government to construct and operate a radio station at the seat of government vested in the President by subsection 305(d) of the Communications Act of 1934, as amended (47 U.S.C. 305(d)), is hereby delegated to the ~~Director of the Office of Emergency Planning who may redelegate such authority to the~~ Director of Telecommunications Management. Authorization for the construction and operation of a radio station pursuant to this subsection and the assignment of a frequency for its use shall be made only upon recommendation of the Secretary of State and after consultation with the Attorney General and the Chairman of the Federal Communications Commission.

Sec. 4. The functions and responsibilities vested in the Director of the Office of Emergency Planning by Executive Order No. 10705 of April 17, 1957, as amended, may be are hereby redelegated to the Director of Telecommunications Management. Executive Orders Nos. 10695A of January 16, 1957, and 10705, as amended, are hereby further amended insofar as they are inconsistent with the present order. Executive Orders Nos. 10460 of June 16, 1953, and 11084 of February 15, 1963, are hereby revoked.

Sec. 5. The Director of Telecommunications Management shall establish such interagency advisory committees and working groups composed of representatives of interested agencies and consult with such departments and agencies as may be necessary for the most effective performance of his functions. To the extent that he deems it necessary or advisable to continue the Interdepartment Radio Advisory Committee, it shall serve in an advisory capacity to the Director of Telecommunications Management. Also, he may, in addition to staff regularly assigned arrange for the assignment of personnel from any agency by detail or temporary assignment.

SEC. 6. In carrying out functions under this order, the Director of Telecommunications Management shall consider the following objectives:

(a) Full and efficient employment of telecommunications resources in carrying out national policies;

(b) Development of telecommunications plans, policies, and programs under which full advantage of technological development will accrue to the Nation and the users of telecommunications; and which will satisfactorily serve the national security; sustain and contribute to the full development of world trade and commerce; strengthen the position and serve the best interests of the United States in negotiations with foreign nations; and permit maximum use of resources through better frequency management;

(c) Utilization of the radio spectrum by the Federal Government in a manner which permits and encourages the most beneficial use thereof in the public interest;

(d) Implementation of the national policy of development and effective use of space satellites for domestic and international telecommunications services.

SEC. 7. Nothing contained in this order shall be deemed to impair any existing authority or jurisdiction of the Federal Communications Commission.

SEC. 8. The Director of Telecommunications Management and the Federal Communications Commission shall assist and give policy advice to the Department of State in the discharge of its functions in the field of international telecommunications policies, positions and negotiations.

SEC. 9. The Director of Telecommunications Management shall issue such rules and regulations as may be necessary to carry out the duties and responsibilities vested in him by this order or delegated to him under this order.

SEC. 10. All executive departments and agencies of the Federal Government are authorized and directed to cooperate with the Director of Telecommunications Management and to furnish him such information, support and assistance, not inconsistent with the law, as he may require in the performance of his duties.

JOHN F. KENNEDY

THE WHITE HOUSE,
February 16, 1962.

[F.R. Doc. 62-1801; Filed, Feb. 19, 1962; 10:46 a.m.]

Reprinted from the Federal Register, February 20, 1962 (27 F.R. 1519)

Telecommunications

January 30, 1969

MEMORANDUM FOR MARTIN ANDERSON

Bob Ellsworth asked me to inform you that we were working on the telecommunications area, both with respect to the Rostow report and the upcoming Intellsat negotiations.

In connection with your work with Dr. Burns, I think you should meet, as soon as possible, Jack Carlson of the Budget Bureau who has just been promoted to Assistant Director for Program Evaluation. The work of his staff will be particularly valuable to you and they can be a useful resource. Jack would very much like to meet you and asked that I arrange a lunch for you, him and me. Let me know what would be convenient.

I also suggest you make it a point to talk to Andy Rouse of the Budget Bureau soon also.

Clay T. Whitehead
Staff Assistant
to the President

CTWhitehead:ed

TELECOMMUNICATIONS

February 3, 1969

FOR: John Ehrlichman

FROM: Robert Ellsworth

In response to your memorandum of January 28 (you will recall that we also discussed this matter at breakfast that morning) it is my recommendation that Ambassador Leonard Marks be surrounded and directed, and that the upcoming telecommunications conference proceed as planned under the surveillance of this office.

As you know, there have been contrary recommendations from within the Executive Office of the President; but it does appear that it would be a major mistake to cancel the conference. Moreover, it appears that it would not be necessary to cancel the conference in order to maintain the options of the Administration -- it is doubtful that the conference will come to a definitive conclusion.

A detailed memorandum will be coming forward within twenty-four hours.

RE:jl

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

JAN 28 1969

January 28, 1969

TO: BOB ELLSWORTH
FROM: JOHN EHR~~L~~ICHMAN

May I have your recommendations with regard to
"Ambassador" Leonard Marks and the upcoming telecommunications
conference?

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

February 20, 1969

FOR: The Files

FROM: Tom Whitehead

Talked with Chester Wiggin (Administrative Assistant to Senator Cotton). He indicates they are disorganized over there and will be back in touch on the Telecommunications and their subcommittee hearings at a later time.

225-3324

February 3, 1969

MEMORANDUM FOR

Staff Secretary

Subject: Staff Secretary Memo of January 31, 1969 -- Legislative
Proposals on Telecommunications

I have been informed that Mr. Robert Ellsworth's office is also examining the telecommunications papers with a view towards developing legislative proposals. Mr. Ellsworth and I and our staff will work together on this matter.

Lee A. DuBridge

Lee A. DuBridge

cc: Mr. Ellsworth

THE WHITE HOUSE

Time: 12:00 P.M.

WASHINGTON

FOR:

cc (for information):

LEE A. DuBRIDGE
SCIENCE ADVISOR

John Ehrlichman

FROM THE STAFF SECRETARY

SUBJECT (see attached);

Please prepare legislative proposals
on telecommunications.

ACTION AND REMARKS:

☐ Prepare Agenda and Brief

☐ Draft Reply

☐ For Your Comments

☐ Draft Remarks

☒ For Necessary Action

☐ For Your Information

Other:

~~Mr. DuBridge~~ - To expedite lateral coordination, would you ~~please~~ send a copy of Dr. Burns' report XVIII-6, Telecommunications, to John Ehrlichman.

DUE: Date: May 1, 1969

Time: 2:00 P.M.

Please attach this copy to material submitted.

If you have any questions or if you anticipate a delay in submitting the required material, please

2 h 60
K R COLE JR

THE WHITE HOUSE

WASHINGTON

February 1, 1969

MEMORANDUM FOR

Honorable Lee A. DuBridge
Science Advisor to the President



A task force, appointed by former President Johnson, has submitted a variety of far-reaching recommendations on telecommunications. You can obtain a copy of the report from Martin Anderson. It would be desirable to establish a small review committee to assess this report, and to prepare whatever legislative proposals may be needed. Would you be good enough to undertake this for me? I would like to have the report of this committee by May 1, 1969.

When you send your report to me, please send a copy to Arthur Burns.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-107-01
SUBJECT: *Telecommunication*

February 24, 1969

FOR: Kenneth BeLieu

FROM: Tom Whitehead *signed*

Bob Ellsworth asked me to look into the Alaskan satellite earth station question referred to us by Senator Ted Stevens.

I have checked with FCC and find that they are basically sympathetic to the idea of an earth station rather than forced sale of the ACS, but they are waiting to get a unified position from the state (i.e., the Governor, the two Senators, and the Representative).

cc: Mr. Ellsworth
Mr. Hofgren
Mr. Whitehead
Mr. Rose

CTWhitehead:ed

February 19, 1969

CTW

FEB 20 1969

↓
Can you look
into this?

Dear Ted:

Bryce has asked me to thank you for your
note and the copy of your letter to Chairman
Hyde concerning the construction of a
satellite earth station in Alaska.

We understand your position and assure you
that your request is receiving most careful
consideration.

With warm regard,

Sincerely,

Ken

Kenneth E. BoLieu
Deputy Assistant to the President

Honorable Ted Stevens
United States Senate
Washington, D. C. 20515

bcc with incoming for information to:
Bob Ellsworth ✓

EN

KEB:EF:ef

United States Senate

WASHINGTON, D.C. 20510

Feb 2/7

February 4, 1969

Hon. Rosel H. Hyde
Chairman
Federal Communications Commission
Washington, D. C.

24/9
st

Dear Mr. Chairman:

This letter is in reference to the application of the Communications Satellite Corporation for authority to construct a satellite earth station in Alaska, FCC File No. 65-CSG-P-69.

I support this application. I urge early approval, before March 1 if possible, so that construction of the ground station may proceed this year. Delay on approval much beyond March 1 might well cause a years delay in actual construction. This must be avoided.

The application has received the endorsement of the State of Alaska, the Alaska Business Council, RCA and Western Union.

The Defense Department in its letter of January 29, 1969, has suggested that the Commission "defer final action" on the ground station application until "the purchaser or purchasers of the ACS have been identified and can make their views known to the Commission." This I reject, and strongly.

1. The Department is not "committed by Congress to sell" ACS. It is authorized by Congress to sell the system consonant with the public interest.

2. There is no guarantee whatever that the system will be sold in the near future.

[Large handwritten note in a bracket:]
Bye I need help on this I can't support and I do so when they block my State from 20th Century Communications! All

COPY

3. To the best of my knowledge, as of today with less than a month to go, no major telephone company has yet decided to submit a bid on ACS as the package is being offered.

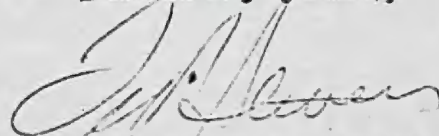
This indicates clearly to me that it would be folly to delay approval of Communications Satellite's application to build a ground station in Alaska because purchasers yet unknown might wish to "make their views known to the Commission."

Alaska needs a ground station and it needs it now. A ground station operating in conjunction with the new 1200 circuit Pacific Satellite would mean live television capability for Alaska. In conjunction with a domestic satellite system it would mean participation in the proposed nationwide educational television network. It could well mean the beginning of an Alaska-wide pilot project bringing educational and entertainment programs not only to the cities but also to the rural areas of our state.

Alaska was the only state in the union which did not see the inauguration of President Nixon, the funeral of Senator Kennedy, or the Olympics on live television. Alaska's communications link with the rest of the United States is antiquated, overworked and expensive. If the Commission fails to act now on the ground station application but chooses to wait for what may be years of negotiations with potential ACS buyers, the people and the business of Alaska can only suffer.

In closing let me add that I cannot in good conscience support foreign aid used for educational satellite projects in India while the Defense Department of my own government places obstacles to the development of a similar system in Alaska. Alaska's rural citizens need help fully as much as do the citizens of India.

Sincerely yours,



TED STEVENS, U.S.S.

Monday 2/24/69

in. - Terry
2/27/69
10:30

5:45 Jeanette referred a call to us from Paul Laskin who had (212)
asked to talk with Mr. Ellsworth. He has been 688-8800
commissioned by the 20th Century Fund to do a background
paper of 50-75 pages for a Conference they are planning
on INTELSAT. (He has been a consultant to the Ford
Foundation and a Staff Director of Mayor Lindsay on
Cable TV and Telecommunications). Says he doesn't
want information that isn't available but wants to be
current on what is being done or planned so when they
bring the story out, they won't embarrass the White House,
20th Century Fund or himself.

Would appreciate a call between 10:30 and 12:00 tomorrow --
or he will call you back in the afternoon if you aren't free
to return his call. Will be coming to Washington on the
morning shuttle Thursday and would like an appointment
to discuss this -- if possible.

meeting
2/27

PAUL L LASKIN
55 E 86

NYC 10028

289-5662

289-6488

(for messages)

ASCAI

688-8800

9th
2/25

THE WHITE HOUSE
WASHINGTON

To: T. Whitehead
FYI

From: M. Anderson

2/25/69

Rcvd - Feb 24, 1969

February 20, 1969

To: Martin Anderson

Fr: Tom Cole

In accordance with your request of February 13, I attended a meeting of the Communications Committee of the Lawyers Association. As you know, Mr. Novak was the guest speaker.

Mr. Novak would not discuss the report itself, nor would he respond, except in a very general way, to questions relating to it.

Novak said he understood the report was being carefully evaluated by members of the new Administration, and that any release of the report, or no release of it at all, was up to the Administration.

Novak appeared most knowledgeable on this subject matter, said generally, that the bureaucracy of the 30's would not serve fast arriving communications field, said that there must of course be government involvement, but that private enterprise must continue to play the dominant part in this field.

He said better coordination between NASA and DOD was needed in relation to their respective involvement in communications matters.

Novak's primary point seemed to be that government can't say we're going to leave the field alone, that such inactivity itself would be a major decision, that ^{govt} we must view matters in a long range context.

He did say less government regulation was becoming more popular in academic circles, that the FCC needs more

staff and resources.

Subsequent to this meeting Mr. Button came by to see me.

He said he would be glad to help and advise at any time.

Telecommunications

March 11, 1969

Dear Charles:

Here is the tentative list I referred to. Any additions or comments will be appreciated.

Sincerely,

Signed

C. T. Whitehead
Staff Assistant

Enclosure

Mr. Charles McWorter
AT&T
195 Broadway
New York, New York 10007

TWhitehead/jc

cc: ~~Mr. Ellsworth~~
~~Mr. Hofgren~~
Mr. Whitehead
~~Mr. Rose~~

INDUSTRY

AT&T: * Ed Crossland, VP-Federal Relations, New York City;
Ben Oliver, VP-Government Operations, Washington,
D. C., 466-3000
Ben Givens, Asst. VP-Federal Relations, Washington, D. C.

ITT: * Joseph J. Gancie, VP-ITT World Communications,
Washington, D. C., 296-6200
John Ryan, Task Force Contact, 296-6000 ext. 213

RCA Communications: Howard Hawkings, President, New York City

Western Union Telegraph Co.: * Earl Hilburn, VP and Special
Assistant to the President, New York City
Richard Callaghan, VP-Congressional Liaison

COMSAT: * General McCormick, Chairman, Washington, D. C.
Dr. Charyk, President, Washington, D. C.
David Acheson, General Counsel, Washington, D. C.

Western Union International: E.A. Gallagher, President, New
York City

GT&E: * Theodore F. Brophy, VP and General Counsel, New
York City
Gaylord Horton; * Jim Clerkin, VP-Operations

Hughes Aircraft: * Dr. Fred Whellon, VP Engineering, Culver City,
California
Clell McKinney, NASA & Commercial Communications
Activities, Washington, D. C.
Mr.. Paul Visher

IBM: Robert King;
George Hallgren;
* Jack Melick, Data Processing Division, Washington, D. C.,
333-6700 ext. 7196.

Sperry Rand Corporation: W. L. Barrow, VP for Research, Development,
and Engineering, New York City.

Labor

Communications Workers of America: Joseph A. Beirne, President,
Washington, D. C.

National Association of Broadcast Employees & Technicians: Chicago, Illinois.

American Federation of Television & Radio Artists: Vicki Viola, New York City.

Industry Associations

National Association of Broadcasters: Vincent T. Wasilewski, President,
Washington, D. C.

Association of Independent Telephone Companies: Paul Porter, Counsel,
Washington, D. C.

Association of Maximum Service Telecasters: Lester Lindow, Executive
Director, Washington, D. C.

National Educational Television: James Karayn, Washington Bureau Chief,
483-6367.

American Advertising Federation: New York City.

Radio Advertising Bureau: Miles David, President, New York City.

Television Bureau of Advertising: Norman Cash, President, New York City.

Electronic Industries Association: Washington, D. C.

National Community Television Association: Fred W. Ford, President,
Washington, D. C.

Institutions

Brookings Institution: William Capron, Washington, D. C. 483-8919.

Ford Foundation: * McGeorge Bundy, President, New York City;

Paul Laskin, Task Force Contact, 212-573-5000.

Carnegie Corporation of New York: Alan Pifer, New York City.

Technical Groups

Joint Technical Advisory Committee of the Institute of Electrical and
Electronic Engineers and the Electronics Industry Association: John M.
Kenn, Secretary, New York City.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

April 29, 1969

Telecommunications
mtg
4/25/69

MEMORANDUM FOR THE FILE

From: Tom Whitehead

On Friday, April 25, Bill Morrill stopped by to discuss telecommunications matters and reported that the BOB reorganization study had been fairly widely leaked within the Government. He suggested, and I concurred, that BOB send out the study to concerned Government agencies with a request for their comments and a general indication that the Administration was planning to move in this area in a timely way if a sensible course of action can be identified.

THE WHITE HOUSE
WASHINGTON

copy letter only
for Flanigan &
mark FYI.

copy sent to
Mr. Flanigan
5/7/69

7 all commenced

EVERETT H. ERLICK
GROUP VICE PRESIDENT AND GENERAL COUNSEL

Mr. Clay T. Whitehead
Room 103
Executive Office Building
17th Street & Pennsylvania Avenue, N.W.
Washington, D.C. 20005

First, I would like to express my appreciation for the time spent with me last week and for your courtesy and consideration. I was sorry not to have been able to spend a little time with Peter Flanigin and look forward to that in the near future.

Senator John Pastore also favors such legislation and last week introduced S. 2004, to the same effect.

As I indicated, I will be very happy to discuss with you, Peter Flanigin, or others, at any time, questions on which our views might be of interest.

Sincerely,

Enclosures:

91ST CONGRESS
1ST SESSION

H. R. 10461

IN THE HOUSE OF REPRESENTATIVES

APRIL 23, 1969

Mr. LUJAN introduced the following bill; which was referred to the Committee on Interstate and Foreign Commerce

A BILL

To amend the Communications Act of 1934 to establish orderly procedures for the consideration of applications for renewal of broadcast licenses.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 309 (a) shall be amended by adding the follow-
4 ing after the final sentence thereof: "Notwithstanding any
5 other provision of the Act, the Commission, in acting upon
6 any application for renewal of license filed under section 308,
7 may not consider the application of any other person for the
8 facilities for which renewal is sought. If the Commission finds
9 that the public interest, convenience, and necessity would be
10 served thereby, it shall grant the renewal application. If the

1 Commission determines after hearing that a grant of the
 2 application of a renewal applicant would not be in the public
 3 interest, convenience, and necessity, it may deny such appli-
 4 cation, and applications for construction permits by other
 5 parties may then be accepted, pursuant to section 308, for
 6 the broadcast service previously licensed to the renewal
 7 applicant whose renewal was denied."

91st CONGRESS
 1st Session

H. R. 10461

A BILL

To amend the Communications Act of 1934 to
 establish orderly procedures for the consid-
 eration of applications for renewal of broad-
 cast licenses.

By Mr. LUTJAN

APRIL 23, 1969

Referred to the Committee on Interstate and Foreign
 Commerce

April 23, 1969

not done to restrict Soviet fishing activity.

Recently, I received a complaint from one of my constituents, Capt. Julian A. Penello, of Portsmouth, Va. Captain Penello tells me that the large Soviet fishing vessels are now present off the Virginia Capes with nets having a capacity of 50,000 to 100,000 pounds of fish. He told me that he had seen these vessels take as much as 100,000 pounds of fish within an hour's time. Frequently, they move among our own fishing vessels and within 1 or 2 hours, all of the fish were gone. There is strong evidence that the Soviets are violating their agreements with us which protect certain species of fish. Captain Penello told me that the large Russian factory ships frequently intimidate the smaller American vessels and force them out of the way.

How much longer are we going to behave in this craven fashion? We permit our aircraft to be shot down and our ships to be seized in regions where they have a right to be. Now Red ships are depriving our own fishermen of their livelihood almost in sight of our own shores.

CONGESTION AT AIRPORTS

(Mr. CAHILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAHILL. Mr. Speaker, one of the great frustrations and I think imminent dangers to the citizens of the eastern part of the United States and perhaps throughout the entire United States is the congestion at airports.

I have made a study of this, and I have become convinced that one of the problems is the inadequate legislative authority for the CAB to regulate the scheduling of airlines. As a result, we now have foolish competitive scheduling which is reducing the payload in the airplanes to about 50 percent and is bringing about dangerous congestion and frustrating delays at all major airports.

I have therefore today introduced legislation to empower Federal regulatory agencies to take effective action to remedy this problem. I would welcome the support of the membership in bringing this essential aid to the citizens who rely on air travel.

FILING FOR RADIO STATIONS

(Mr. LUJAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUJAN. Mr. Speaker, a situation in the broadcast industry has been called my attention by radio stations in my congressional district, which seems to be extremely unfair.

I am told that under present laws of the Federal Communications Commission, it is possible for an individual or group to file for a station's license at the time of license renewal, even though the present licensee is found by the FCC to have served his area in the public interest. This means hearings can be held long after performance against promises. If

this becomes common practice, practically every radio and TV station in the country will be subjected to costly hearings once every 3 years when it comes time to renew their license.

This right of the Federal Communications Commission has never been exercised to the extent of an existing station's license being given to another who promised more, but under present law it can happen. It is my understanding some members of the present Commission favor this method of determining licenses.

I am not an expert on communications, Mr. Speaker, but I would like to introduce this bill which calls attention to the program. It is my hope that through the bill's introduction, there will be study and debate, and through this process a decision will be made that is fair to all.

CENSUS QUESTIONNAIRE CHANGED

(Mr. MIZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MIZE. Mr. Speaker, in view of the controversy which has arisen about plans for the 1970 census of population and housing, I am grateful to receive from the Secretary of Commerce, the honorable Maurice H. Stans, a letter and an accompanying factual statement of what is actually contemplated. The Secretary's communication clearly sets forth the Nation's needs for accurate statistics as well as showing a desire to conform to some of the most frequently voiced wishes of the Congress. I am also glad to note his decision to alter procedures in the interest of our present trend toward economy in government.

This is evidence that progress is being made in developing a questionnaire to give the Government agencies the essential information they need without placing an undue burden upon the respondents. In my opinion we must continue to evaluate these fact-gathering procedures looking toward further simplification and less compulsion, but I certainly commend Secretary Stans and his staff for their consideration of the complaints which have been raised and their responsiveness in doing something about them.

FINANCIAL DISCLOSURE

(Mr. PRICE of Illinois asked and was given permission to address the House for 1 minute.)

Mr. PRICE of Illinois. Mr. Speaker, now that the idea of April deadline—if we can stretch a bit and call April 15 the idea of April—has been met, or so I trust, I should like to call attention to another deadline.

Under the rules of the House, as amended last year, April 30 is the deadline for the filing of financial disclosure reports with the Committee on Standards of Official Conduct, of which I have the honor to be chairman.

Forms for making these reports were mailed early this year, with instructions, to all Members, officers, members of the professional staffs of committees, and

principal assistants, so far as the latter had been designated at that time, to Members and officers. Additional forms, if needed, may be obtained from the committee offices.

Only 1 week remains for the filing of these reports, so time is fleeting for Members and others who have not complied. They should get their reports to the committee offices at 2360 Rayburn Building as promptly as possible. The committee staff will be glad to help in any way possible.

Since part A of these reports must be maintained, under the rules of the House, for responsible public inquiry, it follows that the identity of delinquent filers, if any, may become public property. In other words, if the committee staff cannot supply, on request, the reports of specified Members or employees, it will have no alternative to telling the inquirer that the requested reports have not been filed.

The committee urges, therefore, that all who are required to file make sure that their reports reach the committee offices before the close of business on Wednesday, April 30.

COMPENSATION OF ATTORNEY REPRESENTING HOUSE IN ADAM CLAYTON POWELL CASE

(Mr. CONYERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONYERS. Mr. Speaker, I take this moment to point out to the House that in yesterday's Washington Post we were advised that an attorney representing this House of Representatives in the Adam Powell case, now before the Supreme Court, was to be compensated some \$200,000 for representing the House.

It occurs to me that the Solicitor General might have been the more appropriate person to represent this House, and it would have been cost free.

Considering some of the working conditions and inadequate compensation which presently attain with respect to many of the House employees in the cafeteria and other areas of employment here, this money could have been much more wisely spent for some more useful purpose, rather than hiring New York counsel to represent the House of Representatives.

I think this is a very serious matter, and I take exception to this wasteful expenditure of funds.

PERSONAL MANAGEMENT

(Mr. MOSS asked and was given permission to address the House for 1 minute.)

Mr. MOSS. Mr. Speaker, due to other obligations, it was not possible for me to be present on the House floor last week when this body passed H.R. 4148, the Water Quality Improvement Act of 1969.

Had I been present when the vote was taken on this measure, I would have voted "yea".

Section 310(b) of the Communications Act, as amended by Congress in 1952 (47 U.S.C. Sec. 310(b)), precludes the Commission, when it passes on an application for the transfer or assignment of a broadcast license, from giving comparative consideration to an application by a third party for said facility. Polan Industries, 10 RR 519, 521, (1954). This provision does not prevent a third person from interposing public interest objections to a grant of a requested assignment or transfer. And if such objection (going to the qualifications of the present licensee) is subsequently sustained, it could result in a forfeiture or revocation of an existing license, leaving the facility open to new applicants. See KPSR, Inc., 33 FCC 391, 23 RR 1179 (1962); FCC v. WOKO, 329 U.S. 223 (1946).

A number of bills are presently pending in Congress which would similarly preclude the Commission, in acting upon an application for renewal of license, to "consider the application of any other person for the facilities for which renewal is sought." And just as in the case of transfer and assignment applications, such a provision would not prevent a third person from bringing public interest matters to the Commission's attention -- at renewal time or at other times. See United Church of Christ v. FCC, 123 U.S. App. D.C. 328 (1966);

47 U.S.C. Sec. 309(d). If those objections are sustained and the license not renewed, other interested persons could at that juncture file for the facilities in question, under the legislative amendment currently being proposed.

by Don Durgin, president of NBC-TV, a major presentation will be given the morning of May 13 on the network's current activities and plans for the 1969-70 season.

The May 12 formal business will be a panel session featuring NBC news correspondents from news centers in the U.S. and abroad. Among the social events on the agenda are receptions and dinners at two production studio centers—at 20th Century-Fox May 12 and at Universal studios May 13. Convention activities will be held at the Century Plaza hotel.

The convention starts with a reception and buffet at the hotel Sunday evening. Mr. Scott and Mr. Goodman are luncheon speakers May 12 and 13 respectively and Mr. Durgin's talk will precede his formal presentation on May 13.

The attendance figure was projected by Donald J. Mercer, vice president, station relations, NBC, who will be joined at the convention by the following station relations officials: Raymond T. O'Connell, director, and station relations regional managers Joseph Berhalter, Thomas Berresford, A. A. (Tony) Cervini, William Kelley, Malcolm (Bud) Laing, Pierson Mapes, Paul Rittenhouse and Thomas White.

Times-World sells WDBJ-TV for \$8 million

The Times-World Corp., Roanoke, Va., which intends to sell its newspapers to Landmark Communications, last week found a buyer for its WDBJ-TV. The station will be sold to the *South Bend* (Ind.) *Tribune* (WSBT-AM-FM-TV South Bend) for approximately \$8 million, subject to the usual FCC approval.

Still in negotiations are the sale of WDBJ-AM-FM, both of which will be sold separately. After Times-World and Landmark agreed on the purchase of the Roanoke operation, which includes the *Roanoke Times* and *World-News* (BROADCASTING, Nov. 18, 1968), it was decided to spin off the broadcast properties. The spin off is due principally to the overlap between WDBJ-TV and Landmark's WFMY-TV Greensboro, N.C.

The Times-World Corp., headed by M. W. Armistead III, also owns a Roanoke shopping center and a semi-weekly newspaper in Galax, Va. Franklin D. Shurz is president of the buying group, which owns the *South Bend Tribune* and WSBT-AM-FM-TV. Other *South Bend Tribune* newspapers include the *Hagerstown* (Md.) *Herald-Mail*, California's *Indio Daily News*, *Brawley News*, and *El Centro Imperial Valley Press*, as well as Indiana's *Bloomington Herald-Telephone* and *Bedford Times-Mail*.

Landmark owns WTAR-AM-FM-TV Norfolk, Va., in addition to its Greens-

boro-TV outlet, and Telecable Corp., owner of CATV systems in Alabama, North Carolina and West Virginia. Landmark newspapers are *Norfolk Virginian-Pilot*, and *Ledger-Star* and *Greensboro Daily News* and *Record*.

Pastore submits antistrike bill

Action on measures to protect licensees may be in offing

Senator John O. Pastore (D-R. I.) stuck a substantial prop last week under a "sword of Damocles" threatening broadcasters at renewal time. The Senate Communications Subcommittee chairman, who holds the key to Senate consideration of anti-strike-application legislation sought by broadcasters, introduced a slightly modified version of a bill that would bar competing applications for renewal of licenses unless the FCC first found the incumbent had not been serving the public interest.

The Pastore bill (S.2004) would confine the commission's determination of whether an existing broadcaster had been operating in the public interest to an examination of the "record and representations of the licensee." If the FCC found it should deny a renewal, the bill makes clear, then other applications could be filed and considered.

The Pastore move, which came without advance notice, fed speculation that the measure, approved by the National Association of Broadcasters and supported by individual and group stations, would see its first steps toward enactment taken in the Senate, rather than in the House, where—as of last Thursday (May 1)—a number of similar bills had been introduced.

Although a number of House Commerce Committee members have sponsored or cosponsored renewal bills, such support has yet to come from members in the committee leadership. Also, it is noted, the House committee faces a jammed agenda, caused in part by three solid weeks of hearings on cigarette labeling and advertising (see page 28).

The Senate committee is busy, too, but spokesmen wouldn't rule out some sort of action on the Pastore bill within the near future. It was understood, however, that plans for further consideration had not yet been formulated. They may or may not take the form of hearings. The Senate subcommittee has already aired the issues during appearances of the FCC and broadcasting leaders (BROADCASTING, March 10, 24).

At those hearings, and later at the annual convention of the NAB (BROAD-

CASTING, March 31), Senator Pastore made it clear that he regarded the encouragement of competing applications to be unfair and bad policy. At the hearings, the FCC commissioners, with two notable exceptions, took turns agreeing. Later it was indicated that the commission could, by re-establishing a policy torn asunder by the WHDH-TV Boston decision, repair the damage without resort to a legislative solution, which was then in the formative stage.

Decisions, at the NAB and elsewhere, to continue to push for antistrike legislation—while other approaches were also explored, such as policy or personnel changes at the commission—led to the introduction of the first bills three weeks ago in the House. Meanwhile, Senator Pastore kept his own counsel on the legislative approach, until last week when he submitted S. 2004.

As is Senate custom, other senators, although expressing interest privately in the legislation—sparked by vigorous contacts from home-state broadcasters—refrained from expressing that support publicly. Now, it is said, indications of that support from other senators can be expected to be communicated to Senator Pastore.

In introducing the bill, Senator Pastore said he was particularly concerned about the financial burden on stations exposed to competing applications, which almost automatically trigger costly comparative hearings.

He called the threat of competing applications a "sword of Damocles" hanging over the heads of legitimate licensees.

Echoing sentiments expressed in his March 24 speech at the NAB convention in Washington, the senator underlined the fact that "broadcasters must maintain the best and most modern equipment and gather together highly qualified professional personnel in order to best serve the public interest." This outlay, he declared, must be backed by "reasonable assurance that, if [the broadcaster] does his job—and does it well—then his license will be renewed and that his investment will not go down the drain." Senator Pastore emphasized that the burden of proof would remain with the broadcaster under the proposed measures, and that "this legislation does not give the broadcaster a license in perpetuity."

The Pastore bill extends the scope of the three-week-old campaign that had, by May 1, seen bills introduced or cosponsored by 39 congressmen in the House (BROADCASTING, April 28, 21).

The sponsors and cosponsors of these bills, 27 Republicans and 14 Democrats, represent 22 states. Last week's bills were introduced by Commerce Committee member Tim Lee Carter (R-Ky.), H. R. 10583; Edwin W. Edwards (D-La.), H. R. 10587; William Nichols

(D-Ala.), H. R. 10605; Alexander Pirnie (R-N. Y.), H. R. 10609; John R. Rarick (D-La.), H. R. 10613; William St. Onge (D-Conn.), H. R. 10619; James C. Wright (D-Tex.), H. R. 10629; William E. Brock III (R-Tenn.), H. R. 10636; Martin B. McKneally (R-N. Y.), H. R. 10684; Charles E. Chamberlain (R-Mich.), 10668; Page Belcher (R-Okla.), H. R. 10712; George Bush (R-Tex.), 10720; W. R. Hull Jr. (D-Mo.), H. R. 10734; Joe D. Waggoner Jr. (D-La.), H. R. 10760, and Watkins M. Abbitt (D-Va.), H. R. 10781.

WHA gets CPB grant for audio studies

A \$50,000, one-year grant from the Corp. for Public Broadcasting will establish a national center for audio experimentation at the University of Wisconsin's noncommercial WHA Madison.

CPB President John W. Macy Jr. said the project is aimed at developing "new and exciting techniques in sound production that can be applied by all public radio stations and thus help promote a strong and vigorous public radio service nationally."

Karl Schmidt, associate director for radio at the university, will head the project, aided by Milburn Carlson, film producer and teacher of aesthetics and

creative writing at San Francisco State College, who will join the station for a year.

Kentucky ETV network plans for expansion

One of the more extensive and ambitious state-operated educational TV networks will be formally dedicated this week (May 7-9) at a regional conference co-sponsored by the National Association of Educational Broadcasters and the Southern Educational Communications Association in Lexington, Ky.

Culminating nine years of planning and only one year of implementation spearheaded by the network's executive director, O. Leonard Press, the new Kentucky ETV Network began operating Sept. 23, 1968, by pumping 19 courses into more than three-quarters of the state's 195 school districts.

The network, funded with \$4.5 million biannually, reaches into 1,400 schools from the poverty pockets of Appalachia to the Mississippi river border. The system reaches homes via 12 transmitters on channels ranging from 21 to 54. With additional funding, KETV may eventually become a 26-station network.

Ambitions do not rest here but include a plan to interconnect the state's

six universities and colleges and numerous junior colleges—with studios for originating programs at each—with the network's \$1.2-million production center in Lexington.

The main center was built on land donated by the University of Kentucky.

While a 12-station network is now in operation, KETV will have 13 outlets in the fall by an agreement made with noncommercial WFPK-TV Louisville.

The system is designed, Mr. Press said, "so that it could be the backbone of an expanded telecommunications system which could serve many state agencies, like the police and mental-health departments, as well as the schools."

Changing Hands

Announced:

The following station sales were reported last week, subject to FCC approval:

■ WDBJ-TV Roanoke, Va.: Sold by the Times-World Corp. to the *South Bend Tribune* for about \$8 million (see page 58).

■ WHIM-AM-FM Providence, R. I.: Sold by Harold C. Arcaro and family to Matthew J. Culligan and others for \$450,000. Mr. Culligan is chairman of the *Westport* (Conn.) *Town Crier* and has interest in applicant to purchase KBNO-FM Houston and KEIR(FM) Dallas. He also has interest in a publishing company, a movie production company and *Promenade* magazine. WHIM is a daytimer on 1110 kc with 1 kw. WHIM-FM is on 94.1 mc with 50 kw and an antenna height of 430 feet above average terrain.

■ WJSW Maplewood, Minn.: Sold by Paul Glass to Donald L. Frerichs, Donald D. Wozniak and Sev Widman for \$148,000. Mr. Frerichs owns a hardware store in Rochester, Minn.; Mr. Wozniak is a St. Paul attorney, and Mr. Widman is WJSW general manager. WJSW is a daytimer on 1010 kc with 250 w. Broker: Chapman Associates.

■ KAGH-AM-FM Crossett, Ark.: Sold by Julian F. Haas to W. Barry Medlin, W. B. Medlin and Thomas Baker for \$130,000. W. Barry Medlin is manager of WLCM-AM-FM Lancaster, S. C., and Mr. Baker is commercial manager of that station. W. B. Medlin is a tobacco and cotton farmer. KAGH is a daytimer on 800 kc with 250 w. KAGH-FM is on 104.9 mc with 3 kw and an antenna height of 275 feet above average terrain. Broker: Hamilton-Landis & Associates.

■ WCNL Newport, N. H.: Sold by Chester C. Steadman Jr. to Carl S. Goodwin and others for \$103,500. Mr. Goodwin is former owner of KTRC

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May 7, 1969

MEMORANDUM FOR

Mr. Rosel Hyde
Chairman
Federal Communications Commission

As we have discussed, the communications industry presents many unique problems for our Nation. Our national policy for communications has evolved over many years and to the best of my knowledge has not been succinctly stated in any one place.

Would you please prepare an informal, short statement of what our national communications policy is, as expressed in statutes, executive orders, Presidential statements, and FCC rulings and precedents. This should particularly include the authority for the various key elements of our policy, to the extent possible, the rationale; and also any important gaps.

Signed

Clay T. Whitehead
Staff Assistant

cc: Mr. Flanigan
Mr. Hofgren
Mr. Whitehead ✓
Mr. Rose
Central Files

CTWhitehead:ed

May 6, 1969

MEMORANDUM FOR THE RECORD

Section 201 (a) of the Communications Satellite Act seems to give the President substantial authority that may be useful in our domestic satellite activities. In particular, it provides that the President shall coordinate the activities of Government agencies with responsibilities in the field of telecommunications to achieve compliance with the Act, and still exercise his authority to help obtain better use of the spectrum and the technical compatibility of the system with existing communications, both in the United States and abroad.

We should check to find out how these provisions may help us in intervening in the domestic satellite inquiry before the FCC and proposing or directing the kind of experiment we have discussed.

Also need to get a reading on how the Communications Satellite Act may limit what we can do, how it has been interpreted, and the desirability of a Presidentially stated interpretation with respect to domestic satellites or a Presidentially suggested amendment to the Act.

Clay T. Whitehead
Staff Assistant

CTWhitehead:ed

Files
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Hammond
Baker
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Chron.

George H. Revercomb
Associate Deputy Attorney General

May 9, 1969

Donald I. Baker
Chief, Evaluation Section
Antitrust Division

W. L. King
Mr. Ziegler's Speech -- Pending
Communications Issues

This is in response to your request that I give you a brief outline as to where the Department stands on the various controversial issues in the mass media communications area. These issues include (1) joint newspaper publishing arrangements; (2) concentration of control of local mass media (broadcasters, newspapers, and CATV); and (3) the status of the Presidential Task Force Report on Communications.

The only public action that this Administration has taken to date has concerned the ownership of CATV systems by competing local media in the same market--principally television broadcasters and local newspapers (see Attachment A). In the Department's filing before the FCC on April 7, we expressed our general concern that "common control of competing mass media in a local market will result in elimination of competition, as well as inhibition of a technical development in new fields." We pointed to various legal authorities which in the past have required the Commission to give weight--and in some cases controlling weight--to antitrust considerations in resolving public policy questions. We were particularly concerned that control of CATV systems by direct competitors might cause CATV to fall short of its technical potential. Accordingly, we recommended that the Commission not permit CATV systems to be controlled by television broadcasters and newspapers in the same market.

This action represents a continuation of past antitrust policies. It also is in accordance with the general recommendations of a confidential task force headed by George Stigler, appointed by this Administration. It recommended that the Antitrust Division continue its efforts to give competitive policies wider

play in fields of regulation. (Since both the existence of the task force and its recommendations remain confidential, this should not be disclosed outside the Administration.) Dick McLaren has emphasized on a number of occasions that it will be his policy to seek to displace detailed regulation with competitive forces; in the broadcasting area this would imply that less weight would have to be put on such regulatory tools as the "fairness doctrine", since lack of fairness would be more likely to be offset by action of competing media in a local market with a number of voices.

Newspaper-Television Combinations. The Department has taken two actions in the last year to deal with the acquisition by a dominant newspaper of a leading local television station, or vice versa. In the Beaumont case before the FCC, we opposed a television license transfer to the only local newspaper, on the ground that it would violate Section 7 of the Clayton Act. In the Rockford case, we brought an antitrust action charging an acquisition by a television station of a local newspaper would violate Section 7. The parties in Beaumont abandoned their transaction, and the parties in Rockford have agreed to a settlement which would involve divestiture of one or the other interest. Thus neither proceeding is pending.

There are three pending FCC license renewal proceedings in which the common control of a television station and a leading local newspaper is at issue. Two of them have been put down for hearing (involving KRON in San Francisco and WCCO in Minneapolis); we have not intervened in either of these. We have, however, requested a hearing on the KFBC-TV renewal in Cheyenne, Wyoming--a situation where the local monopoly newspaper owns the only TV station, CATV system, and the only full-time radio station, thus accounting for over 90% of advertising revenues in the market (see Attachment B). This is pending.

There, also, the FCC's so-called "one to a market" rule-making proceeding would limit broadcasters to a single outlet in a local market. It would apply prospectively only to new licenses and license transfers. Our comments supporting the rule are attached (Attachment C). This proceeding is still pending.

Newspaper Joint Operating Agreements. Earlier this year, the Department won the Tucson case involving a longstanding joint operating arrangement--which included joint printing, distribution, circulation, and sale of advertising. The Supreme Court ruled that joint sale of advertising was per se illegal (price fixing) under the antitrust laws. Concern about the case has led to introduction in the Congress of various bills, including H.R. 279 and S. 1523 in the present Congress. These bills--which pass under the title of "The Newspaper Preservation Act"--would allow joint ventures between competing local newspapers on the basis of a finding much more liberal than the "failing company" defense to a merger normally applicable under the antitrust laws. The Department has vigorously opposed this type of legislation in the past. I would assume we will continue to do so, since it represents a substantial retreat from antitrust principles. Our position is that we are willing to try to work out settlements which would permit two competing newspapers to set up joint printing and distribution arrangements, but would, at the same time, keep them separate so far as competition for their advertising and actual circulation are concerned. This would enable newspapers to achieve the economies which can come from joint printing and distribution--without giving up competition for advertisers or subscribers. Negotiations are being conducted on this basis with the Tucson newspapers and, I believe, with some other joint operators. It goes without saying that this issue is extremely controversial at the moment.

The Presidential Task Force Report is also controversial because it was widely leaked to the press at the time it was transmitted to President Johnson in January. In particular, it has various recommendations to strengthen the competitive role of cable television. The Antitrust Division participated in the formulation of the report, but we do not have any position as to whether they should be issued or not. It is simply something Mr. Ziegler should be aware of because he is very likely to be asked questions about it.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF EMERGENCY PREPAREDNESS
WASHINGTON, D. C. 20504

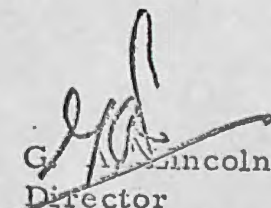
OFFICE OF THE DIRECTOR

May 20, 1969

MEMORANDUM FOR MR. CLAY T. WHITEHEAD

I enclose a memorandum for record which is pertinent to your study on telecommunications.

I recommend you have a talk with Starbird soon. He is a highly informed, very objective, withal moderate, fellow who takes a detached but analytical view on the telecommunications business. I did inform him generally of the BOB study.


Gerald R. Lincoln
Director

Attachments

OFFICE OF EMERGENCY PREPAREDNESS
EXECUTIVE OFFICE OF THE PRESIDENT

~~OFFICE OF EMERGENCY PREPAREDNESS~~

WASHINGTON, D.C. 20504

OFFICE OF THE DIRECTOR

May 20, 1969

MEMORANDUM FOR RECORD

SUBJECT: Conversations with General A. D. Starbird on
Telecommunications

General Starbird organized the Defense Communications Agency and headed it from 1963 to November 1967. He is now Manager of the SAFEGUARD System. There is no more highly respected professional, civilian or military, in government today.

General Starbird commented on the problems and pitfalls of existent and possible organizational arrangements for telecommunications. He said he was not interested in the position of Director, Telecommunications since when he retires from the Army he needs to earn some money for his family (but see below).

General Starbird called me late yesterday in accordance with his promise to suggest names. He gave me half a dozen suggestions with comments on each, rating as to his judgment of their order of competence. He knew only one civilian (now Director of Communications of CIA) whom he felt he could suggest. General Starbird also commented on those he knew among other names that have been furnished for our attention.

General Starbird referred back to my question concerning his interest and commented that:

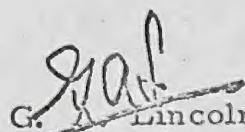
- a. I should not consider him since I probably needed somebody right away and he is not available for at least three months.
- b. He would not want the position without some changes in relationships.

I asked General Starbird to keep his mind open on the position and commented that everyone seemed to be agreed that some changes needed to be made in terms of reference -- the problem is, what changes? I said at the minimum the Executive orders and proclamations needed to be put in one document and brought up to date. General Starbird agreed with my comment and said that he was not sure that the original Eisenhower concept is now completely applicable.

I have some hope that Starbird has not completely closed the door on considering the position. If he did take it, his appointment would, I believe, be accepted by all interested parties and acclaimed by most. The Administration is unlikely to find anyone else as competent.

As to Starbird's comment about his financial situation, the possible arrangements may be more attractive than he knows. There is, however, the possibility that the President and/or Secretary of Defense would not wish him to retire.

Finally, since the job now involves being an Assistant to the President I do not think that Starbird will move to a situation of very serious consideration without a talk with Mr. Whitehead and Mr. Flanigan.


G. A. Lincoln
Director

ALFRED D. STARBIRD
Lieutenant Général, USA

General Starbird graduated from the U. S. Military Academy in 1933 and received a degree in Civil Engineering from Princeton University in 1938.

Prior to World War II, General Starbird served on various Engineer assignments; was a member of the U. S. Olympic Pentathlon Team in 1936; and served as an instructor at the United States Military Academy.

In 1942 he was assigned to the War Department General Staff. He served on temporary duty with the 1st Division Staff during its landings in North Africa and with the Fifth Corps during its landings and early operations in Normandy. He commanded an Engineer Combat Group in the Third Army from January through June 1945 and then returned to the War Department General Staff.

Since World War II, General Starbird has served in various assignments in the Pacific, CONUS and in Europe where he served as Secretary of SHAPE. After two years in the Office of the Chief of Engineers he was named Director of Military Applications of the Atomic Energy Commission and served in that assignment from 1955 to February 1961. In November 1961 he was called from his assignment as Division Engineer, North Pacific Engineer Division to organize Joint Task Force EIGHT and to command it during the planning, preparation and execution of Operation DOMINIC, the 1962 nuclear test series. In October 1962, he was named Director of the Defense Communications Agency and, on August 21, 1963, the additional function of Manager, National Communications System. In November 1967, General Starbird was selected to be the Manager of the SENTINEL System, now the SAFEGUARD System.

May 21, 1969

T. J. Whitting
5/21/69
3pm

MEMORANDUM FOR THE RECORD

I talked with General Starbird today about communications problems. He impressed me as a quiet and sensible man, probably thoroughly professional but not terribly energetic or imaginative. He had some good solid thoughts on the National Communications System and the need to straighten out our goals in that area. He didn't talk about things he didn't know about. Suggested I talk with Mr. Coffee of the CIA and with a General Pascall who might be useful in a short-run analysis of these problems; says he mentioned Pascall to Abe Lincoln.

Clay T. Whitehead
Staff Assistant

CTWhitehead:ed

THE WHITE HOUSE

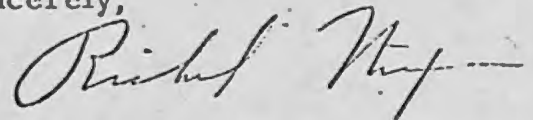
WASHINGTON

April 29, 1969

Dear Mr. Secretary:

As you are undoubtedly aware, the Defense Communications Agency, is responsible for Presidential communications. In establishing this responsibility, it was determined that DCA/WHCA should be directly responsive to Presidential requirements. Direct contact and continuous liaison between DCA/WHCA and my designated White House representative are authorized and directed. Colonel James D. Hughes, the Armed Forces Aide to the President, has been designated my representative for a point of contact for requirements and for giving policy direction to DCA/WHCA concerning Presidential communications.

Sincerely,



Honorable Melvin R. Laird
Secretary of Defense
Washington, D. C.

WH 7761

Telecommunications

May 23, 1969

MEMORANDUM FOR

MR. HARRY FLEMMING

Abbott Washburn feels this man might be a good choice to replace Frank Loy as Deputy Assistant Secretary of State for Transportation and Telecommunications.

Woodward Kingman

Clay T. Whitehead
Staff Assistant

Attachments

CC: Mr. Whitehead
Central Files

CTWhitehead:ed

THOMAS W. EVANS
20 BROAD STREET
NEW YORK, N. Y.

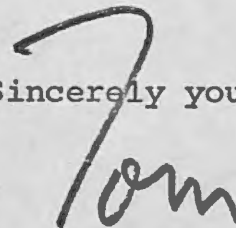
May 2, 1969

Dear Abbott:

Enclosed is the resume of an old friend of mine, Woody Kingman, who would seem ideal for the post at State which you mentioned. Woody is not a lawyer, but then, nobody is perfect.

Very best regards.

Sincerely yours,

A handwritten signature in dark ink, appearing to be "Tom". The signature is written in a cursive, slightly slanted style. The first letter "T" is large and loops around the "o". The "m" is simple and ends with a small hook.

The Honorable Abbott Washburn
Department of State
Washington, D.C. 20520

Telecommunications

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF TELECOMMUNICATIONS MANAGEMENT
WASHINGTON, D.C. 20504

OFFICE OF THE DIRECTOR

June 16, 1969

Memorandum for Mr. Clay T. Whitehead:

Subject: Communications Satellite Traffic -- United States
Mainland and Hawaii

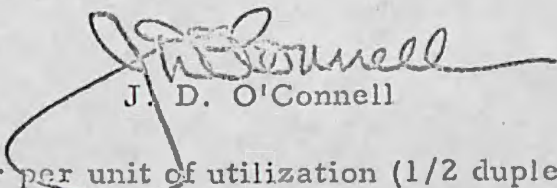
This memorandum highlights the existing and projected estimates of subject traffic. The number of equivalent duplex voice circuits using INTELSAT satellites is as follows:

<u>USER</u>	<u>Actual</u> <u>1 June 1969</u>	<u>End</u> <u>1969</u>	<u>End</u> <u>1970</u>	<u>End</u> <u>1971</u>	<u>End *</u> <u>1972</u>
Commercial	99	140	-	-	-
Government	<u>30</u>	<u>39</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>129</u>	<u>179</u>	<u>278</u>	<u>385</u>	<u>614</u>
% of Total Pacific Ocean Area	22.2	17.1	19.5	19.5	25.5

An estimate of the value to the INTELSAT Consortium of the traffic volume depicted above is as follows:

Space Segment Revenue to INTELSAT

End 1969 rate	<u>\$7,160,000</u> per year **
End 1970 rate	11,120,000 per year ***
End 1971 rate	15,400,000 per year ***
End 1972 rate	24,560,000 per year ***


J. D. O'Connell

* See ICSC 38-10

** Based on \$20,000 per year per unit of utilization (1/2 duplex voice circuit)

*** Rates are expected to be reduced nominally during future years.

*see the [unclear] file
dated 6/11/69*

STATEMENT OF NATIONAL COMMUNICATIONS POLICY
PREPARED BY
THE FEDERAL COMMUNICATIONS COMMISSION

The basic statement of national communications policy is section 1 of the Communications Act of 1934, as amended, 47 U.S.C. §151, which creates the Federal Communications Commission,

For the purpose of regulating interstate and foreign commerce in communication by wire and radio so as to make available, so far as possible, to all the people of the United States a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges, for the purpose of the national defense, for the purpose of promoting safety of life and property through the use of wire and radio communication, * * *

The Communications Act applies, except for the Canal Zone, to "all interstate and foreign communication by wire or radio and all interstate and foreign transmission of energy by radio, which originates and/or is received within the United States, and to all persons engaged within the United States in such communication or such transmission of energy by radio, and to the licensing and regulating of all radio stations as hereinafter provided; * * * (section 2(a)). It provides for the regulation of interstate and foreign communications common carriers (sections 201-222), and for the allocation by the Commission of spectrum space for all non-Federal Government uses of the radio spectrum (sections 303, 305.) 1/

All stations are licensed by the Commission under a broad standard of the public interest, convenience and necessity (sections 307, 308, 309, 310). The Communications Act has been consistently interpreted by the courts as conferring upon the Commission flexible, comprehensive and expansive powers "to promote and realize the vast potentialities of radio. * * *" National Broadcasting Co. v. United States, 319 U.S. 190, 217 (1943). It has also been interpreted as conferring a broad jurisdiction over all forms of electrical communication to be exercised as a unifying force to insure that developments in the various fields of communications will be guided by paramount national goals. United States v. Southwestern Cable Co., 392 U.S. 157 (1968); Carter Mountain Transmission Corp. v. Federal Communications Commission, 116 U.S. App. D.C. 93, 321 F.2d 359 (1963).

1/ Under section 305 it is the President's function to assign frequencies for Federal Government use. Executive Orders 10995 (27 Fed. Reg. 1519) and 11084 (28 Fed. Reg. 1531) delegate this function to the Director of Telecommunications Management in the Office of Emergency Preparedness. Coordination with the Commission is maintained through the Interdepartment Radio Advisory Committee, which coordinates the needs of Government agencies on behalf of the D.T.N. This paper is not directed to Federal Government use of radio or Government communications generally.

Thus, the basic policy set forth in the Communications Act is that there shall be a single agency to regulate all non-Federal Government communication by wire and radio, with comprehensive authority to realize the vast potentialities of a medium whose distinguishing characteristic is its dynamism. National policy has been developed under this Act, and succeeding statutes dealing with particular areas, to achieve certain broad goals. These are: (1) to inform the public on political and other matters through local outlets; (2) to meet the public's educational, cultural and entertainment needs and interests; (3) to advance rapid, efficient and low cost private communications, both domestic and international; (4) to make communications an efficient and reliable adjunct to the preservation of life and property, the maintenance of public safety, the conduct of State and local government, and the development of the commerce of the United States; (5) to aid the national defense; (6) to promote harmonious international relations, and (7) to advance the state of the art. These policies are carried out through frequency allocation and regulatory procedures. The Commission set forth its basic concerns on frequency allocation in 1944 when it undertook a complete revision of frequency allocations. In a proceeding thoroughly revising the overall allocation of frequencies to non-Governmental services (Docket No. 6651), it directed all interested persons to evaluate services from the standpoint of public need and benefit under the following criteria (9 Fed. Reg. 10270, 10271):

- (a) The dependence of the service on radio rather than wire lines.
- (b) The probable number of people who will receive benefits from the service.
- (c) The relative social and economic importance of the service, including safety of life and protection of property factors.
- (d) The probability of practical establishment of the service and the degree of public support which it is likely to receive.
- (e) The degree to which the service should be made available to the public, that is, whether on a limited scale or on an extended competitive scale.
- (f) Areas in which service should be provided and, in general, the points to which communication must be maintained.
- (g) When it is proposed to shift a service from its present location in the spectrum, data should be presented showing the feasibility and cost of the shift, particularly with respect to the technical, economic and other considerations involved, and the length of time and manner for completing the shift.

These criteria have remained as guiding principles, in addition, of course, to purely technical considerations. See Report and Order in Docket Nos. 8658, et al., 14 Fed. Reg. 2264, 2265.

I. THE CREATION OF AN INFORMED PUBLIC
THROUGH LOCAL OUTLETS OF EXPRESSION

"The maintenance of the opportunity for free political discussion to the end that government may be responsive to the will of the people and that changes may be obtained by lawful means, an opportunity essential to the security of the Republic, is a fundamental principle of our constitutional system." Stromberg v. California, 283 U.S. 359, 369 (1931). It has been United States policy to further this objective through the licensing of broadcast stations, privately owned, on channels over which the United States maintains full control. Section 301 of the Act thus provides "for the use of such channels, but not the ownership thereof, by persons for limited periods of time, under licenses granted by Federal authority, and no such license shall be construed to create any right, beyond the terms, conditions and periods of the license." 2/

In section 315 of the Act, Congress has required that when a broadcast station affords time to a legally qualified candidate for public office, it must afford equal time under equal conditions to other qualified candidates for the office, and has also confirmed the policy enunciated by the Commission, Report on Editorializing, 13 F.C.C. 1246 (1949), that every licensee "must operate on a basis of overall fairness, making his facilities available for the expression of the contrasting views of all responsible elements in the community on the various issues that arise." (13 F.C.C. at 1250.) In the Report on Editorializing,

2/ Section 304 provides that, "No station license shall be granted by the Commission until the applicant therefore shall have signed a waiver of any claim to the use of any particular frequency or of the ether as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise."

Section 307 limits broadcast licenses to a three year period, and sections 307, 308, 309 and 310 require that a public interest finding be made before any initial license, renewal or transfer may be authorized. Section 309(h) requires that the license be issued subject to the conditions that no right of use is vested beyond the term of the license or in any manner other than authorized, and that the President may impose special conditions in a national emergency under section 606 of the Act.

4

13 F.C.C. at 1249, the Commission stated that a large part of the spectrum had been allocated to broadcasting because of the contribution it could make to the discussion of public issues. As part of the fairness policy, the Commission has promulgated rules requiring an opportunity to respond to personal attacks made in connection with discussion of controversial issues of public importance. 33 Fed. Reg. 5362. 3/ The Commission has also further stated its view that programming in the public interest includes news and public affairs in its Report and Statement of Policy Re: Commission en banc Programming Inquiry, 20 Pike & Fischer, R.R. 1901, 1913 (1960).

A complementary policy in this area has been to prevent monopolistic control of broadcast facilities and to preserve our broadcast system on a free competitive basis. The antitrust laws of course apply (section 313) and the economic aspects of the national policy in this area are fully relevant. But, beyond that, the Commission has adopted the view that the operation of broadcast stations by a large group of diversified licensees will also "maximize diversification of program and service viewpoints." Amendment of Multiple Ownership Rules, 18 F.C.C. 288, 291 (1953) (amending the rules limiting the number of stations which may be licensed to any one person); see also Policy Statement on Comparative Broadcast Hearings, 1 F.C.C. 2d 393 (1965); Scripps-Howard Radio, Inc. v. Federal Communications Commission, 89 U.S. App. D.C. 13, 189 F.2d 677 (1951), cert. den., 342 U.S. 830; Clarksburg Publishing Co. v. Federal Communications Commission, 96 U.S. App. D.C. 211, 225 F.2d 511 (1955), with respect to the broad principle of diversification as it applies to applicants with ownership interests in other media of mass communications.

These policies are further strengthened by the basic policy of providing for a nationwide system of local broadcast stations (television, standard broadcast and frequency modulation) which can serve as local outlets of expression. 4/ See, with respect to television, Sixth Report and Order in Docket No. 8736, et al., 17 Fed. Reg.

3/ The validity of these rules was affirmed by the Supreme Court in Red Lion Broadcasting Co. v. United States, No. 2, and United States v. Radio Television News Directors Assn., No. 717, on June 9, 1969.

4/ Section 307(b) of the Communications Act directs the Commission to "make such distribution of licenses, frequencies, hours of operation, and of power among the several States and communities as to provide a fair, efficient, and equitable distribution of radio service to each of the same." In accord with this mandate, the basic effort in station or channel assignments to communities is first to provide everyone with a reception service, and then, so far as is possible, to give every community its own outlet for local expression. Sixth Report and Order, 17 Fed. Reg. 3905, 3912; Clear Channel Broadcasting, 31 F.C.C. 565, 567 (1961).

3905; the 1962 all-channel receiver legislation, 76 Stat. 150, 47 U.S.C. §303(s); H. Rept. No. 1559, 87th Cong., 2d Sess., pages 2-6, S. Rept. No. 1526, 87th Cong., 2d Sess., pages 2-5. Under the mandate of section 307(b) (see footnote 4, *infra*) that there be an equitable distribution of service, and the policy of fostering local television service through the use of UHF channels in an integrated plan with VHF channels, which is at the heart of the all-channel receiver legislation, the Commission has adopted for community antenna television (CATV) service the basic policy that it shall be so regulated as to provide a supplementary service to television broadcasting without destroying, through unfair competition, the basic system of viable local television outlets. Second Report and Order in Docket Nos. 14885, *et al.*, 2 F.C.C. 2d 725 (1966). Policy formulation in the broad and important area of wired services to the home continues to be an extremely active field.

II. EDUCATIONAL, CULTURAL AND ENTERTAINMENT NEEDS AND INTERESTS.

The value of broadcast stations as purveyors of entertainment is clear, and the Government cannot appropriately regulate the selection or the content of such programming. However, as in other areas, the Commission has sought to promote diversity in general entertainment. Thus, in a pending proceeding in Docket No. 12782, 30 Fed. Reg. 4065, the Commission has proposed rules to limit the number of hours of programming that each television network may supply to affiliates in prime time in which the network has an interest. The Commission has also adopted new rules authorizing a subscription television service which it hopes will bring diversity in television programming. Fourth Report and Order on subscription television, released December 13, 1968, 15 F.C.C. 2d 466, 33 Fed. Reg. 19104 (now under judicial review). To the same purpose, the Commission has prohibited more than 50% program duplication by FM and AM stations owned by the same person in the same local area. Section 73.242 of the rules, 47 CFR 73.242; see Report and Order in Docket No. 15084, 2 Pike & Fischer, Radio Regulation 2d 1658 (1964). The Commission has also taken account of the problem of undue interruption of programs by commercial announcements, determining to examine it on a case-by-case basis. Commercial Advertising, 36 F.C.C. 45, 29 Fed. Reg. 503 (1964).

Moreover, because the basic system of broadcasting is dependent upon advertiser support, with the attendant pressure to maximize audience throughout the broadcast day, the fullest use of the broadcast frequencies for educational and cultural purposes could not be achieved without specific government help to be rendered as a matter of national policy. That help has taken several forms.

The Commission determined in 1952, in a general revision and expansion of the television allocation plan, that a number of channels should be reserved for non-commercial, educational use, even though it might be some time before use could be made of them. Sixth Report and Order in Docket Nos. 8736, et al., 17 Fed. Reg. at 3908. Since that time, additional channels have been reserved. Similar reservations have been made in the FM portion of the spectrum, not city-by-city as was done with television, but rather by frequency groups: See Section 73.501 of the Commission's Rules, 47 CFR 73.501. No particular reservations are made in the AM portion of the spectrum. This policy is also reflected in the opening by the Commission of special television channels (in non-broadcast frequency bands) for use by educational organizations to transmit programs to fixed locations, primarily schools. This "Instructional Television Fixed Service" is provided for in Sections 74.901-74.984 of the Commission's Rules, 47 CFR 74.901-74.984.

The President of the United States and Congress have also enunciated the place of education and cultural affairs in our national communications policy. See Public Law 87-447, the Educational Television Facilities Act of 1962, approved May 1, 1962, 76 Stat. 64, providing for grants in aid for the construction of television broadcasting facilities, to be administered by the Secretary of Health, Education, and Welfare in cooperation with the Commission. See also Public Law 90-129 (Public Broadcasting Act of 1967), approved November 7, 1967, 76 Stat. 65, sections 390-399 of the Communications Act, which, among other things, created the Corporation for Public Broadcasting. The Congressional purpose in that Act is stated as follows:

(a) The Congress hereby finds and declares--

"(1) that it is in the public interest to encourage the growth and development of noncommercial educational radio and television broadcasting, including the use of such media for instructional purposes;

"(2) that expansion and development of noncommercial educational radio and television broadcasting and of diversity of its programming depend on freedom, imagination, and initiative on both the local and national levels;

"(3) that the encouragement and support of noncommercial educational radio and television broadcasting, while matters of importance for private and local development, are also of appropriate and important concern to the Federal Government;

"(4) that it furthers the general welfare to encourage noncommercial educational radio and television broadcast programming which will be responsive to the interests of people both in particular localities and throughout the United States, and which will constitute an expression of diversity and excellence;

"(5) that it is necessary and appropriate for the Federal Government to complement, assist, and support a national policy that will most effectively make non-commercial educational radio and television service available to all the citizens of the United States;

"(6) that a private corporation should be created to facilitate the development of educational radio and television broadcasting and to afford maximum protection to such broadcasting from extraneous interference and control."

The Public Broadcasting Act of 1967 also specifically authorized communications common carriers to render free or reduced rate communications interconnection service for noncommercial educational television or radio services, subject to Commission rules. The enactment of this statute followed a message of the President of the United States to Congress on Health and Education of February 28, 1967 recommending enactment of the Public Television Act of 1967, and stating that, "Noncommercial television can bring its audience the excitement of excellence in every field." This statement also referred to a study directed by the President of the use of satellites for an educational television and radio network. (House Doc. No. 68, 90th Cong., 1st Sess.)

III. RAPID, EFFICIENT, LOW COST PRIVATE COMMUNICATIONS

The basic national policy set forth in section 1 of the Communications Act is that there should be available to all of the people of the United States a rapid, efficient, nationwide and worldwide wire and radio communication service with adequate facilities at reasonable charges. This basic policy declaration is implemented with respect to common carriers in Title II of the Act, sections 201-222, which grants the Commission pervasive powers for the regulation of common carriers providing all types of interstate and foreign service by wire or radio. The Commission's regulatory responsibility encompasses:

- (a) The review of all rates and practices with the power to prescribe just and reasonable charges, classifications and practices after opportunity for hearing;
- (b) The prevention of unlawful discriminations and preferences;
- (c) The authorization of radio and wireline facilities required in the public interest;
- (d) The prescription of accounting regulations;

- (e) The prescription of other reports;
- (f) Prescription of depreciation charges;
- (g) The examination into transactions relating to services, equipment and related matters;
- (h) The conduct of inquiries into management; and
- (i) Action on complaints and requests for damages.

In addition, the Commission is given plenary powers to institute inquiries on its own motion and to issue appropriate orders at the conclusion thereof.

In the discharge of its responsibilities, the Commission, over the years, has procured very substantial reductions in rates for interstate telephone services. In 1967, after formal hearing, the Commission adopted an Interim Decision and Order in Docket Nos. 16258 and 15011, A.T.&T., 9 F.C.C. 2d 30, in which it reviewed and reformulated its basic policy with respect to both rate of return and separation of telephone plant between the interstate and intrastate jurisdictions. The Commission is now engaged in further aspects of the issues in these proceedings designed to reevaluate existing standards for pricing of individual service offerings in the light of current technology, user requirements and availability of alternative methods of satisfying user requirements.

In a recent decision, Carterfone, 13 F.C.C. 2d 420 (1968), the Commission enunciated the policy that the interest of the using public could best be served by permitting interconnection of private communication systems with the telephone network and the use of customer-owned equipment, provided that such interconnection or use was privately beneficial and had no substantial adverse effect on service generally supplied by the telephone companies. A further informal inquiry has been instituted into all aspects of the A.T.&T. tariff provisions as revised after the Carterfone decision, including the question of the extent, if any, to which equipment not furnished by the telephone company could be used for the control of the network signalling function, A.T.&T., 15 F.C.C. 2d 605 (1968).

The vast growth of the computer industry and its growing reliance on the communication network has resulted in a broad based inquiry into the interrelationship between computers and communication services. Regulatory and Policy Problems Presented by the Interdependence of Computer and Communication Services and Facilities, Docket No. 16979 (1966), FCC 66-1004. The first phase of this inquiry has now been

completed and further aspects remain to be explored. Essentially, this inquiry is designed to determine the needs of the computer industry; the extent to which they are now being met; the changes in practices, services, and rates which should be required to meet legitimate needs of the computer industry; the extent to which particular services provided, or proposed to be provided, by either communication or computer entities are, or should be, subject to regulation; and the changes in applicable statutes or rules or regulations which should be made to achieve the most efficient and effective use of the communications network as well as in the provision of computer services.

In the field of international communications, the Commission has formulated and implemented a series of policies designed to insure efficiency and economy of service. It has permitted competition between international telegraph carriers wherever it has found that such competition is reasonably feasible and may be expected to confer some public benefit. Federal Communications Commission v. RCA Communications, Inc., 346 U.S. 86 (1953); Mackay Radio and Telegraph Co., Inc., 19 F.C.C. 1321 (1955), affirmed RCA Communications, Inc. v. Federal Communications Commission, 99 U.S. App. D.C. 163, 238 F.2d 24 (1956). When the introduction of high capacity transoceanic cables threatened to upset balance in the industry, as well as the ability of the international telegraph carriers to provide efficient and economical telegraph service to the public, the Commission adopted a series of policies designed to safeguard the interest of the public in the maintenance of these services. Thus, it provided for joint ownership of the transoceanic cable facilities, interconnection between the domestic facilities of the telephone companies and the international facilities of the telegraph carriers, and reasonable divisions of tolls between domestic telephone companies and the international carriers in the provision of international TELEX services which originated or terminated over the facilities of the telephone companies. In addition, to preserve the viability of the international telegraph companies and their ability to provide alternate voice record services, the Commission has limited A.T.&T.'s service offerings in the international field to message telephone service, private line circuits for voice use only and program transmission services. Exception was made for preexisting services and the service to Hawaii. American Telephone and Telegraph Co., 37 F.C.C. 1151 (1964); ITT Cable and Radio Inc.-Puerto Rico, et al., 5 F.C.C. 2d 823 (1966); A.T.&T., et al., 7 F.C.C. 2d 959 (1967); A.T.&T., et al., 13 F.C.C. 2d 235 (1968).

In regulating international telegraph rates, the Commission has adopted the basic policy that rates should be fixed on the basis of the revenue requirements of that international telegraph carrier or segment of the industry which provides general worldwide service and

has the highest relative net earnings. This policy was designed to implement the current policy of requiring competition in international telegraph communications. It should insure maintenance of sufficient facilities to provide adequate international telegraph services while resulting in rates for such services sufficient to satisfy the revenue requirements of that segment of the industry which is needed to provide such services (rather than the average revenue requirements of the industry as a whole). The Western Union Telegraph Company, 25 F.C.C. 535 (1958).

The Western Union Telegraph Company was permitted to merge with Postal Telegraph, Inc. in 1943, and a virtual monopoly in domestic telegraph message services was established. In order to insure that this monopoly would divide international traffic it originated over its facilities in this country equitably among the various international carriers and its own international cables, the Commission prescribed a formula for the division of international traffic among all of the competing record carriers, including the Western Union cable division, and fixed the divisions of tolls between Western Union and the various international telegraph carriers. Application for Merger Western Union and Postal Telegraph, 10 F.C.C. 184 (1943).

In 1961, the Commission adopted a decision implementing the requirement that Western Union should divest itself of its international cable facilities and revised the formula for division of international traffic in light of the new situation resulting from this divestment. Western Union Divestment, 30 F.C.C. 323, and 30 F.C.C. 951 (1961).

Post-war developments in the field of rocketry and electronics, followed by the successful launching of various satellites, indicated clearly that an early use of this new technology could be made in the field of communications. In 1962 Congress enacted the Communications Satellite Act of 1962, 76 Stat. 419, 47 U.S.C. §§701-744, which established basic international policy for exploitation of this scientific breakthrough. International policy in the communications field was considerably expanded by this Act, which declared that it be the policy of this country to establish as soon as practicable, in conjunction and cooperation with other countries, a commercial communications satellite system as part of an improved global communications network. This system was to be responsive to public needs and international objectives; to serve communication needs of the United States and other countries; and contribute to world peace and understanding. The satellite system envisaged was to be extended to provide global coverage at the earliest practicable date and care and attention was to be given to the provision of satellite communications services to economically less developed countries, as well as the more highly developed ones, and toward reflecting the benefits of the new technology in both the quality of services and the charges therefor. Additional responsibilities were given the Commission in the field of procurement,

access to earth stations, licensing of earth stations, financing of the corporation established to exploit the technology, and additions to the system. It was also charged with insuring that economies available from satellite services would be reflected in charges to the public.

The Satellite Act established a global commercial communications satellite system through a private corporation subject to regulation by the Commission. To date, four separate generations of satellites have been authorized, and policy has been established with respect to the ownership and operation of earth stations, the division of traffic between satellite and cable facilities, and the entities which may be served directly by the Communications Satellite Corporation.

Insofar as earth station ownership is concerned, the Commission was authorized by the Act to license either ComSat alone, one or more terrestrial carriers, or ComSat and one or more terrestrial carriers jointly. The Commission has adopted an interim policy, subject to review at the end of 1969, that in the early stages of this development, ComSat should own 50 percent of the earth stations with the terrestrial carriers owning the remaining 50 percent in proportion to their expected prospective use of such stations. Ownership and Operation of Earth Stations, 5 F.C.C. 2d 812 (1966). This policy was designed to give due weight to ComSat's basic responsibility in the satellite field, while at the same time encouraging the terrestrial carriers to maximize their use of satellite facilities by giving them a direct investment and ownership interest in earth station facilities which would parallel their direct investment and ownership interest in cable facilities.

The Communications Satellite Act authorized ComSat to furnish channels of communications for hire to United States communication common carriers and other authorized entities, foreign and domestic. Questions arose early regarding the extent to which ComSat might bypass the terrestrial carriers and provide service directly to ultimate users. After a lengthy inquiry into this subject, the Commission determined that ComSat was authorized, as a matter of law, to provide communication service directly to entities other than common carriers. It held, however, as a matter of policy that ComSat was to be primarily a carriers' carrier and that, except in unusual circumstances, ComSat should provide its services and facilities to the terrestrial carriers. In reaching this decision, the Commission took into account the legislative history of the Act, the fact that ComSat was given a monopoly in satellite facilities for international service, and the adverse effect on the general using public if large users, particularly for leased services, were permitted to deal directly with ComSat. As part of its decision in this matter, the Commission required the terrestrial carriers to reflect the economies available to them from the use of satellite facilities in the rates charged to the public. Since the issuance of this decision, rates for leased services provided by both cable and satellite facilities have been reduced between 30 and 40 percent. Authorized Entities and Users -- ComSat, 4 F.C.C. 2d 421 (1966); 6 F.C.C. 2d 593 (1967).

The Commission was also confronted with the problem of insuring that the terrestrial carriers make appropriate use of satellite facilities and do not favor their wholly owned cable facilities in providing international telecommunication service. This question first arose in connection with service between the continental United States and the Puerto Rico-Virgin Islands area. In authorizing both cable and satellite facilities to serve this area, the Commission required that, in general, the terrestrial carriers meet their needs on a 50-50 cable/satellite basis so that they would be taking as many satellite circuits as they used in their own new cable to meet communication needs for the entire Caribbean area and beyond. ITT Cable and Radio Inc.-Puerto Rico, et al., 5 F.C.C. 2d 823 (1966); A.T.&T., et al., 7 F.C.C. 2d 959 (1967). Subsequently, in authorizing a 720 circuit cable between the United States and Spain, the Commission required that cable and satellite facilities be used in such proportions as to insure that the 720 circuit cable would be filled at the same rate as a new generation of satellites with a capacity of some four or five thousand circuits, to the end that both facilities are fully filled at approximately the same time. A.T.&T., et al., 13 F.C.C. 2d 235 (1968).

Implementation of the Congressional mandate that the commercial communications satellite services be established in conjunction and cooperation with other countries required the conclusion of agreements with such countries. After some nine months of intensive negotiations, in which the Federal Communications Commission took part, Interim Arrangements were concluded in August 1964 for the creation of a global satellite communications system. These agreements, which were to be reviewed in 1969, have the status of an executive agreement in this country. Treaties and Other International Acts Series 5646 (1964). The United States is now engaged in further negotiations with some 68 other countries who have become members of the international consortium, looking toward the establishment of Definitive Arrangements. Of basic concern is that business character of the Interim Arrangements be maintained with a view to insuring efficient and economic operation to implement the policy of the Satellite Act. The basic policy which is being followed is to provide arrangements for the continuation of a consortium which would own the space segment in undivided shares, with ownership related to use and voting power in a Governing Body following ownership. It is also firm United States policy that ComSat retain its position as Manager of the system to insure dynamic progress and economic and efficient operation.

It has also been Commission policy to authorize the use of certain portions of the radio spectrum for personal or business, non-common carrier use, to carry out the mandate of section 1 of the Act for efficient, low cost communications. 5/ Thus, for example, the

5/ Before authorizing any such non-common carrier use, the Commission has given full consideration to the effect on common carrier regulation in the sense that such operations may "skim-the-cream" and adversely affect common carrier services and/or rates to the general public.

Commission has allocated frequencies above 890 MHz to private microwave users. Allocation of Microwave Frequencies Above 890 Mc., 27 F.C.C. 359. The Commission has also established the Business Radio Service, which is designed to provide frequencies on a shared basis for miscellaneous commercial activities, educational and philanthropical institutions, ecclesiastical institutions, and medical use. Sections 91:551, et. seq., 47 CFR 91:551, et. seq.

IV. COMMUNICATIONS FOR THE PRESERVATION OF LIFE AND PROPERTY; PUBLIC SAFETY; STATE AND LOCAL GOVERNMENT USE; AND COMMERCE

The promotion of the safety of life and property is a fundamental purpose for the creation of the Federal Communications Commission. (Section 1.) The Communications Act accordingly has specific requirements governing radio equipment and radio operators on board ship. (Sections 351-364.) Basic policy on the use of radio for safety of life at sea is also contained in the International Convention for the Safety of Life at Sea and Annexed Regulations, London, 1960, TIAS 5780, TIAS 6284, and the U.S.-Canada Agreement for the Promotion of Safety on the Great Lakes by Means of Radio, Ottawa, 1952, TIAS 2666. Use of communications for air safety is covered in the Convention on International Civil Aviation, Chicago, 1944, TIAS 1591, Annex 10. 6/ The Commission's rules, of course, make provision for aeronautical services (Part 87, Sections 87.1-87.525), as they do for maritime services (Part 81, Sections 81.1-81.604); (Part 83, Sections 83.1-83.803).

Comprehensive use of radio for other governmental (State and local) and public safety purposes, including police, fire, highway maintenance, etc., is provided for in Part 89 of the rules, Sections 89.1-89.559.

6/ The President's Air Coordinating Committee in a Report of May 1954 on Civil Air Policy, states (page 33):

"2. The policy of the Federal Government is to assure the availability and efficient operation of integrated systems of communications facilities including communications for distribution of meteorological information, notices to airmen, and air traffic control messages where such communications are necessary to the safety of air commerce. It will bear the cost of such services within the limits of appropriations for that purpose made by the Congress. When the Government does not bear the cost of such services it will nevertheless assure their availability and encourage others to provide them.

"3. Civil aviation operators requiring communications services to meet operating needs in excess of those provided by the basic safety communications network shall bear the cost thereof. The Federal Government shall assure the availability of communications necessary for such purposes and shall require that systems for handling such communications be made available to any civil aircraft operator who makes necessary arrangements for use of these facilities."

Finally, the commerce of the United States is promoted not only by the use of common carrier facilities by business and industry, but also by the allocation of parts of the radio spectrum. See Report and Order in Docket Nos. 8658 et al., 14 Fed. Reg. 2264, and various provisions of the rules, e.g., Part 91, Sections 91.1-91.755, making frequency space available as an adjunct to the production or distribution of power, to the petroleum industry, to logging operations, etc. 7/

V. THE NATIONAL DEFENSE

The Federal Government itself maintains extensive communications facilities for national defense purposes, as well as making use of private common carrier facilities geared to defense needs.

Section 606 of the Communications Act contains specific provisions to insure that the nation's non-Government communications facilities will be available in the national defense in the event of war. Under section 606(a), the President may, during wartime, direct communications priorities for common carriers; under section 606(b), he may use the armed forces to protect communications facilities; under section 606(c) he may, during war, a threat of war, or national emergency, suspend or amend all rules governing the use of radio and close or assume control over radio communication facilities; under section 606(d), he may, upon proclaiming a state of war or threat of war, suspend the rules applicable to wire communication facilities, close such a facility, or assume control over it for Government operation.

By Executive Order 10530 of May 10, 1954, 19 Fed. Reg. 2709, the President authorized the Commission to exercise his authority under 47 U.S.C. 34 to 39 with respect to submarine cables. On February 26, 1963, by Executive Order 11092, 28 Fed. Reg. 1847, the President directed the Commission, subject to the policy guidance of the Director of the Office of Emergency Planning, to prepare national emergency plans for communications "to develop a state of readiness in these areas with respect to all conditions of national emergency * * *." Pursuant to

7/ A significant policy question which is before the Commission in a variety of proceedings, is the provision of adequate frequency allocations for the various land mobile services, use of which has been expanding rapidly, particularly as an adjunct to business operations. See, e.g., proposals to permit land mobile users to share the lower seven UHF television broadcast channels (Docket No. 18261; 33 Fed. Reg. 10943) and to reallocate UHF channels 70-83 for land mobile use (Docket No. 18262; 33 Fed. Reg. 10807).

this Order and a "Statement of White House Requirements on Presidential Communications with the General Public During Periods of National Emergency" issued on February 1, 1967, the Commission (with the cooperation of national industry advisory committees), the Department of Defense and the Office of Emergency Preparedness have prepared a basic Emergency Broadcast System Plan for broadcast and other services in the event of an emergency. This plan is being further implemented by specific state plans. 8/

Section 4(j) of the Communications Act also provides that the Commission may "withhold publication of records or proceedings containing secret information affecting the national defense." Under this provision, the Commission has been sustained in reassigning frequencies to be reserved for Government use upon representations by the Executive Branch that the frequencies were needed for defense purposes, and without divulging to the affected parties the content of the documents submitted to the Commission by the Executive Branch, Bendix Aviation Corp. v. Federal Communications Commission, 106 U.S. App. D.C. 304, 272 F.2d 522 (1959).

VI. INTERNATIONAL RELATIONS

Adequate communications are an essential ingredient of harmonious international relations. At the present time, the mainstay of our international communications is the global system of radio and cable facilities maintained by United States carriers. 9/ This system and the allocation of the radio spectrum for various uses, and in a manner which avoids harmful interference, are, of course, the product of international negotiations and the international determination that communications should be of mutual and general benefit.

The Communications Satellite Act of 1962, discussed above, reflects a major policy decision by the United States to work with other countries, with particular "attention * * * directed toward providing such services to economically less developed countries and areas as well as those more highly developed." The policy objectives of the Satellite Act were further implemented by the establishment of the INTELSAT consortium, and fundamental United States policies in this area are currently being developed in connection with negotiation of Definitive Arrangements for INTELSAT, as noted above.

8/ By Executive Order 10312 of December 10, 1951, 16 Fed. Reg. 12452, the President had delegated to the Commission the task of preparing plans to minimize electromagnetic radiations from non-Government stations which could guide hostile aircraft, missiles or other devices.

9/ The Commission has also licensed a class of international broadcast stations (Sections 73.701-73.791 of the Rules) to "reflect the culture of this country and which will promote international goodwill, understanding and cooperation." (Section 73.788.)

VII. TELECOMMUNICATIONS RESEARCH AND TECHNOLOGY

Research in telecommunication technology has very largely been conducted by private industry, including the regulated common carriers. Examples of the fruits of this research are the development of hardware such as basic solid state devices and wide-band cables. In addition, considerable research is conducted in laboratories associated with educational institutions, aided by foundations and contracts with Government agencies such as the National Science Foundation. Although the amount of in-house research by Government agencies is relatively small in comparison, many significant research programs in this field are conducted by a number of agencies. Such programs include basic research, as well as the development of techniques for advancements in technology. In terrestrial facilities research there is no emphasis in the development of equipment intended for direct use by the general public--a role traditionally filled by the communications industry. In satellite communications NASA has done much pioneering work, directly and through contracts with private industry which have led to the development of hardware and equipment used in space communications, e.g., RELAY and SYCOM as the forerunners of the Intelsat I, II, III and IV series.

Section 303(g) of the Communications Act directs the Commission to "Study new uses of radio, provide for experimental uses of frequencies, and generally encourage the larger and more effective use of radio in the public interest; . . ." Accordingly, the Commission fosters private research and development through the adoption of rules to provide for a wide scope of experimental research and developmental radio operations throughout the radio spectrum, and conducts rule making proceedings to provide for new uses of radio on a regular basis. The FCC maintains a small laboratory at Laurel, Maryland, which conducts studies of radio systems, radio spectrum uses, radio equipment performance, etc. and, in addition, has a Research Division, also under the Office of the Chief Engineer, which engages in research studies generally of a more theoretical nature in similar areas. Specialized technical studies are also conducted by other offices.

During the past few years there has been a greatly increased interest in one specialized area of research studies--the development of more sophisticated techniques in the allocation and use of the radio spectrum ("software"). As part of this interest, the Commission initiated a policy and research studies program in FY-1967. The objective of this program is to strengthen the Commission's capacity to resolve the numerous complex policy issues and technical problems concerning selected aspects of telecommunications. In addition to work conducted by FCC employees, the Commission has been funded to obtain assistance through contracts which amount to two to three percent of our total budget.

Two critical program areas were selected for our initial effort. The Stanford Research Institute was awarded a \$500,000 contract in June 1967 to (1) investigate the feasibility of increased interservice frequency sharing in the Land Mobile Radio Services and other progressive improvements in frequency assignment practices, and (2) explore the complex issues associated with the growing interdependence of computers and communications facilities and services of the common carrier industry.

At present in the communications field there is no centralized Governmental agency with authority to coordinate or direct the various activities, public and private. There is a large and growing feeling that such an agency should be established. However, in our opinion, before such a radical departure is made from current practices the questions should be examined in depth on a Government-wide basis. This study should address itself to the following matters:

- (a) the nature and extent of R & D effort in the private sector and the Government sector;
- (b) the relationship between the respective efforts;
- (c) the areas which require attention which are not now encompassed by existing programs;
- (d) the policies and objectives which govern each type of R & D and the respects in which such policies require clarification, revision or expansion;
- (e) the extent of effectiveness and relevance of existing R & D programs in the Government and private sector;
- (f) the most effective means of implementing R & D policies in each sector on a coordinated basis;
- (g) the potential benefits and costs of an optimum program and policy.

When such a detailed study has been completed and the recommendations of both the interested entities in Government and the private sector have been examined, an informed decision will be possible on what improvements should be made.

June 1969.

PRESIDENT'S TASK FORCE ON COMMUNICATIONS POLICY

Staff Reports

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A SURVEY OF TELECOMMUNICATIONS TECHNOLOGY

The Staff Paper

- Appendix A - The Demand for Telecommunications Services
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- C - Communications Satellite Technology in the Early 1970s
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- I - A Study of Distribution Methods for Telecommunications (Complan Associates)
- J - Future Communications Systems via Satellites Utilizing Low Cost Earth Stations - Electronics Industries Association

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ORGANIZATION OF THE UNITED STATES INTERNATIONAL COMMUNICATIONS INDUSTRY

The Staff Paper

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C - Excerpts from Comsat's Reply Statement to the
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Terrestrial Television Distribution

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THE DOMESTIC TELECOMMUNICATIONS CARRIER INDUSTRY

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FUTURE OPPORTUNITIES FOR TELEVISION

The Staff Paper

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The Staff Paper

Appendix A - The Electromagnetic Spectrum: What It Is and How
It Is Used - W. R. Hinchman

B - The Radio Frequency Spectrum: United States Use
and Management

C - Spectrum Use and Demand in the Urban Environment

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THE USE AND MANAGEMENT OF THE ELECTROMAGNETIC SPECTRUM (continued)

Appendix D - A Comparison of the Utilization of Government and
Non-Government Spectrum Allocations in Urban Areas

E - Public Safety Radio Spectrum Requirements

F - A Cost Comparison of Common-User Land Mobile
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G - Electromagnetic Spectrum Management: Alternatives
and Experiments (TEMPO-General Electric Company)

H - Legal Aspects of Subjecting the Electromagnetic
Spectrum to the Market Mechanism - Charles J.
Meyer

I - Spectrum Engineering - The Key to Progress (Joint
Technical Advisory Committee of the Institute of
Electrical and Electronics Engineers and Electronic
Industries Association)

Volume 12: (PB 184423)

THE ROLES OF THE FEDERAL GOVERNMENT IN TELECOMMUNICATIONS

The Staff Paper

Volume 13: (PB 184424)

BIBLIOGRAPHY

N.B. About the middle of July 1969, these will be available in complete set or separate volumes from:

Clearinghouse for Federal Scientific and Technical Information
Department of Commerce
Springfield, Virginia 22151
(Telephone: 321-8505)

It is understood the established price will be \$3.00 per volume.

Telecommunication

July 14, 1969

MEMORANDUM FOR

Dr. Willis Shapley
Associate Deputy Administrator
National Aeronautics and Space Administration

Would you please arrange a 30-45 minute briefing for me on the general subject of communications satellite technology, current and projected near future. I am interested primarily in those aspects relevant to the relative capabilities of the space segment and the ground stations, tradeoffs between the two and the interaction between power, beam width, and orbital parking capacity.

Mr. Walter Hinchman has been working with me on a number of communications issues and I would appreciate it if you would have the appropriate people work with him in planning the content of the briefing. He can be reached on Code 145, Ext. 2161.

Clay T. Whitehead
Staff Assistant

cc: Mr. Flanigan
Mr. Hinchman
Mr. Whitehead
Central Files

CTWhitehead:ed

Telecommunication

July 14, 1969

MEMORANDUM FOR GENERAL O'CONNELL

I am concerned in view of the recent developments that I should enhance somewhat my understanding of satellite communications technology and its capabilities. I have requested from NASA a 45-minute briefing on this subject.

I think it would be wise if I were also apprised of the Defense and intelligence aspects of satellite communications technology. Could you arrange a similar 30-45 minute briefing on this subject, to include any pending procurements by DOD or NSA. I want to make sure I am fully aware of what is going on and what is planned, so any appropriate level of classification is acceptable.

Clay T. Whitehead
Staff Assistant

cc: Mr. Flanigan
Mr. Whitehead
Central Files

CTWhitehead:ed

*Please return to V
Eva*

DPM

THE WHITE HOUSE
WASHINGTON

September 17, 1969

Dear General O'Connell:

I accept with regret your resignation, effective September 30, 1969, as Special Assistant to the President for Telecommunications and Assistant Director of the Office of Emergency Preparedness.

Telecommunications Management has grown to become one of the most important functions of Government. The accomplishment and performance we have all come to expect is due in large part to the competence of people like yourself who have worked so hard to achieve that performance. Your willingness, after having retired from a career of thirty-seven years as an Officer of the United States Army, to return to the Federal Service for over five years to work in your current demanding positions is appreciated by all.

You have had a most distinguished career of nearly a half century of contribution to the development of your country's communications capabilities and to our national security. On behalf of all, I thank you for that service and wish you the very best happiness in the retirement you have earned so well.

Sincerely,

Richard Nixon

General James D. O'Connell
Director, Office of
Telecommunications Management
Office of Emergency Preparedness
Washington, D. C.

9/19/69

Eva

The original of this was
delivered to O'Connell about
9:20 this AM.

WH Press Office will not be making
an announcement - They say that
OED will be doing so.

Tom Jones

SEP 17 1969

Dear General O'Connell:

I accept with regret your resignation, effective September 30, 1969, as Special Assistant to the President for Telecommunications and Assistant Director of the Office of Emergency Preparedness.

Telecommunications Management has grown to become one of the most important functions of Government. The accomplishment and performance we have all come to expect is due in large part to the competence of people like yourself who have worked so hard to achieve that performance. Your willingness, after having retired from a career of thirty-seven years as an Officer of the United States Army, to return to the Federal Service for over five years to work in your current demanding positions is appreciated by all.

You have had a most distinguished career of nearly a half century of contribution to the development of your country's communications capabilities and to our national security. On behalf of all, I thank you for that service and wish you the very best happiness in the retirement you have earned so well.

Sincerely,

RICHARD NIXON

General James D. O'Connell
Director, Office of
Telecommunications Management
Office of Emergency Preparedness
Washington, D. C.

cc: Mr. Flanigan
Mr. Whitehead ✓
Central Files

CTWhitehead:ed

9/18/69

Amelia Leukhart in Mr. Flemming's
office called to say they were
looking for General O'Connell's
resignation letter. Told her that
we didn't have it -- did have a copy
of it, which had been sent to
Mr. Flanigan on July 11 -- and that
we had sent the letter to General
O'Connell (for President's signature)
accepting his resignation on 9/16
and that we had had word from
Flanigan's office 9/17 that he had
O.K. 'd and sent it on.

2786

Dear General O'Connell:

I accept with regret your resignation, effective September 30, 1969, as Special Assistant to the President for Telecommunications and Assistant Director of the Office of Emergency Preparedness.

Telecommunications Management has grown to become one of the most important functions of Government. The accomplishment and performance we have all come to expect is due in large part to the competence of people like yourself who have worked so hard to achieve that performance. Your willingness, after having retired from a career of thirty-seven years as an Officer of the United States Army, to return to the Federal Service for over five years to work in your current demanding positions is appreciated by all.

You have had a most distinguished career of nearly a half century of contribution to the development of your country's communications capabilities and to our national security. On behalf of all, I thank you for that service and wish you the very best happiness in the retirement you have earned so well.

Sincerely,

General James D. O'Connell
Director, Office of
Telecommunications Management
Office of Emergency Preparedness
Washington, D. C.

9/16/69

Sent to

Blair

1/1/70

Handwritten

Official

Handwritten

See file

12/1/69

Handwritten

Handwritten

Handwritten

cc: Mr. Flanigan
Mr. Whitehead
Central Files

CTWhitehead:ed

Tom:

O'Connell actually has three titles --

Special Assistant to the President
for Telecommunications

Director, Office of Telecommunications
Management

Assistant Director, Office of
Emergency Preparedness

Without thinking that we had not mentioned
it in the letter above, I used the title
of Director, OTM, in the address ---
and we have not listed that in the 1st paragraph.

Do you want me to rewrite?

*Ask Col. Segal
proper address title.*

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Eva:

Go with Gen.

O'Connell retirement
letter - resign effective
Sept. 30 ~~October~~

THE WHITE HOUSE

WASHINGTON

July 23, 1969

MEMORANDUM FOR PETER FLANIGAN

I think we should make some arrangements for acknowledging General O'Connell's contribution on the occasion of his impending retirement. General Lincoln expects to award him the Distinguished Service Award of the OEP, and I think the attached letter from the President would be appropriate. As you know, the office has not been terribly effective, but General O'Connell is an extremely fine person and has gone out of his way to play ball with us and to try to be helpful.

| yes
| OK

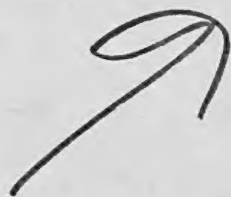
General Lincoln also suggests some kind of short ceremony at which the award would be presented and the letter from the President read. Would you like to participate in this?

| yes



Clay T. Whitehead
Staff Assistant

Attachment



Good idea

Thursday 9/11/69

2:40 Col. Segal called. Said there were a couple of pieces of factual information that he wanted to give you.

Gen. O'Connell reaches his 70th birthday on September 21st and must therefore retire by the 1st of the month following -- which would be October 1st.

General Lincoln would like to consult with Gen. O'Connell prior to recommending who would be named Acting DTM if they get to that -- if that becomes an operative problem.

General Lincoln will be in touch with you on the second point.

Hopkins

2594

Call and say we are
waiting for
O'Connell's replacement
to be named.

Wednesday 9/3/69

4:15 Hazel in Mr. Flanigan's office had a call from Mr. Hopkins re a draft letter for the President's signature re Gen. O'Connell's retirement.

Told her that we had sent a memo over to Mr. Flanigan and that we were holding it -- at her request I called Mr. Hopkins' office and advised that I would check with you tomorrow and be back in touch.

holding for replacement

When is O'Connell
leaving?

Anything we should
be doing on this?

Holding

Do you want
to call
Gen. Lincoln?

HOLD

Do you want
the letter
prepared first?

Personal

July 23, 1969

MEMORANDUM FOR PETER FLANIGAN

I think we should make some arrangements for acknowledging General O'Connell's contribution on the occasion of his impending retirement. General Lincoln expects to award him the Distinguished Service Award of the OLP, and I think the attached letter from the President would be appropriate. As you know, the office has not been terribly effective, but General O'Connell is an extremely fine person and has gone out of his way to play ball with us and to try to be helpful.

General Lincoln also suggests some kind of short ceremony at which the award would be presented and the letter from the President read. Would you like to participate in this?

Clay T. Whitehead
Staff Assistant

Attachment

cc: Mr. Whitehead ✓
Central Files

CTWhitehead:ed

DRAFT

Dear General O'Connell:

I accept with regret your resignation, effective _____, as Special Assistant to the President for Telecommunications and Assistant Director of the Office of Emergency Preparedness.

Telecommunications Management has grown to become one of the most important functions of Government. The accomplishment and performance we have all come to expect is due in large part to the competence of people like yourself who have worked so hard to achieve that performance. Your willingness, after having retired from a career of thirty-seven years as an Officer of the United States Army, to return to the Federal Service for over five years to work in your current demanding positions is appreciated by all.

You have had a most distinguished career of nearly a half century of contribution to the development of your country's communications capabilities and to our national security. On behalf

-2-

of all, I thank you for that service and wish you the very best happiness in the retirement you have earned so well.

Sincerely,

The President

July 10, 1969

MEMORANDUM FOR HONORABLE PETER M. FLANIGAN
ASSISTANT TO THE PRESIDENT

SUBJECT: General O'Connell's Resignation

I attach General O'Connell's resignation together with a draft of an acceptance by the President.


General O'Connell prefers to retire on July 31. However, at my request he has written his resignation so that it is open ended from the standpoint of time.

General O'Connell is retiring again, this time in the Civil Service. He did retire in 1959, after 37 years in the Army, as (I understand) the only officer of the Signal Corps ever to attain the rank of Lieutenant General. After five years as a civil consultant, he was persuaded to return, at some personal sacrifice, to the Federal service. As we have discussed, he has had a difficult and highly responsible task. Considering the difficulties, I believe he has done well and deserves a commendation.

During my six months in office, General O'Connell has impressed me and has given me and the remainder of OEP great support and cooperation.

I do not know what the practices are for recognition in these circumstances:

- a. Since General O'Connell does not really work for me in a significant part of his responsibilities -- he is a Special Assistant to the President -- the President may wish to see him for a few minutes. If not, I suggest that you see him to communicate the President's thanks; and

cc: Mr. Thomas Whitehead 
The White House

- b. There is a matter of a possible press release which might be phrased to underline the importance which the Administration gives to telecommunications. There has been considerable mention of "upgrading" and of "reorganizing" Telecommunications. A release can be made from my own Information Office. A White House release would give more weight.

SIGNED

G. A. Lincoln
Director

Attachments

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF TELECOMMUNICATIONS MANAGEMENT
WASHINGTON, D.C. 20504

OFFICE OF THE DIRECTOR

June 30, 1969

The President
The White House
Washington, D.C.

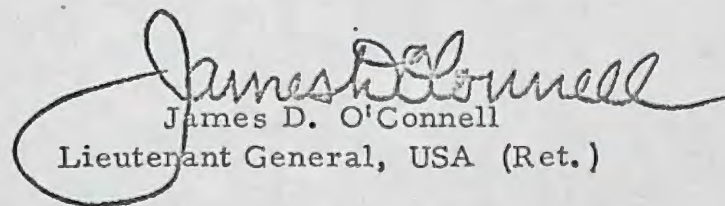
Dear Mr. President:

In view of the fact that I am approaching mandatory retirement age and in view of the many ongoing, important telecommunication studies and issues with which a new incumbent should become involved at the earliest possible time, I wish to submit my resignation as Special Assistant to the President for Telecommunications and as Assistant Director of the Office of Emergency Preparedness

For a number of personal reasons it has been my hope that my resignation could be effective on July 31, 1969. However, if it is considered that pending official matters would cause this date of separation to be premature, I would not wish to create any problems which a few weeks' deferment might avoid.

I feel a deep sense of appreciation for the opportunity and the honor which I have had of serving in your Administration.

Respectfully yours,



James D. O'Connell
Lieutenant General, USA (Ret.)

DRAFT/7/9/69

Dear General O'Connell:

I accept with regret your resignation, effective _____, as Special Assistant to the President for Telecommunications and as Assistant Director of the Office of Emergency Preparedness.

I appreciate that having retired after a career of 37 years as an officer of the Army you did return to the Federal service for over five years, in these demanding and responsible positions.

You have had a most distinguished career of nearly a half century of contribution to the development of our country's communications capabilities and to our country's national security. I thank you for that service and wish you happiness in the retirement you have so well earned.

Sincerely,

Honorable James D. O'Connell
Assistant Director, Office of Emergency
Preparedness and
Special Assistant to the President
1800 G Street, N. W., Room 749
Washington, D. C. 20504

Telecommunications

SHARON, PIERSON AND SEMMES
1100 SEVENTEENTH STREET, N.W.
WASHINGTON, D. C. 20036

November 7, 1969

Mr. Clay T. Whitehead
Staff Assistant
The White House
Washington, D.C. 20500

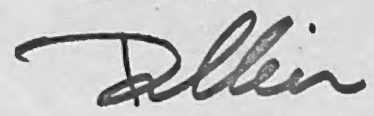
Dear Tom:

I certainly enjoyed the lunch and the chance to visit with you on these areas of common interest. I wish you well on the communication project and will look forward to your announcements with great interest.

Let me know if I can be helpful in any way and I look forward to seeing you soon.

Best regards and thanks for the hospitality.

Sincerely,



W. DeVier Pierson

Wednesday 11/5/69

mtg
11/7
12 noon

5:20 Mr. Whitehead will have lunch with DeVier Pierson
at the White House Mess Friday 11/7 at 12 o'clock.