

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Federal
Comm ~~*FTS*~~
Org *TW*

February 26, 1970

FOR: BILL TIMMONS &
STAFF

FROM: BILL CASSELMAN *BC*.

Sol Mosher reports that the House Government Operations Committee (Blatnik subcommittee) has scheduled hearings on the Telecommunications Office Reorganization Plan #1 for March 9 and 10.

The lead-off witness on the 9th will be Congressman Gallagher, who has filed a disapproval resolution expressing reservations concerning possible invasions of privacy as a result of the pending reorganization and also has requested equal treatment for the Legislative branch with respect to the use of FTS lines.

The other witnesses scheduled for the 9th are the BOB and Commerce. Assistant Secretary Tribus will testify for Commerce.

cc: Peter Flanigan ✓
Clay Whitehead

John R. ...
Reorg

February 27, 1970

To: Mr. William E. Timmons
From: Tom Whitehead
Subject: Telecommunications reorganization plan

Dwight Ink and other Budget Bureau staff have been up on the Hill discussing Reorganization Plan No. 1 of 1970, establishing the new Office of Telecommunications Policy, which is now before the Government Operations Committees. They advise me that on two occasions, Herb Roback -- Hollifield's staff chief on the House Committee's military operations subcommittee -- has indicated a desire to open up the hearings on the plan to include a general review of telecommunications problems. Roback cited domestic satellites and the operation of the National Communications Systems as examples of areas he wants to explore.

The potential for Roback getting his way is good since Hollifield is also an active and powerful member of the House Committee's reorganization subcommittee which has the plan before it. A resolution disapproving the plan has been introduced by Mr. Gallagher, and hearings are scheduled on March 9 and 10.

If the hearings are opened up to cover the general area of telecommunications policy, they could get into very sensitive and difficult areas. Possibly, a wholly new set of witnesses might have to be produced. I believe we should avoid that situation.

Roback has indicated to the BOB people he would like to meet informally with me, even though he knows I could not testify publicly. I am willing to see Roback informally to discuss the policy issues if that will head off an expansion of the hearings or otherwise help us. If you concur, I believe it would be well if your office made the contact with Roback and offered such a meeting.

cc: Mr. Whitehead
Central Files

HSchnoor/CTWhitehead:ed

Let Com. King.

February 26, 1970

To: Henry Loomis
Deputy Director
U. S. Information Agency

From: Clay T. Whitehead
Staff Assistant

For your information.

February 25, 1970

Dear Mr. Bartlett:

Thank you for your letter of February 19 forwarding a copy of your article from Variety. I found your article quite interesting.

While it is certainly true that this Administration believes in the maximum reliance on a private sector where this is consistent with the national interest, this particular area involves many national security and international affairs considerations that would make full reliance on the private sector undesirable. I have forwarded your letter to the United States Information Agency for further consideration.

Thank you for your interest.

Sincerely,

Clay T. Whitehead
Staff Assistant

Mr. Paul R. Bartlett
200 East 64th Street
New York, New York 10021

cc: Mr. Flanigan
Mr. Whitehead
Central Files

CTWhitehead:jm

PAUL R. BARTLETT

200 East 64th Street
New York, N.Y. 10021
February 19, 1970

Dr Clay T. Whitehead
The White House
Washington, D. C.

Dear Dr. Whitehead:

Because I have seen your name mentioned so frequently in connection with the Administration's communications policies, I am sending you the enclosed photo copy of a piece I did last month for VARIETY.

When you have read it you will understand why some of my proposals are anathema to the agencies involved. But I hope you will also believe, as I do, that they are in line with the President's announced policy of wanting the Federal Government less involved in areas where the private sector can perform functions as well or better than government.

During recent talks with people in both Houses I have found much sympathy for drastic changes in the VOA and AFRTS without regard to party lines. I hope those of you in the Executive branch will share the same feelings.

For my part you should know that I am a retired former owner of radio and television stations and have been advocating changes such as I propose in VARIETY for many years. I am not now involved in any business activity which would be served by these changes, but I am convinced that they are overdue.

Although I do not claim to be omniscient regarding international broadcasting I have been a student of it for many years. In addition I was a member of the allocations subcommittee of the post war Radio Technical Planning Board, an industry representative with the delegation to the U. S.-Mexican Broadcasting Treaty negotiations, and the recently retired president of Radio New York Worldwide Inc, the privately owned international short-wave station in New York.

If you have any interest in talking about my suggestions, or related matters, I would like to meet with you sometime when I am in Washington.

Sincerely,

Paul Bartlett

PRB:mc

Maybe U.S. Gov't Should Be Relieved Of VOA, AFN, Radio Free Europe, Etc.; Pose Putting Them Into Private Hands

By PAUL R. BARTLETT
(Radio Consultant)

Recent stirrings in Congressional and other political circles should open up an opportunity for non-government, privately-owned commercial broadcasting "off shore" to replace some of the extensive government operations now supported by the taxpayer.

Rep. Fawcett's committee concluded that "a systematic reappraisal of the entire information policy of the U.S. Government should be undertaken", and Sen. Fulbright has introduced a resolution in the Senate urging a commission to reexamine the State Department, AID and the USIA.

The U.S. Advisory Commission on Information, chaired by Frank Stanton of CBS, has raised a number of questions relating to USIA operations and future changes suggesting, in their words, that, "the world has moved on faster in this respect than we have."

More recently, noted public relations dean Edward Bernays has undertaken formation of an Emergency Committee for Reappraisals of U.S. Overseas Information Policies and Programs.

Strangely enough, despite all the obvious concern, no one has pushed openly for commercialization of government broadcast activities of overseas, though this avenue for "Americanizing" U.S. informational broadcasting would seem to offer unique advantages for all.

European Political Climate

With a new government in power in Bonn to build more bridges to the east, both for political and commercial reasons, a new climate in Germany where much U.S. overseas broadcasting is more or less centered, could be good for commercial prospects.

It is no secret that Russian hostility to U.S. Government presence in Germany is not lessened by the large U.S. Government radio voice in Germany, and getting the government out of these operations, and replacing them with commercial services jointly owned by private U.S. investors and German governmental units or private German capital could lessen Russian complaints. Such a move might help solve a serious political problem.

Whether probable German reluctance to authorize private commercial operations would offset their desire to reduce the number of U.S. Government operations on their soil is uncertain.

There is reason to believe that the present VOA operations at home and abroad may have become an expensive anachronism.

at least as far as English language broadcasting is ^{concerned} ~~abhorrent~~ to the where the thought of Government broadcasting is abhorant to the public, there is reason to question why U.S. overseas programming should be almost entirely government controlled.

Nor does it seem likely that the present set-up was contemplated by Congress since the Smith-Mundt Act creating USIA charged that agency with making "maximum use of private facilities." Notwithstanding this proviso, USIA appears to be bent on the usual bureaucratic course of monopolizing the field.

On this score, the Foreign-Relations task force of the Republican Policy Committee called for a USIA "effort to stimulate the distribution of private materials abroad," and argued that "news films of major tv networks are less suspect than government films."

If much of the Government's overseas broadcasting were converted to commercial operation, the Governmental "kiss of death" would be removed and believability enhanced. To this crucial advantage would be added that of less cost to the taxpayer and the possibility of more sale of U.S. products abroad to help the balance of payments.

Of the VOA's three stated jobs, namely (1) to provide impartial news; (2) to reflect U.S. culture; and (3) to explain U.S. policy, the first two can only really be achieved by commercial non-government operation. The fact is that VOA, despite its multi-million government plant, is still largely an American retread of the BBC rather than a piece of Americana.

AFN Restructuring

The Pentagon-controlled Armed Forces Network in Europe could also be restructured as a commercial, privately-owned service with many advantages.

The AFN operates some 30 AM stations in Germany, ostensibly broadcasting in English to some 250,000 troops, but as many observers have noted, this service also reaches thousands of European nationals using English as a second language. Aside from the numbers thus reached, perhaps more important is the large number of government and intellectual community listeners.

It goes without saying that this U.S. voice overseas is not free from military censorship. The result sometimes is that in an effort to tell the troops what they ought to hear, AFN actually injects a highly military outlook into the field of foreign public diplomacy.

The same facilities under German-American commercial operation could serve the troops at least as well as they are now served, but without military censorship and without Uncle Sam picking up the tab.

If the USIA and Armed Forces facilities in Germany alone could be consolidated and commercialized under private ownership to compete with highly successful Radio Luxembourg and Europe No. 1, an enormously profitable operation serving all Europe could be mounted.

Whether or not the English Language Shortwave services of the VOA and AFN based in the U.S. could be made commercially profitable, is something else again, but even that is quite likely under proper circumstances.

Radio Free Europe

Admittedly a different situation exists with respect to Radio Free Europe and Radio Liberty, both of which are tacitly Government operations with the budget coming from who knows where, and executives frequently from the military or the State Department. Both services are designed to inform and both are considered by the Russians, not without some reason, to be "Pirate Stations".

Here again these operations might be more welcome on foreign soil, with host governments less restive, and the Russians less hostile--and perhaps with more believability--if at least part of their operations were converted to commercial status directed at the same audiences.

The Czech crisis would seem to show that no amount of disenchantment in Eastern Europe will free it from Russian control without an unacceptable bloodbath for themselves and anyone helping them. Maybe softly could catch monkey.

In the end, the real question seems to be whether or not the present bureaucracies are so ossified and so entrenched in all quarters that no amount of new thinking will have any effect.

At least the obvious stirring in the Congress, and the call from all sides for a full reappraisal of the USIA would seem to be signaling that new leadership in new directions is overdue.

OTP

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

OFFICE OF THE DIRECTOR

February 25, 1970

MEMORANDUM FOR DR. CLAY T. WHITEHEAD

Subject: Meeting with Members of the Staff of the House Committee
on Government Operations

Attached for your information is a summary of the meeting of the OTM staff with certain staff members of the Subcommittee on Military Operations.

We have been informed that the Blatnik Hearings are scheduled for 9 and 10 March.

There will probably be an advantage to making the December 6th memorandum available to Representative Blatnik's Committee, inasmuch as the memorandum was made public by Representative Karth. If you like I will be happy to send him a copy.

My preference with respect to the BoB Organization Study is "for it to stay lost." Making the study available without agency comments could only mislead or perhaps cause difficulties with the Reorganization Plan.

I have attached a copy of the Hearings referred to in the attachment wherein the so-called "laundry list" appears. Please note page 249.

W. E. Plummer
W. E. Plummer
Acting

Atchs.

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

February 24, 1970

MEMORANDUM FOR THE RECORD

Subject: Meeting with Members of the Staff of the House Committee
on Government Operations

At the request of Mr. Herbert Roback, Staff Administrator of the Subcommittee on Military Operations of the subject Committee, Mr. Ralph Clark and Mr. J.R. O'Connell met with Mr. Roback; Mr. Elmer W. Henderson, Counsel for the Subcommittee on Executive and Legislative Reorganization; Mr. Douglas G. Dahlin, Counsel for the Subcommittee on Military Operations; and Mr. James A. Lanigan, General Counsel for the full Committee, for the purpose of discussing background information concerning the Office of Telecommunications and the proposed Reorganization Plan to establish the Office of Telecommunications Policy.

At this meeting the following questions and requests were made:

a. They would like to have someone representing the Executive Branch to testify before the Committee concerning background philosophy and other details which have led to the proposed Reorganization Plan. They would prefer that this person be Dr. Whitehead and not a member of the Bureau of the Budget since they believe that all any member of the Bureau could provide would be the paraphrasing of the Reorganization Plan itself. In a word, they want someone who has been responsible for developing the plans for the new office.

b. They understand there is an internal memorandum, authored by Dr. Whitehead, that was routed throughout certain agencies of the Government prior to the issuance of the Reorganization Plan and would like to obtain copies of it. We informed them that it was our understanding that this memorandum was an internal discussion paper of certain aspects of a proposed reorganization plan and, as such, was not available for publication. Mr. Henderson indicated that he would prepare a letter to BoB Director Mayo requesting that this memorandum be provided to the Committee.

c. In President Johnson's letter of August 14, 1967, in which he established the President's Task Force on Telecommunications Policy,

he charged the BoB to do a study on reorganization in the telecommunications area. The Committee would like to know what were the results of this study.

d. A discussion was held concerning the interest of the Committee in the allocation of frequencies by the Government and to the private sector as managed by the FCC. This discussion consisted of providing information in response to questions concerning details as to how frequencies are allocated.

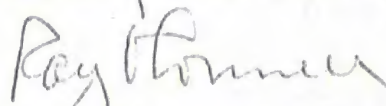
e. They indicated that they wanted someone to answer questions concerning Mr. Peter Flanigan's letter to Chairman Dean Burch on domestic satellites and the details concerning this paper.

f. They inquired as to whether there were any vested interests that will respond negatively to the proposed Reorganization Plan. We informed them that there were none to our knowledge since all parties concerned appeared to agree that the establishing of a separate office was a desirable plan. They read to us the statement of Congressman Gallagher of New Jersey in which he filed a disapproval of the President's Reorganization Plan to create the Office of Telecommunications Policy. (Copy attached)

In response to our questioning, they anticipated that Chairman Blatnik would conduct Hearings within two weeks.

While we were discussing these matters, Mr. Roback stated that Mr. Henderson and Mr. Lanigan would do well to refresh their minds of the issues at stake by reading the testimony of General J. D. O'Connell before the Holifield Committee several years ago at which time he put forth a "laundry list" of things which needed to be done in the telecommunications area.

In general, our meeting was friendly and was prompted by a desire to make known to us what their thinking was concerning the proposed hearings on the Reorganization Plan. In a few words, they favored the proposed plan but believed that the record should show the philosophy and background of the proposed plan.


J. R. O'Connell

Executive Assistant

Atch.

From

Cornelius E. Gallagher M.C.

Director, Senate Committee on Labor and Human Resources

205 Senate Office Building, Washington, D.C. 20540

FOR RELEASE: Wednesday, February 18, 1970

GALLAGHER FILES DISAPPROVAL RESOLUTION ON PRESIDENTIAL REORGANIZATION PLAN TO CREATE OFFICE OF TELECOMMUNICATIONS POLICY. AND CITES NECESSITY FOR ASSURANCES ON COMPUTER PRIVACY AND CONGRESSIONAL EQUALITY IN USE OF FEDERAL TELECOMMUNICATIONS SYSTEM.

"Let me immediately make it clear that I believe increased Executive Office concern over telecommunications policy and computer/communications systems is a salutary step and I applaud President Nixon for his initiative. At the same time, however, it is apparent to me that the issue of computer privacy is at least as important as that of increasing the efficiency and economy of Federal computers. In addition, I believe the Congress has been discriminated against in the use of the free phone service provided under the Federal Telecommunications System."

Congressman Gallagher, Chairman of the Right to Privacy Inquiry, has been concerned over the issue of computer privacy since his Special Subcommittee on Invasion of Privacy succeeded in causing a massive reevaluation of the National Data Bank proposal forwarded by the Bureau of the Budget in 1966.

"I am taking this technical step of filing a disapproval resolution to Reorganization Plan No. 1 of 1970, submitted by the President on February 9, not because I believe it is a bad plan or that it is not necessary. Quite the contrary, it is long overdue and the Office of Telecommunications Policy should permit the Federal Establishment to deal better with the dislocations of the new computer technology. But unless it included the issue of privacy, it will probably be outmoded before it is established," Congressman Gallagher continued. "In order to meet our Congressional responsibilities, it is essential that we have the same rights and privileges in the use of free telephones as does Executive Agencies and so I am coupling these two requests together as my grounds for the disapproval resolution. I would hope to be reassured by the Executive that both these issues will be a focus of the vitally needed Office of Telecommunications Policy."

074

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OFFICE OF TELECOMMUNICATIONS MANAGEMENT
WASHINGTON, D.C. 20504

OFFICE OF THE DIRECTOR

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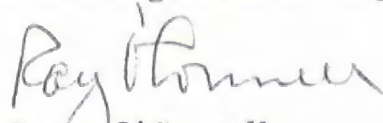
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J. R. O'Connell
Executive Assistant

Atch.

from

Cornelius E. Gallagher M.C.

Democrat, New York, 18th District
235 House Office Building, Washington, D.C. 20515

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UNIVERSITY OF ILLINOIS
BUREAU OF ECONOMIC AND BUSINESS RESEARCH
URBANA, ILLINOIS 61801
February 24, 1970

Clay T. Whitehead
Presidential Assistant
The White House
Washington, D.C.

Dear Mr. Whitehead;

Could you please send us one(1) copy of the President's recent proposal for the new communications office? The report was submitted to Congress on February 9, 1970- according to an article in The New York Times, February 10, 1970. It will be extremely helpful to us in our continuing research on the communications Industry.

Thank you for your assistance.

Sincerely,

L. Charles Cooper

L. Charles Cooper

Send press release

3/2/70

*Ted Com
Org.*

Friday 2/20/70

10:05 George Eagle of Cable News had called the other day to ask about the implications for cable TV in view of the telecommunications reorganization. You suggested we tell him there was nothing of any immediate application to cable TV right now.

362-6487

He has called again -- he's trying to follow up and see what's in this for Cable TV -- whether they have any studies planned beyond the reorganization -- would very much like to talk with you for a short time -- just to get a feel of the procedure before FCC -- will they file comments and proceedings or appear in arguments, work with Justice Dept. independently. Said it's very difficult to suggest questions that he'd like the answers for because each one might bring up something else. Would appreciate talking with you when you have the opportunity.

After 11 this morning, he will be at FCC the rest of the day. 632-7052

*Federal
Communications
Org.*

February 24, 1970

Dear John:

Thank you for your note of February 12th
and your agreement with our reorganization
plan in the telecommunications area.

We appreciate your support and your offer
of assistance. The new office should in no
way interfere with contacts between the
White House and the Corporation.

Sincerely,

Peter M. Flanigan
Assistant to the President

Mr. John W. Macy, Jr.
President
Corporation for Public Broadcasting
838 16th Street, N. W.
Washington, D. C. 20006

cc: Mr. Flanigan
Mr. Whitehead ✓
Central Files

CTWhitehead:ed



CORPORATION FOR PUBLIC BROADCASTING

888 16th Street, N.W., Washington, D.C. 20006. Phone: 202/293-6160

1345 Avenue of the Americas, New York, N.Y. 10019, Phone: 212/582-2020

JOHN W. MACY, JR.,
President

Reply to Washington

February 12, 1970

Honorable Peter M. Flanigan
Assistant to the President
The White House
Washington, D. C.

Dear Peter:

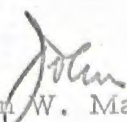
Congratulations to you on the reorganization plan creating the much-needed Office of Telecommunications Policy. I am certain that this wise innovation had its origination in your office. This is a decided step forward in providing forceful and coordinated leadership in the vital areas of policy relating to our communications assets.

As I review the functions of this new office, I can envision its role in stimulating and guiding policy development which relates to public broadcasting and instructional television. It can become a new means for strengthening this phase of public service in communications. As we agreed in our discussions on this subject, the effectiveness of public broadcasting can only be assured when the policies relating to its future receive attention at the highest level of government. Certainly this new office can assist you and Tom Whitehead in giving that kind of attention.

Please let me know if I can be of any assistance to you in the formation and staffing of this new organization. I would always welcome the opportunity to discuss these matters with you.

With best wishes,

Sincerely yours,


John W. Macy, Jr.
President

MEMORANDUM FOR THE PRESIDENT

FROM: Peter A. Flanigan

SUBJECT: White House and Presidential Communications Facilities

On February 9, the reorganization plan establishing a new Office of Telecommunications Policy (OTP) in the Executive Office of the President was sent to Congress. In late March or early April you will be appointing a Director for the Office and signing an Executive Order establishing the full scope of the authority and functions of this office.

One important matter will not be resolved in these public documents. That is the role of the Director and the new office with respect to White House and other Presidential communications.

The Director will have broad responsibilities for coordinating and integrating the communications of the Executive Branch of the government. To perform this role effectively, the Director must be aware of the communications requirements of the Presidency, and of the technical characteristics, procedures and plans for Presidential facilities. This is necessary for two reasons.

1. So that the Presidency is supplied with all of the required links to the Executive Branch.
2. To clearly establish in the minds of departmental and other Executive Branch officials that the Director is the President's principal adviser on telecommunications matters.

It is not necessary that the OTP become involved in the day to day operations of the White House Communications Agency, nor that he assume any responsibilities previously delegated to elements of the White House staff. However, it is necessary to clarify:

1. The "need to know" of the Director, OTP with respect to White House and other Presidential communications.

2. The channels for processing recommended changes to White House/Presidential communications facilities or procedures.

The memorandum at Tab A recognizes that the Director, OTP has a valid "need to know" about some aspects of Presidential communications, and requires him to coordinate with the Military Assistant in matters concerning Presidential communications.

Recommendation

That you sign the memorandum at Tab A.

Pse draft & return

MEMORANDUM FOR

DIRECTOR, OFFICE OF TELECOMMUNICATION
POLICY
MILITARY ASSISTANT TO THE PRESIDENT

SUBJECT: White House and Presidential Communications Facilities

In my memorandum of April 29 to Mr. Laird I indicated that the Military Assistant to the President would be the point of contact in the White House for providing requirements and policy direction to the White House Communications Agency (WHCA). *However,* I recognize that the Director, Office of Telecommunications Policy, will also require some familiarity with White House and Presidential communications systems and plans in order to discharge his responsibilities as my principal telecommunications adviser and as coordinator of all

Executive Branch telecommunications.

no The establishment of the Office of Telecomm. Policy does not change *no* Accordingly the Director *is authorized to* coordinate with the Military Assistant to the President his needs for information about, and any recommendations for improving, communications provided by the White House Communications Agency when it is determined that such matters are of mutual concern.

He has these responsibilities of the Military Assistant; in particular, he is to have full responsibility for actual operations of Presidential communications activities.

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It is not necessary that the OTP become involved in the day to day operations of the White House Communications Agency, nor that he assume any responsibilities previously delegated to Dr. Kissinger, Colonel Hughes, or other elements of the White House staff. However, it is necessary to clarify:

1. The "need to know" of the Director, OTP with respect to White House and other Presidential communications.

2. The channels for processing recommended changes to White House/Presidential communications facilities or procedures.

It would be appropriate at the same time to recognize that Dr. Kissinger and Mr. Erlichman also have coordination and information handling responsibilities which require them to be concerned with the capabilities and performance of White House and Presidential communications facilities.

I recommend that you issue a memorandum establishing a broad policy concerning need to know and ask that specific privacy requirements be identified and submitted for your approval.

The broad policy guidance should be that:

1. The Assistant to the President for National Security Affairs, the Assistant to the President for Domestic Affairs, and the Director, Office of Telecommunications Policy should have sufficient information about White House and Presidential communications facilities, procedures and plans, to be able to discharge their respective responsibilities.

2. That the above named officials need not be concerned with the day to day operations of the White House Communications Agency (WHCA).

3. That Colonel Hughes continues to be the single channel for providing requirements and direction to the WHCA.

4. That the need for privacy with respect of the use of communications should be respected.

Recommendation

That you sign the memorandum at Tab A establishing your general policy and requesting that specific guidelines be developed for your approval.

Attachment

MEMORANDUM FOR JOHN D. ERLICHMAN
HENRY A. KISSINGER
(DIRECTOR, OTP)
JAMES D. HUGHES
WILLIAM J. HOPKINS

SUBJECT: White House and Presidential Communications Facilities

Communications facilities at the White House, and other communications facilities operated by the White House Communications Agency, perform in several roles. They serve me, they serve several staffs, and they serve all Executive Departments and Agencies in their need to communicate with the White House. I know that all of you are concerned about the design or performance of present and future communications facilities. This is an area in which full and effective coordination is required, with due respect for the privacy each of us should enjoy with respect to our use of the communications facilities.

I have directed that the Military Assistant to the President be the single channel within the White House for providing requirements and day to day operational direction to the White House Communications Agency. In addition, I want each of you to have sufficient information about the White House and other Presidential communications facilities, procedures and plans, to be able to perform your respective responsibilities. I would like Colonel Hughes to develop specific guidelines for achieving this end, to obtain the views of the other addressees on these guidelines, and to submit them for my approval within one month.

Recommendations you may have for improving White House or Presidential communications should be coordinated among yourselves and implemented through the Military Assistant to the President. Any matters which cannot be resolved in this way should be brought to my attention.

THE WHITE HOUSE
WASHINGTON

February 18, 1970

MEMORANDUM FOR MR. CLAY T. WHITEHEAD

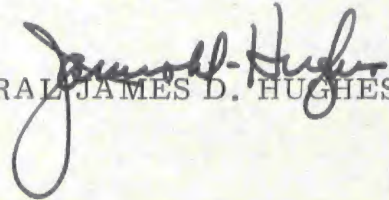
SUBJECT: Office of Telecommunications Policy (OTP)

Reference: (a) Your memo, same subject, dtd Dec 5, 1969
(b) My memo, same subject, dtd Dec 15, 1969

In your memorandum, you suggested that a memorandum from the President be written which would outline the relationship of the OTP with the White House Communications Agency. In my memorandum, I agreed with this approach and suggested that it would be appropriate that such a memorandum be signed prior to, or concurrently with, the publication of the OTP charter.

Based on the transcript of a recent White House Press Conference on the subject, it appears that the OTP could become a reality within the next sixty days. With this in mind, I would like to propose the attached draft of a Presidential memorandum for your consideration. After you have had a chance to look it over, I would like to get together with you and work out the details of the final memorandum.

BRIGADIER GENERAL JAMES D. HUGHES

A handwritten signature in dark ink, appearing to read "James D. Hughes", is written over the typed name. The signature is fluid and cursive, with a large loop at the end.

D R A F T

17 February 1970

SUBJECT: White House Communications Agency (WHCA)

In my memorandum to the Secretary of Defense on April 29, 1969, the Military Assistant to the President was designated as my representative for a point of contact for requirements and giving policy direction to DCA/WHCA concerning Presidential communications.

The establishment of the Office of Telecommunications Policy does not change the above responsibilities of the Military Assistant. However, the Director of Telecommunications Policy is authorized to coordinate with the Military Assistant any DCA/WHCA matters affecting Presidential communications when it is determined that such matters are of mutual concern.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

December 15, 1969

MEMORANDUM FOR MR. CLAY T. WHITEHEAD

SUBJECT: Office of Telecommunications Policy (OTP)

In your 8 December memorandum to me, on the subject, you indicated that you believed that it would be more appropriate to handle the matter of the White House Communications Agency (WHCA) in a memorandum from the President. I agree to your proposed method of handling the relationship between WHCA and OTP. Also, I agree with your thoughts that neither the Director of OTP nor his staff should be involved in WHCA operations in any way. Further, I do not question the statement that the Director be the President's principal advisor on telecommunications matters. I do, however, have some reservations on the degree to which he needs to know about the "needs, capabilities, and activities of WHCA." For example, communications support provided by WHCA to the President basically falls into three categories, as follows:

- a. Personal communications.
- b. Communications in support of the President as the head of the Republican Party.
- c. Those communications in support of the President as the head of state and the Commander in Chief of the Armed Forces.

In viewing the above categories, I believe it is apparent that only the latter of these three categories should be of any direct interest to the Director of OTP. I do not believe that it would serve any useful purpose to have the Director of OTP nor his staff involved in any way with the WHCA needs, capabilities or activities associated with the first two categories.

I would like to suggest that we get together soon to draft a Presidential memorandum to clarify these relationships. Further, I believe it would be appropriate that this memorandum be signed prior to, or concurrently with, the publication of the OTP charter.


COLONEL JAMES D. HUGHES

*Fed Comm
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December 8, 1969

MEMORANDUM FOR COLONEL HUGHES

Attached for your information is a copy of the final version of our Recommendation on Executive Branch Organization for Telecommunications Matters. You will note that I have adopted many of your suggestions. I have, however, omitted any reference to the White House Communications Agency since I feel that this is not a matter appropriate for discussion and comment throughout the Administration.

I agree only in part with your view that WHCA should be totally outside the purview of the new Office of Telecommunications Policy. Neither the Director of Telecommunications Policy nor his staff should be involved in WHCA operations in any way. However, it is important that the Director be the President's principal adviser on telecommunications matters. It is essential, therefore, that he personally be fully informed about the needs, capabilities, and activities of WHCA.

I believe that the appropriate way to handle this very confidential matter is through an understanding between the President, his immediate staff, his Military Aide, and the Director of Telecommunications Policy. This is more appropriately handled through a memorandum from the President outlining how that matter is to be handled than in an Executive Order establishing organizational responsibilities throughout the executive branch. Such a procedure would provide more flexibility and more confidentiality.

I would welcome any further views you have on this document, since it is now being circulated for comment among the various Federal departments and agencies.

Clay T. Whitehead
Staff Assistant

Attachment

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

CTWhitehead:jm/ed

How Nixon's Planned New Office of Telecommunications Policy Affects You

Bulletin!

It was learned at presstime that the Budget Bureau, which assisted in the preparation of the OTP reorganization memorandum, has incorporated funding of the program in the Federal budget which President Nixon will present to Congress.

ALL OF US who have run a business can agree that it is much easier to stop a project before it starts than to cut it down once it has started. It is necessary therefore that we know what government is planning before the change becomes an accomplished fact, either by legislation or reorganization.

I'm not inferring by this that all change is bad—far from it. What I am saying is that "We the People" must keep ourselves informed and our elected representatives advised of our feelings.

Some of you will remember my remarks in 1969 while I was president of USITA, regarding President Johnson's *Taskforce Report on Telecommunications*. Those of you that didn't hear of it there may have read *Telephone Engineer & Management* on the subject. Frankly, many of the ideas brought out in the report were frightening to any telephone man or woman.

Some of those ideas are still being kicked around in Government.

In December 1969 a memorandum concerning Executive Branch Organization for Telecommunications received limited circulation



There are more 'pros' than 'cons' in the upcoming reorganization of national telecommunications management. But now is the eleventh hour for you to influence final direction on important points.

within Government with a request for comments. I will not bother you with the complete memorandum but will cover a few of the highlights and comment on them.

- First, it was indicated that there is a serious lack of effective machinery for dealing expeditiously with domestic telecommunications issues.

- Second, it was indicated that efforts to coordinate the procurement and use of telecommunications facilities and services by the

Federal Government have had limited success.

- Third, it was indicated that the handling of spectrum allocation is inefficient.

The history of the Office of Telecommunications Management, the memo indicated, reveals that attempts by the DTM to exercise leadership in communications policy has been largely ineffectual. The several studies that have been made since World War II were re-

Continued on page 54

Nixon's OTP

Continued

ferred to in the memo and briefly discussed. Reorganization issues were also briefly discussed.

The following recommendation for reorganization was then made:

An Office of Telecommunications Policy should be established as an independent entity in the Executive Office of the President. The Director of this office, appointed by the President, would have primary executive branch responsibility for both national telecommunications policies and Federal administrative telecommunication operations. (See boxed list)

In performing these functions, the Director, Office of Telecommunications Policy, will be assisted by a small staff, augmented as required by: (1) ad hoc, interagency

and such other areas as may be required.

The Office of Telecommunications Policy should be established with an initial strength of up to 30 professionals, including up to 15 at supergrade levels. The position of Director, Office of Telecommunications Policy should be established at executive pay level III. Provision should be made within the budget of the office for adequate consulting fees and contractual support; and for administrative support to, and space for, task groups and personnel on short-term detail.

The Office of Telecommunications Management in the OEP should be abolished. All policy functions of that office not directly related to emergency preparedness

branch, subject to general policy guidance on appropriate matters from the National Security Council and the Director, OEP. This function will continue to be exercised through the mechanism of the National Communications System (NCS) until changes in that mechanism are suggested by the policy review recommended above and approved by the President.

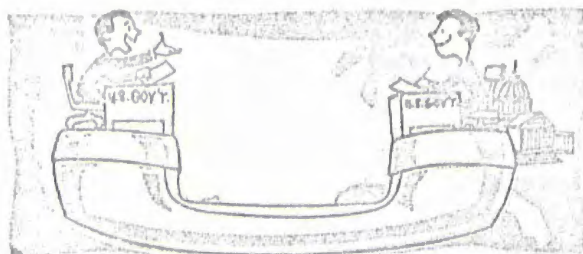
I could not agree more with the suggestion that the Office of Telecommunications Management should be established as an independent agency in the Executive Office of the President and that the Director of this office should report directly to the President rather than, as at present, through the Office of Emergency Planning. This would enhance the influence of OTM in the exercise of its functions.

Calling it "Office of Telecommunications Policy" seems appropriate and the responsibilities outlined are broad and all encompassing. It is difficult to interpret just what the author had in mind. Each person reading these responsibilities could make his own interpretation of just what these responsibilities are. That can be frightening and I personally think it will frighten a lot of people. Add to that the fact that many of the phases are reminiscent of phases in the *Johnson Telecommunications Report* and you can see many telephone people taking exception.

Built-in Checks

A lot would depend on the Director and the President. But don't forget that our system of government provides for balances and counter balances. We would still have the judicial and legislative branches of government to step in if the Administrative branch overstepped its bounds. On top of that we would not have to (as in some countries) reelect a President that we did not want.

Regardless of all this, a better



"The cost of government is unproductive. While it is necessary, we must constantly endeavor to keep its costs within bounds."

and nongovernment task groups, (2) independent consultants, (3) contract studies, (4) a new Telecommunications Research and Analysis Center, (5) the Interdepartment Radio Advisory Committee, and (6) a new Telecommunications Advisory Committee composed of experts from outside of the government. So long as the NCS structure is retained, he will also be assisted by the Executive Agent of the NCS.

A Telecommunications Research and Analysis (TRAC) should be established in the Department of Commerce, reporting to the Assistant Secretary for Science and Technology. The TRAC would provide a centralized research, engineering and analysis capability in support of spectrum management

should be transferred to the Office of Telecommunications Policy, along with appropriate emergency planning functions, final spectrum management authority, and NCS responsibilities. The major portion of the Frequency Management Directorate of the OTM should be transferred to the Department of Commerce to provide the technical and clerical support functions described above. The position of Special Assistant to the President for Telecommunications should be abolished.

The Office of Telecommunications Policy will exercise the policy functions of the Executive Office of the President with respect to the planning, integration, and emergency use of the telecommunications systems of the executive

way of administrating the allocation of the frequency spectrum for use of communication services and the Federal Government is necessary and desirable. It is also necessary and desirable to develop a better method to coordinate the management of communications services for the Federal Government. Further centralization may be necessary and a "systems engineering" capacity seems desirable.

It is also very desirable to establish a coordinated program for technical assistance to state and local governments in the field of communications.

I do not feel that the suggestions made would greatly expand OTM or make it a super-regulatory body, if for no other reason than the checks and balances we already have in government.

It does disturb me as to what is meant by "representing the executive branch in FCC procedures." There is no reason however why this could not be explained to everyone's satisfaction—or, if not, left out. After all, our government's operation is based on negotiation and compromise.

Small, Flexible Groups

I like the idea that a big permanent staff would not be necessary in the OTP but that arrangements are provided for the use of ad hoc, interagency and non-government task groups, independent consultants, contract studios, the Interdepartment Radio Committee, and a new Telecommunications Advisory Committee.

But what is this new Telecommunications Research and Analysis Center? It seems unnecessary to burden taxpayers to establish a research capacity which would merely duplicate the facilities and skilled scientific and technical manpower already provided by the private sector. When O.T.P. or other government agency requires specialized R&D, they can always procure it from the large number of

independent research firms. The reliance on privately financed research and development is, in my opinion, the wisest course for stimulating initiative and progress in communication for the economy as a whole.

The qualifications listed as necessary for the Director of OTP are very impressive—in fact so impressive that it may make it a little difficult to find such a person. For that reason it is possible that the word "must" might be changed to one not quite so demanding. It is important however that the director of this office be well qualified and a strong person.

All in all, this is the best recommendation I have seen to date. What disturbs me is how long it

RESPONSIBILITIES OF THE OFFICE OF TELECOMMUNICATIONS POLICY

1) Economic, technical and systems analysis of telecommunications policies and opportunities in support of national policy formulation and U.S. participation in international telecommunications activities.

2) Developing executive branch policy on telecommunications matters including, but not limited to, industry organization and practices, regulatory policies, and the allocation and use of the electromagnetic spectrum for both government and non-government use.

3) Advocating executive branch policies to the FCC, and through the President to the Congress; and representing the executive branch in FCC proceedings.

4) Exercising final authority for the assignment of the spectrum to government users, and developing with the FCC a long-range plan for improved management of the total radio spectrum.

5) Reviewing and evaluating the research and development for, and planning, operation, testing, procurement, and use of all telecommunication systems and services by the Federal government; developing appropriate policies and standards for such systems; and making recommendations to the Bureau of the Budget and responsible departmental officials concerning the scope and funding of competing, overlapping, or inefficient programs.

6) Exercising the functions conferred on the President by the Communications Satellite Act.

7) Under the policy guidance of the Director, Office of Emergency Preparedness, coordinating plans and programs for testing of and preparing to the use of telecommunications resources in a state of national emergency.

8) Test, review, and report to the President, through the National Security Council, on the ability of national communications resources to meet established national security requirements efficiently and responsively.

9) Coordinating Federal assistance to state and local governments in the telecommunications field.

will take to accomplish. It would appear that no effort will be made to fill this position of Director, Office of Telecommunications Management until this reorganization is accomplished. In the meantime, that office is left to drift in a vacuum. The handling of telecommunications by the government is too important to the economy of this country to be left to drift for long. If it is the intention of the Administration to hold off on an appointment until reorganization is accomplished, then we should encourage the Administration to proceed as rapidly as possible.

If an agreement on reorganization might take sometime—then we should press for appointment of a director now.

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Computer privacy issue raised on Nixon plan

President Nixon's reorganization plan for telecommunications lay temporarily dormant in the Senate and House Government Operations Committees last week, but not entirely out of sight. Representative Cornelius J. Gallagher (D-N.J.), a member of the House unit, filed a disapproval resolution designed to insure congressional consideration of two nonbroadcast issues: computer privacy and free telephone service for the legislative branch.

The congressman acknowledged that his resolution was basically a "technical step," and he expressed support for the President's plan. What he wants is some assurance from the executive branch that the two issues of concern to him will be "a focus of the vitally needed Office of Telecommunications Policy" that would be created under the plan.

Representative Gallagher said the new office will probably permit the government to deal more effectively with new computer technology—"but unless it includes the issue of privacy, it will probably be outmoded before it is established," he said. "In addition, I believe the Congress has been discriminated against (in contrast to the executive department) in the use of the free phone service provided under the Federal Telecommunications System."

The effect of a disapproval resolution is to prevent automatic passage of a reorganization plan. The plan becomes effective 60 days after it is submitted to Congress unless either house vetoes it. Before that can happen, a formal disapproval resolution must be introduced. Representative Gallagher's resolution is

not a serious threat to passage of the plan and is not intended to be, provided the executive branch gives him the reassurance he requested.

The House Executive and Legislative Reorganization Subcommittee of Government Operations still plans to hold hearings on the President's proposal, but no dates or witnesses are set. The comparable Senate subcommittee has yet to announce its course of action.

The President's plan, submitted to Congress earlier this month (BROADCASTING, Feb. 16), would create a new Office of Telecommunications Policy in the White House. The office would take on the duties now assigned to the director of telecommunications in the Office of Emergency Preparedness. It would serve as the President's principal adviser on telecommunications matters and would help formulate policies and coordinate operations for the government's own telecommunications system. It would also assign frequencies for that system and execute the duties given to the President under the Communications Satellite Act.

In addition, the office is designed to "enable the executive branch to speak with a clearer voice and to act as a more effective partner in discussions of communications policy with both the Congress and the Federal Communications Commission," as the President stated it in his message to Congress. Although these words suggested that the chief executive might take a larger role in FCC matters, the commissioners do not regard that development as inherent in the reorganization plan and do not anticipate such usurpation of their power.

House to Mull Nixon Telecom Policy

By HAL TAYLOR

WASHINGTON. — Congress is going to hold public hearings on President Nixon's proposed Office of Telecommunications Policy.

No date has been set for the hearing, but it is expected to be held later this month.

The hearings will be held by the House Government Operations Subcommittee on Executive and Legislative Reorganization, headed by Rep. John Blatnik (D., Minn.).

He said: "Telecommunications has become a major Government activity in recent years and may well deserve the upgrading in organizational arrangements that this reorganization plan proposed.

"There are, however, many crucial factors involved which must be carefully studied by our subcommittee before we recommend to the House whether or not the plan should be accepted. I have asked our staff to make the necessary preliminary investigations."

Thus far, no significant opposition to the new office has surfaced.

"Good Thing."

John Sodalski, staff vice-president of the Electronic Industries Association's Industrial Products division said, "It looks like a consolidation of executive responsibility might be a good thing."

Other industry officials feel the hearings are a good idea because there are some ambiguities in the President's message to Congress which should be clarified.

One is exactly what role the Commerce Department will play in telecommunications policy and technology. Another is the question of the interface between the new office and the Federal Communications Commission.

President Nixon sent his reorganization plan to Congress on Feb. 9. If Congress does not disapprove, the reorganization will be effective in 60 days.

President Nixon told Congress: "As the largest single user of the nation's telecommunications facilities, the Federal Government must also

manage its internal communications operations in the most effective manner possible."

He said that accordingly he is submitting a reorganization plan which will abolish the old Office of Telecommunications Management in the Office of Emergency Preparedness and establish the new Office of Telecommunications Policy.

The President said the new office will serve as his principal adviser on telecommunications policy, helping to formulate Government policies concerning a wide range of domestic and international telecommunications issues.

Guidelines.

He said the office will also help formulate policies and coordinate operations of the Federal Government's own vast communications systems. "It would, for example, set guidelines for the various departments and agencies concerning their communications equipment and services. The office will also direct the assignment of those portions of the radio spectrum which are reserved for Government use," President Nixon continued.

"The new office would enable the executive branch to speak with a clearer voice and to act as a more effective partner in discussions of communications policy with both the Congress and the Federal Communications Commission."

Nixon Administration officials denied that this means discussions with FCC could lead to censorship of broadcasters or to illegal pressure being placed on the commission.

The new office will also make recommendations to the Bureau of the Budget on funding for communication systems and research and development programs.

The office will have a director and a deputy director plus a staff which reportedly will be smaller than that of its predecessor, the Office of Telecommunications Management (OTM). Apparently, the White House does not plan to transfer all of the personnel of OTM.

There also has been no announcement of who will serve as director of the office. The White House said late last week that it still had several candidates under consideration.

.... from ELECTRONIC NEWS, Monday, February 16, 1970

TO THE CONGRESS OF THE UNITED STATES:

We live in a time when the technology of telecommunications is undergoing rapid change which will dramatically affect the whole of our society. It has long been recognized that the executive branch of the Federal government should be better equipped to deal with the issues which arise from telecommunications growth. As the largest single user of the nation's telecommunications facilities, the Federal government must also manage its internal communications operations in the most effective manner possible.

Accordingly, I am today transmitting to the Congress Reorganization Plan No. 1 of 1970, prepared in accordance with chapter 9 of title 5 of the United States Code.

That plan would establish a new Office of Telecommunications Policy in the Executive Office of the President. The new unit would be headed by a Director and a Deputy Director who would be appointed by the President with the advice and consent of the Senate. The existing office held by the Director of Telecommunications Management in the Office of Emergency Preparedness would be abolished.

In addition to the functions which are transferred to it by the reorganization plan, the new Office would perform certain other duties which I intend to assign to it by Executive order as soon as the reorganization plan takes effect. That order would delegate to the new Office essentially those functions which are now assigned to the Director of Telecommunications Management. The Office of Telecommunications Policy would be assisted in its research and analysis responsibilities by the agencies and departments of the Executive Branch including another new office, located in the Department of Commerce.

The new Office of Telecommunications Policy would play three essential roles:

1. It would serve as the President's principle adviser on telecommunications policy, helping to formulate government policies concerning a wide range of domestic and international telecommunications issues and helping to develop plans and programs which take full advantage of the nation's technological capabilities. The speed of economic and technological advance in our time means that new questions concerning communications are constantly arising, questions on which the government must be well informed and well advised. The new Office will enable the President and all government officials to share more fully in the experience, the insights, and the forecasts of government and non-government experts.
2. The Office of Telecommunications Policy would help formulate policies and coordinate operations for the Federal government's own vast communications systems. It would, for example, set guidelines for the various departments and agencies concerning their communications equipment and services. It would regularly review the ability of government communications systems to meet the security needs of the nation and to perform effectively in time of emergency. The Office would direct the assignment of those portions of the radio spectrum which are reserved for government use, carry out responsibilities conferred on the President by the Communications Satellite Act, advise State and local governments, and provide policy direction for the National Communications System.
3. Finally, the new Office would enable the executive branch to speak with a clearer voice and to act as a more effective partner in discussions of communications policy with both the Congress and the Federal Communications Commission. This action would take away none of the prerogatives or functions assigned to the Federal Communications Commission by the Congress. It is my hope, however, that the new Office and the Federal Communications Commission would cooperate in achieving certain reforms in telecommunications policy, especially in their procedures for allocating portions of the radio spectrum for government and civilian use. Our current procedures must be more flexible if they are to deal adequately with problems such as the worsening spectrum shortage.

Each reorganization included in the plan which accompanies this message is necessary to accomplish one or more of the purposes set forth in section 901(a) of title 5 of the United States Code. In particular, the plan is responsive to section 901(a)(1), "to promote the better execution of the laws, the more effective management of the executive branch and of its agencies and functions, and the expeditious administration of the public business;" and section 901(a)(3), "to increase the efficiency of the operations of the government to the fullest extent practicable."

The reorganizations provided for in this plan make necessary the appointment and compensation of new officers, as specified in sections 3(a) and 3(b) of the plan. The rates of compensation fixed for these officers are comparable to those fixed for other officers in the executive branch who have similar responsibilities.

This plan should result in the more efficient operation of the government. It is not practical, however, to itemize or aggregate the exact expenditure reductions which will result from this action.

The public interest requires that government policies concerning telecommunications be formulated with as much sophistication and vision as possible. This reorganization plan -- and the executive order which would follow it -- are necessary instruments if the government is to respond adequately to the challenges and opportunities presented by the rapid pace of change in communications. I urge that the Congress allow this plan to become effective so that these necessary reforms can be accomplished.

THE WHITE HOUSE,

February 19, 1970

Dear Mr. Mazzella:

Thanks for your interest in the President's proposal for a telecommunications reorganization and for the copies of your thesis and resume. Your resume will be referred to the proper person when the Office of Telecommunications Policy is established.

There is no formal report available; however, we are enclosing copies of the White House releases concerning the reorganization.

Sincerely,

Clay T. Whitehead
Staff Assistant

Enclosures

Mr. Donald P. Mazzella
112 East Harwood Terrace
Palisades Park, New Jersey 07650

EDaughtrey

cc: Mr. Whitehead
Central Files

*Ad
Comman Dr*

February 19, 1970

Dear Mr. Slattery:

Thank you for your letter to Mr. Peter Flanigan expressing interest in the President's proposal for a telecommunications reorganization.

We will hold your letter and resume until the new Office of Telecommunications Policy has been established.

Sincerely,

Clay T. Whitehead
Staff Assistant

Mr. John J. Slattery
103 Scott Adam Road
Cockeysville, Maryland 21030

cc: Mr. Whitehead
Central Files

EDaughtrey

*At Home
Org*

February 19, 1970

Dear Mr. White:

Thank you for your letter to Mr. Peter Flanigan expressing interest in the President's proposal for a telecommunications reorganization.

We will hold your letter and resume until the new Office of Telecommunications Policy is established.

Sincerely,

Clay T. Whitehead
Staff Assistant

Mr. Robert Hasting White
3632 Tallwood Terrace
Falls Church, Virginia 22041

cc: Mr. Whitehead
Central Files

EDaughtrey

*Richard
Communications
Policy*

February 19, 1970

Dear Mr. Kilcoyne:

Thank you for your letter of February 11, 1970, expressing interest in the President's proposal for a telecommunications reorganization.

We will hold your letter until the new Office of Telecommunications Policy has been established.

Sincerely,

Clay T. Whitehead
Staff Assistant

Mr. James H. Kilcoyne, Jr.
6508 Barnaby Street, N. W.
Washington, D. C. 20015

cc: Mr. Whitehead
Central Files

EDaughtrey

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February 19, 1970

Dear Mr. Best:

Thank you for your letter expressing interest in the President's proposal for a telecommunications reorganization.

We will hold your letter and resume until the new Office of Telecommunications Policy is established.

Sincerely,

Clay T. Whitehead
Staff Assistant

Mr. Arthur M. Best
3101 P Street, N. W.
Washington, D. C. 20007

cc: Mr. Whitehead
Central Files

EDaughtrey

*Fed Com
Org*

February 19, 1970

Dear Mr. Granitsas:

Thank you for your letter expressing interest in the President's proposal for a telecommunications reorganization and in the domestic satellite policy. I am enclosing copies of the White House releases with respect to those proposals.

We will hold your letter until the new Office of Telecommunications Policy is established.

Sincerely,

Clay T. Whitehead
Staff Assistant

Enclosures

Mr. Spyridon Granitsas
Department of Communication
Arts and Sciences
Queens College of the
City University of New York
Flushing, New York 11367

cc: Mr. Whitehead
Central Files

EDaughtrey

Fed Com Org.

February 19, 1970

Dear Mr. Leavitt:

Thank you for your interest in the new Office of
Telecommunications Policy.

We will hold your resume until the new office is
established.

Sincerely,

Clay T. Whitehead
Staff Assistant

Mr. David H. Leavitt
409 Dorchester Road
Falls Church, Virginia 22046

EDaughtrey

FEDERAL COMMUNICATIONS REORGANIZATION

Copies sent to:

Martin Hoffman
Frank Hammill
Dale Smith
Walt Hinchman
Dr. Radius
Gerard Brennan (Treasury Dept.)
Arnold Smith
John Morgan (Communications Workers of
America)

Brent Armstrong
Jim McKenna (COMSA T)
Charles Cooper (Union of Illinois)
Walter Harrison

Copies Picked up By:

Dick Gabel
Rosemary Kroo (Sodolski)
Fred Loflin (ITT) (Transcript)
Jay Hall

AND THE HOUSE OF REPRESENTATIVES

Office of the White House Press Secretary

THE WHITE HOUSE

TELECOMMUNICATIONS REORGANIZATION

TO THE CONGRESS OF THE UNITED STATES:

We live in a time when the technology of telecommunications is undergoing rapid change which will dramatically affect the whole of our society. It has long been recognized that the executive branch of the Federal government should be better equipped to deal with the issues which arise from telecommunications growth. As the largest single user of the nation's telecommunications facilities, the Federal government must also manage its internal communications operations in the most effective manner possible.

Accordingly, I am today transmitting to the Congress Reorganization Plan No. 1 of 1970, prepared in accordance with chapter 9 of title 5 of the United States Code.

That plan would establish a new Office of Telecommunications Policy in the Executive Office of the President. The new unit would be headed by a Director and a Deputy Director who would be appointed by the President with the advice and consent of the Senate. The existing office held by the Director of Telecommunications Management in the Office of Emergency Preparedness would be abolished.

In addition to the functions which are transferred to it by the reorganization plan, the new Office would perform certain other duties which I intend to assign to it by Executive order as soon as the reorganization plan takes effect. That order would delegate to the new Office essentially those functions which are now assigned to the Director of Telecommunications Management. The Office of Telecommunications Policy would be assisted in its research and analysis responsibilities by the agencies and departments of the Executive Branch including another new office, located in the Department of Commerce.

The new Office of Telecommunications Policy would play three essential roles:

1. It would serve as the President's principle adviser on telecommunications policy, helping to formulate government policies concerning a wide range of domestic and international telecommunications issues and helping to develop plans and programs which take full advantage of the nation's technological capabilities. The speed of economic and technological advance in our time means that new questions concerning communications are constantly arising, questions on which the government

more

(OVER)

must be well informed and well advised. The new Office will enable the President and all government officials to share more fully in the experience, the insights, and the forecasts of government and non-government experts.

2. The Office of Telecommunications Policy would help formulate policies and coordinate operations for the Federal government's own vast communications systems. It would, for example, set guidelines for the various departments and agencies concerning their communications equipment and services. It would regularly review the ability of government communications systems to meet the security needs of the nation and to perform effectively in time of emergency. The Office would direct the assignment of those portions of the radio spectrum which are reserved for government use, carry out responsibilities conferred on the President by the Communications Satellite Act, advise State and local governments, and provide policy direction for the National Communications System.

3. Finally, the new Office would enable the executive branch to speak with a clearer voice and to act as a more effective partner in discussions of communications policy with both the Congress and the Federal Communications Commission. This action would take away none of the prerogatives or functions assigned to the Federal Communications Commission by the Congress. It is my hope, however, that the new Office and the Federal Communications Commission would cooperate in achieving certain reforms in telecommunications policy, especially in their procedures for allocating portions of the radio spectrum for government and civilian use. Our current procedures must be more flexible if they are to deal adequately with problems such as the worsening spectrum shortage.

Each reorganization included in the plan which accompanies this message is necessary to accomplish one or more of the purposes set forth in section 901(a) of title 5 of the United States Code. In particular, the plan is responsive to section 901(a)(1), "to promote the better execution of the laws, the more effective management of the executive branch and of its agencies and functions, and the expeditious administration of the public business;" and section 901(a)(3), "to increase the efficiency of the operations of the government to the fullest extent practicable."

The reorganizations provided for in this plan make necessary the appointment and compensation of new officers, as specified in sections 3(a) and 3(b) of the plan. The rates of compensation fixed for these officers are comparable to those fixed for other officers in the executive branch who have similar responsibilities.

This plan should result in the more efficient operation of the government. It is not practical, however, to itemize or aggregate the exact expenditure reductions which will result from this action.

The public interest requires that government policies concerning telecommunications be formulated with as much sophistication and vision as possible. This reorganization plan -- and the executive order which would follow it -- are necessary instruments if the government is to respond adequately to the challenges and opportunities presented by the rapid pace of change in communications. I urge that the Congress allow this plan to become effective so that these necessary reforms can be accomplished.

RICHARD NIXON

THE WHITE HOUSE,

February 9, 1970.

###

REORGANIZATION PLAN NO. 1 OF 1970

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, February 9, 1970, pursuant to the provisions of chapter 9 of title 5 of the United States Code.

OFFICE OF TELECOMMUNICATIONS POLICY

Section 1. Transfer of functions. The functions relating to assigning frequencies to radio stations belonging to and operated by the United States, or to classes thereof, conferred upon the President by the provisions of section 305 (a) of the Communications Act of 1934, 47 U. S. C. 305 (a), are hereby transferred to the Director of the Office of Telecommunications Policy hereinafter provided for.

Sec. 2. Establishment of Office. There is hereby established in the Executive Office of the President the Office of Telecommunications Policy, hereinafter referred to as the Office.

Sec. 3. Director and deputy. (a) There shall be at the head of the Office the Director of the Office of Telecommunications Policy, hereinafter referred to as the Director. The Director shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate now or hereafter provided for Level III of the Executive Schedule Pay Rates (5 U. S. C. 5314).

(b) There shall be in the Office a Deputy Director of the Office of Telecommunications Policy who shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate now or hereafter provided for Level IV of the Executive Schedule Pay Rates (5 U. S. C. 5315). The Deputy Director shall perform such functions as the Director may from time to time prescribe and, unless the President shall designate another person to so act, shall act as Director during the absence or disability of the Director or in the event of vacancy in the office of Director.

more

(OVER)

(c) No person shall while holding office as Director or Deputy Director engage in any other business, vocation, or employment.

Sec. 4. Performance of functions of Director. (a) The Director may appoint employees necessary for the work of the Office under the classified civil service and fix their compensation in accordance with the classification laws.

(b) The Director may from time to time make such provisions as he shall deem appropriate authorizing the performance of any function transferred to him hereunder by any other officer, or by any organizational entity or employee, of the Office.

Sec. 5. Abolition of office. That office of Assistant Director of the Office of Emergency Preparedness held by the Director of Telecommunications Management under Executive Order No. 10995 of February 16, 1962, as amended, is abolished. The Director of the Office of Emergency Preparedness shall make such provisions as he may deem to be necessary with respect to winding up any outstanding affairs of the office abolished by the foregoing provisions of this section.

Sec. 6. Incidental transfers. (a) So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, held, or used by, or available or to be made available to, the Office of Emergency Preparedness in connection with functions affected by the provisions of this reorganization plan as the Director of the Bureau of the Budget shall determine shall be transferred to the Office of Telecommunications Policy at such time or times as he shall direct.

(b) Such further measures and dispositions as the Director of the Bureau of the Budget shall deem to be necessary in order to effectuate the transfers provided for in subsection (a) of this section shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

Sec. 7. Interim Director. The President may authorize any person who immediately prior to the effective date of this reorganization plan

holds a position in the Executive Office of the President to act as Director of the Office of Telecommunications Policy until the office of Director is for the first time filled pursuant to the provisions of section 3 of this reorganization plan or by recess appointment, as the case may be. The President may authorize any person who serves in an acting capacity under the foregoing provisions of this section to receive the compensation attached to the office of Director. Such compensation, if authorized, shall be in lieu of, but not in addition to, other compensation from the United States to which such person may be entitled.

#

February 9, 1970

RESPONSIBILITIES OF THE OFFICE OF TELECOMMUNICATIONS POLICY

The Director of the Office of Telecommunications Policy develops the executive branch position on national telecommunications policy, coordinates the planning and operation of the telecommunications systems of the Federal government, discharges responsibilities assigned to the President in the areas of spectrum management and satellite communications, and performs emergency planning and control functions for telecommunications.

The Director serves as the President's principal advisor on telecommunications policy, including:

- (1) Policies with respect to U.S. domestic and international communications industry.
- (2) The allocation, use, and management of the radio spectrum resource for government use, and preparation of recommendations to the FCC on spectrum allocation for civilian use.
- (3) The preparation of U.S. positions for international communication conferences, conventions, and organizations.
- (4) Federal research and development programs in support of the above.

The Director assures that the executive branch position on telecommunication policy issues is effectively presented to the Congress and to the Federal Communications Commission in the form of legislative proposals, recommendations, and testimony as required, and that there is effective cooperation with the FCC on policy issues.

The Director's responsibilities for the planning and operation of Federal government telecommunications systems include:

- (1) Development of government-wide standards for equipment and procedures, as required in the interest of economy or effectiveness.
- (2) Evaluation of the ability of national communications resources adequately and efficiently to meet established national security and emergency communications requirements.
- (3) Recommendations to the Bureau of the Budget concerning the funding of communications systems and research and development programs.
- (4) Preparation of guidelines for the most economical procurement of Federal telecommunications services.

The Director exercises the authority, delegated by the President, to assign radio frequencies for use by the government. He is assisted in this responsibility by a new agency and by the Interdepartmental Radio Advisory Committee. He carries out the responsibilities conferred on the President by the Communications Satellite Act. The Director coordinates the development of plans and programs for the mobilization and use of telecommunications resources in an emergency, and prepares to administer national telecommunications resources in the event of war under the overall policy guidance of the Director, OEP.

The Director coordinates assistance in telecommunications matters provided by the Federal government to State and local governments. He appoints scientists, engineers, and economists from outside government to advise on telecommunications matters.

TELECOMMUNICATIONS MANAGEMENT REORGANIZATION

These are some of the activities and functions in telecommunications management which will be assigned subsequent to the establishment of the Office of Telecommunications Policy in the Executive Office of the President:

Office of Telecommunications Policy

A. Statutory authorities vested in the President

1. Emergency functions under the Communications Act of 1934 exercised under overall policy direction of Director, OEP.

2. Functions conferred upon the President under the Communications Satellite Act of 1962, as amended.

B. Other functions now assigned by executive order or Presidential Memorandum.

1. Serve as President's principal adviser on telecommunications policy.

2. Conduct economic, technical, and systems analyses related to the Government's use of telecommunications and national telecommunications policy.

3. Establish program of analysis and research in support of U.S. participation in international telecommunications activities.

4. Make recommendations to the President through the National Security Council on national security and emergency preparedness aspects of telecommunications system.

5. Coordinate the development of policy, plans, and programs for emergency use of telecommunications resources -- under policy direction of Director, OEP.

6. Coordinate legislative proposals and recommendations to the Congress on telecommunications policy issues and Administration recommendations to the FCC on policy issues.

7. Coordinate Federal assistance to State and local governments in the telecommunications area.

C. The Secretary of Commerce

The Secretary of Commerce shall provide support to the Director of Telecommunications in the following ways:

1. Provide a centralized research and engineering capability for coordination of Federal frequency uses and assignments.

2. Develop and operate a national electromagnetic compatibility analysis facility.

3. Conduct research and analysis in telecommunications sciences.

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FEBRUARY 9, 1970

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

PRESS CONFERENCE

OF

RON ZIEGLER, PRESS SECRETARY

TO THE PRESIDENT AND

TOM WHITEHEAD, STAFF ASSISTANT, ON
TELECOMMUNICATIONS REORGANIZATION

AT 11:22 A.M. EST

MR. ZIEGLER: You have the message which the President is sending to Congress today on Telecommunications Reorganization. I believe the fact sheet covers the details fairly well. This is for release at 12:00 noon today.

The President is signing the Reorganization Plan as outlined in the message and in so doing he will establish a telecommunications policy office, officially titled the Office of Telecommunications Policy which will replace the old Office of Telecommunications Management which has been under the Office of Emergency Preparedness. The new office will assume the current responsibilities of the Office of Telecommunications Management and also will take on a broader role in developing policy and advising the President on telecommunications policy.

The Reorganization Plan, which is also attached to the message, states specifically that it is delegating the President's authority to assign radio frequencies to Federal agencies. When the Reorganization Plan becomes effective -- and this will become effective in 60 days if the Congress does not take action -- then the President intends to issue an Executive Order which will transfer the responsibilities of the old Office to the new Office and give them additional responsibilities which are spelled out in the fact sheet.

It has been long recognized by Congress and by the industry that the Executive Branch should strengthen its capabilities in the area of telecommunications policy. This is the reason for the establishing of the new Office in the Office of President.

In no way will the Office intrude, of course, on the quasi-judicial responsibilities of the FCC of granting of the broadcast rights to the private individuals. However, with the enhanced capabilities of the new Office, the Executive should be able to contribute to a greater extent than in the past in the overall policy discussion of national telecommunication matters, much as in the case of the domestic satellite study which we released recently stating the Executive position on that particular matter.

Further, the new Office will, of course, be involved in the National Security Communications and coordinating the various communications facilities of the Government agencies.

MORE

(OVER)

Q Does that include the "Hot Line"?

MR. ZIEGLER: I don't think the "Hot Line" would fall under that, no.

Q Does this mean that they would have charge of wiretapping or that they could control whether there was wiretapping or prevent wiretapping?

MR. ZIEGLER: No. This does not have anything to do with that.

Q It says "control of telecommunications."

MR. ZIEGLER: The Government is the largest user of telecommunications. The control of the issuance of the spectrum to the various Government agencies -- Defense Department and State Department and so forth -- this is what that refers to, but not to the Justice Department process of wiretapping.

Q Could there be any chance that this organization could improve the Government telephone service, the way in which people communicate with the Government by telephone now? It is very bad.

MR. ZIEGLER: We hope that the new Office will provide a more efficient and more effective use of the telecommunications facilities on the part of the Government.

Q When a citizen comes to town and he doesn't know the extension of a man who works for the Federal Government, they have a terrible time finding him.

MR. ZIEGLER: This would not relate to that particular aspect of communication.

Q Who holds the office?

MR. ZIEGLER: General O'Connell held it. He resigned about a year ago. The Office has been vacant since that time because this has been a matter of discussion for some time, this reorganization plan.

Q How about the Director and the Deputy, what are their salaries?

MR. ZIEGLER: The salary of the Director will be \$40,000. The Deputy Director's salary will be \$36,000.

Q How many frequencies does the Federal Government have at the present time?

MR. WHITEHEAD: It gets rather complicated. It is commonly said that the Federal Government has about half. I would not attest to the validity of that at all.

Q Ron, on page 2 of the message the President expressed the hope that the new Office and the FCC would cooperate in achieving certain reforms in telecommunications policy, especially in their procedures for allocating portions of the radio spectrum for government and civilian use.

What reform does he have in mind?

MR. ZIEGLER: The more efficient allocation of not only the Government, which the President has the authority to allocate, but also, as I mentioned earlier, one of the purposes of establishing the Office is to provide the Executive with a greater ability to examine, to study, to analyze the entire use of telecommunication which, of course, includes the radio spectrum. And through the knowledge that would evolve from this analysis and discussions with the FCC, perhaps this would lead to even more effective use of also the civilian channels.

Q Ron, would this broaden into an Executive advisory capacity with the FCC on general FCC policies?

MR. ZIEGLER: It would allow the President to be advised to a greater extent than he has been able to in the past by an office which is fully capable of providing him with background in policy suggestions regarding the matters which the FCC is involved in.

It would allow the President to present more thoroughly his position, his policy not only to the FCC but also to the Congress.

Q Has the President discussed this with the FCC and what was the FCC reaction?

MR. WHITEHEAD: It was discussed in general terms with the FCC. However, this goes only to the Executive Organization and does not effect the FCC in anyway, so they were not involved in any of the details.

Q Why don't you elaborate on that? He discussed this with Dean Burch and all of the Commissioners?

MR. WHITEHEAD: I have discussed the general format with Dean Burch and that is about as far as we have gone since it does not go to any of the FCC areas.

MR. ZIEGLER: It has been discussed with people on the Hill, also, because the intent is to work in a cooperative spirit with the FCC, which is independent, and also Congress, but to allow the Executive to do a more thorough job in these discussions.

Q Was the FCC cooperative?

MR. WHITEHEAD: Dean Burch has said he would welcome this.

Q To get to the heart of my question, you mentioned the independence of the FCC, is that independence going to be maintained when you have an Executive department such as this with the obvious authority and influence who are advising or cooperating or exchanging policy thoughts with an independent agency?

MR. ZIEGLER: The FCC will, of course, remain independent. In the Federal Government now the President has the authority to grant radio frequencies or the spectrum to the Federal Government. The FCC grants the civilian spectrum. There will be no intrusion on that.

MORE

(OVER)

The FCC, in addition to the quasi-judicial responsibilities, also has the broad policy development responsibilities. In this overall policy discussion in developing a national telecommunications policy, the Executive Branch now, much as they did in the domestic satellite situation, will be in a better position to state a policy position. The FCC, as in the case of the domestic satellite, will consider that point of view but not be bound by it in any way.

Q This is speaking strictly from ignorance; I have no background on this. But does this give the Federal Government really virtually control of all communications?

MR. ZIEGLER: No, not at all. The Executive Branch only controls the part of the spectrum which the Federal Government allocates to Federal agencies.

Q Would this Office possibly make recommendations on the Defense use of the television spectrum and thus open up the argument of UHF and VHF channels for commercial use?

MR. ZIEGLER: Tom?

MR. WHITEHEAD: Would you state that question again?

Q It has been my understanding that defense uses a part of the television spectrum, VHF, I believe ---

MR. ZIEGLER: Do you mean for emergency use?

Q No, for regular use. Would this be re-examined possibly by this Office and possibly result in a re-allocation of VHF and UHF channels for commercial use?

MR. WHITEHEAD: I think what you are referring to is the Defense Department and other Federal agencies use portions of the spectrum that are nearby to the portions of the spectrum used by commercial television.

This is precisely what we had in mind when we were talking about the cooperation between this new Office and the FCC in allocating spectrum among the Federal users on the one hand and the civilian users on the other. The new Office would not have the authority to make that decision unilaterally but will cooperate with the FCC.

Q And make recommendations?

MR. WHITEHEAD: They might make recommendations, but the decision rests with the FCC.

Q Does this include the White House staff?

MR. ZIEGLER: It will be in the Office of the President.

Q Will you wait for the 60 days until you make an announcement of a Director?

MR. ZIEGLER: No, I don't think that we would necessarily wait that long.

MORE

Q Do you have one in mind?

MR. ZIEGLER: Yes.

Q Who?

MR. ZIEGLER: We are not at the stage to talk about it.

Q Is the Federal Government trying to get a bigger share?

MR. WHITEHEAD: No.

Q In the final analysis, who would have the last word on how the spectrum is going to be divided up?

MR. ZIEGLER: The spectrum is already divided between the civilian uses and the Government uses. The FCC maintains the civilian and the President the Government.

Q If they decided the Government needed more channels ---

MR. ZIEGLER: I don't think the further division of the spectrum is a matter of issue.

MR. WHITEHEAD: We are more concerned with how to use the spectrum more effectively that we have.

Q In what way would this Office, in what manner would it take any interest, if it would take any interest, in the commercial side of broadcasting, the broadcasting spectrum?

Q Does any of your research involve commercial channels?

MR. WHITEHEAD: Yes, the new agency this is being established in the commercial department is expected to develop the capability for analyzing and keeping track of the usage of the entire spectrum both civilian and governmental. However, that is strictly analytic capability to make sure we know what is going on where. Based on that data base, we would expect the new Office and the FCC to work together in deciding what changes might be made.

MORE

(OVER)

Q But what would you be looking for in this overview -- program content, the powers of use?

MR. WHITEHEAD: No, we are not looking for program content at all. We are looking to questions like who gets to use what megacycles and kilohertz and so forth, and how many television channels we should allow. It is more technical and economic. We are not going to get into the content of broadcasting policy at all.

Q Will this office participate in the INTELSAT negotiations now being conducted by Scranton and Albert Watson?

MR. WHITEHEAD: The office will not be established for 60 days, so it will not involve itself in current discussions.

Q How about the international policy and negotiations on a permanent basis?

MR. WHITEHEAD: It will be concerned with international policy issues. The current conference is a temporary thing and we hope it will be over by the time this new office is established.

Q Could this policy be used to involve the policy which would get to what the Vice President complained about, that television commentators are not sufficiently representative to the broad public opinion?

MR. ZIEGLER: No, sir, we are not going into content at all.

Q How many frequencies are there within the United States?

MR. WHITEHEAD: That is not a question that can be answered that simply and I am not the one to answer it.

Q Sir, the duties you spoke of that are going to be done in the Department of Commerce, are they not being done by the FCC now?

MR. ZIEGLER: No. There is a section in the Department of Commerce now that to some degree analyzes the spectrum and the use of telecommunications. This would be a broadening of that particular cooperation.

Q Isn't that also being done by the FCC?

MR. ZIEGLER: The FCC also does that kind of work.

Q Why do we have duplication?

MR. ZIEGLER: The two have to work together.

Q Why doesn't just one work?

MR. ZIEGLER: Sarah, as I mentioned before, you have a division between the Federal use and the commercial use of the spectrum.

MORE

Q What is the name of the office in the Commerce Department, Tom?

MR. WHITEHEAD: It will be set up later, after this reorganization plan becomes effective. I don't believe the name has been settled.

Q The act itself that will create this or whatever the law will be, will it limit its scope to what you have described to us?

MR. WHITEHEAD: Yes.

Q Will the act itself, for instance, prohibit the expansion of the authority to include program content at some future time?

MR. ZIEGLER: The only thing the act does, as I understand it, is to grant the authority to the new Office of Telecommunication Policy to allocate or assign the Federal spectrum to the various agencies and also to establish the office. The other responsibilities will follow in the Executive Order and are outlined in the fact sheet.

Q But there is nothing to prevent an Executive Order to expand in these areas you now say they are not concerned about?

MR. WHITEHEAD: That is not planned now.

Q But it is not prohibited under the creation of the office?

MR. ZIEGLER: It is not likely because you have an independent agency established by the Congress which deals with that and that is the FCC.

Q Is there any reason why this will not be spelled out in that Executive Order that creates this, just exactly what the limitations are?

MR. ZIEGLER: As I said before, the Executive Order simply is a reorganization order which transfers Presidential authority to a new office. When there is no intent or when it is not even a reasonably conclusion to draw that there would be an expansion in this area, there is no need to say it.

Q Will you explain again what interest, and maybe you can just give us an example, what interest will this new office take in the commercial portion of the broadcast spectrum? What will they look for? What is their interest?

MR. WHITEHEAD: Let me speak in terms of an example which I don't know if the new office would get into or would not get into in a specific case.

There is considerable talk now about the division of the spectrum between UHF television and the Land Mobile Service. If the new office chose to get into that particular issue and chose to make the Executive Branch's position known, that would be a good example. How should the spectrum be divided? What are the public interest considerations? What does the Executive Branch think is a reasonable way of approaching that issue? As in the case of the domestic satellite problem, however, it is always up

to the FCC to make the decision.

Q Are there any plans to move the commercial television over to UHF and leave the regular channels to the military?

MR. WHITEHEAD: No, ma'am.

THE PRESS: Thank you.

END

(AT 11:42 A.M. EST)

FEDERAL COMMUNICATIONS REORGANIZATION

Copies sent to:

Martin Hoffman
Frank Hammill
Dale Smith
Walt Hinchman
Dr. Radius
Gerard Brennan (Treasury Dept.)
Arnold Smith
John Morgan (Communications Workers of
America)
Brent Armstrong
Jim McKenna (COMSAT)
Charles Cooper (Union of Illinois)
Norton Goodwin

Copies Picked up By:

Dick Gabel
Rosemary Kroo (Sodolski)
Fred Loflin (ITT) (Transcript)
Jay Hall

OTM

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

February 13, 1970

OFFICE OF THE DIRECTOR

The Honorable Dean Burch
Chairman
Federal Communications Commission
Washington, D. C. 20554

Dear Mr. Chairman:

The Sagamore Hill Radio Observatory of the Air Force Cambridge Research Laboratories has been receiving harmful interference to its use of the band 608-614 MHz. The interference is caused by channel 38 TV transmitters in Boston, Massachusetts.


The background in this case is contained in the enclosed letter and its four attachments from the Air Force representative on the Interdepartment Radio Advisory Committee. It indicates that the offending station may not be in compliance with paragraph (i) Part 73.687 of the FCC Rules, and that the interference may be directly related to this noncompliance.

The enclosure also indicates that, in spite of action on the part of the licensee and the FCC office in Boston, efforts to resolve this interference case have not been successful at the field level.

In addition to providing data of general scientific value, observations in the band 608-614 MHz also serve national defense needs, including the provision of information to NORAD which is used to prevent false alarms in the radar defense community. For this reason and in light of the foregoing, it is requested that the Commission investigate the situation and advise as to appropriate remedial measures.

The cooperation and assistance of the Commission would be greatly appreciated.

Sincerely,


W. E. Plummer
Acting

Enclosure

cc: Dr. Clay T. Whitehead

*Red
Comm
Org*

February 6, 1970

MEMORANDUM FOR BILL TIMMONS

Attached is a copy of a memorandum from the Budget Bureau reporting on some of our activities with respect to telecommunications organization. Note especially the paragraph I have marked.

It would be most unfortunate if the occasion of our telecommunications reorganization were used to raise questions in other telecommunications areas. The FCC is now considering our recommendation on domestic satellite policy, and Congressional hearings would almost certainly intimidate the Commission. Also, we will be entering into a major conference to discuss permanent arrangements for the INTELSAT Consortium, a conference of 70 nations with many sensitive issues. It would be most unfortunate and damaging to these negotiations if the question of COMSAT were raised, which it almost certainly would be in any broader discussion on communications at this time.

I would appreciate it if you could indicate to Roback and probably Congressman Springer and perhaps Chairman Staggers that this would be undesirable at this time.

Besides the problem with the FCC and with the international negotiations, there is really no one outside the White House staff who is particularly suited to presenting the Administration's viewpoint in these matters.

Clay T. Whitehead
Staff Assistant

Attachment

cc: Mr. Flanigan
Mr. Whitehead
Mr. Kriegsman
Central Files
CTWhitehead:jm

Type

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

FEB 5 1970

MEMORANDUM TO MR. WHITEHEAD

Subject: Telecommunications organization

As I indicated in our telephone conversation, I briefed the staffs of Senate and House Government Operations Committees (representing both the majority and minority) on the proposed telecommunications reorganization plan. In general, the reception was friendly and no outright opposition to the proposal was expressed. However, there was an indication of a need to justify the new Office of Telecommunications Policy in specific and concrete terms.

On the House side, Herb Roback indicated that it might be desirable to exclude from the plan the transfer to the new OTP of GSA telecommunications procurement policy functions. Apparently, Holifield and Brooks would be disturbed by such an effort to diminish GSA's program. We are working on the deletion of this provision. (Jack Brooks' man later confirmed his concern in this area.)

Perhaps more important, Roback indicated that he hoped the hearings on the plan could be opened up to include a discussion of major telecommunications problems. He cited domestic satellites and the operation of the NCS as examples. This could obviously carry the hearings into very sensitive and difficult areas, and could require the production of a wholly different set of witnesses than might be involved in support of the plan.

Except for the concerns of Holifield and Brooks, the staffs did not identify any members with interest.

Howard Schnoor
Howard Schnoor
Director, Government
Organization Staff

February 6, 1970

ACTION

MEMORANDUM FOR JOHN EHRLICHMAN

FROM: Peter Flanigan

SUBJECT: Office of Telecommunications Policy

Attached is a Memorandum for the President requesting he approve and sign a Message to the Congress forwarding a Reorganization Plan relating to executive branch responsibilities in the telecommunications area.

We earlier sought and received the President's approval for the substance of this action. (See Tab B of the Memorandum for the President.)

RECOMMENDATION

That you send the attached MEMORANDUM FOR THE PRESIDENT.

cc: Mr. Flanigan
Mr. Whitehead ✓
Mr. Kriegsman
Central Files

CTWhitehead:jm

ACTION

Office of Telecommunications Policy

MEMORANDUM FOR THE PRESIDENT

You earlier approved the preparation of a Reorganization Plan and Executive Order providing for a reorganization within the executive branch for telecommunications responsibilities. The memorandum sent to you at that time is attached at Tab B.

Attached at Tab A is a Message to the Congress sending a Reorganization Plan to implement some of those recommendations. This will be followed by an Executive Order to implement the remainder of the reorganization when the Plan is approved by the Congress.

The Plan and Executive Order taken together provide for:

(1) The establishment of a small independent Office of Telecommunications Policy in the Executive Office of the President to which are delegated essentially all of the President's responsibilities for telecommunications matters.

(2) An expanded research, analysis, and spectrum management office in the Department of Commerce to provide analytical and other support for the Office of Telecommunications Policy.

No powers of the Federal Communications Commission are affected.

There has long been wide agreement that a shifting and strengthening of executive branch capabilities is required. We expect no strong opposition to this proposal either in the Congress or from the industry. All concerned departments and agencies either approve or have no objection.

RECOMMENDATION

That you sign the attached Message (Tab A).

Peter Flanigan

Attachments

cc: Mr. Ehrlichman
Mr. Flanigan
Mr. Kriegsman
Mr. Whitehead ✓
Central Files

CTWhitehead:ed

TO THE CONGRESS OF THE UNITED STATES:

We live in a time when the technology of telecommunications is undergoing rapid change which will dramatically affect the whole of our society. It has long been recognized that the executive branch of the Federal government should be better equipped to deal with the issues which arise from telecommunications growth. As the largest single user of the nation's telecommunications facilities, the Federal government must also manage its internal communications operations in the most effective manner possible.

As a step toward fully realizing these goals, I am today sending to the Congress Reorganization Plan No. 1 of 1970, prepared in accordance with chapter 9 of title 5 of the United States Code.

This plan would establish a new Office of Telecommunications Policy in the Executive Office of the President. The new unit would be headed by a Director and a Deputy Director who would be appointed by the President with the advice and consent of the Senate. The existing office of the Director of Telecommunications Management in the Office of Emergency Preparedness would be abolished.

In addition to the functions which are transferred to it by the reorganization plan, the new Office would perform certain other duties which I intend to assign to it by Executive Order as soon as the reorganization plan takes effect. The Office of Telecommunications Policy would be assisted in its research and analysis responsibilities by the agencies and departments of the Executive Branch including another new office, located in the Department of Commerce and reporting to the Assistant Secretary of Commerce for Science and Technology.

The new Office of Telecommunications Policy would play three essential roles:

1. It would serve as the President's principle adviser on telecommunications policy, helping to formulate government policies concerning a wide range of domestic and international telecommunications issues. The speed of economic and technological advance in our time means that new questions concerning communications are constantly arising, questions on which the government must be well informed and well advised. The new Office will enable the President and all government officials to share more fully in the experience, the insights, and the forecasts of government and non-government experts.

2. The Office of Telecommunications Policy would help formulate policies and coordinate operations for the Federal government's own vast communications systems. It would, for example, set guidelines for the various departments and agencies concerning their communications equipment and services. It would evaluate ^{the ability of government} ~~the ability of government~~ communications systems to meet the security needs of the nation and to perform effectively in time of emergency. The Office would direct the assignment of those portions of the radio spectrum which are reserved for government use, carry out responsibilities conferred on the President by the Communications Satellite Act, advise State and local governments, and perform other related duties.

3. Finally, the new Office would enable the executive branch to speak with a clearer voice and to act as a (stronger) partner in discussions of communications policy with both the Congress and the Federal Communications Commission. This action would take away none of the prerogatives or functions assigned to the Federal Communications Commission by the Congress. It is my hope, however, that the new Office and the Federal Communications Commission would cooperate in achieving certain reforms in telecommunications policy, especially in our procedures for allocating portions of the radio spectrum for government and civilian use. Our current procedures must be more flexible if they are to deal adequately with problems such as the worsening spectrum shortage.

Each reorganization included in the plan which accompanies this message is necessary to accomplish one or more of the purposes set forth in section 901(a) of title 5 of the United States Code. In particular, the plan is responsive to section 901(a)(1), "to promote the better execution of the laws, the more effective management of the executive branch and of its agencies and functions, and the expeditious administration of the public business;" and section 901(a)(3), "to increase the efficiency of the operations of the government to the fullest extent practicable."

I have also found that the accompanying reorganization plan must provide for the appointment and compensation of new officers specified in sections 3(a) and 3(b) of the plan. The rates of compensation fixed for these officers are comparable to those fixed for other officers in the executive branch who have similar responsibilities.

This plan should result in the more efficient operation of the government. It is not practical, however, to itemize or aggregate the exact expenditure reductions which will result from this action.

The public interest requires that government policies concerning telecommunications be formulated with as much sophistication and vision as possible. This reorganization plan -- and the executive order which would follow it -- are necessary instruments if the government is to respond adequately to the challenges and opportunities presented by the rapid pace of change in communications. I urge that the Congress allow this plan to become effective so that these necessary reforms can be accomplished.

THE WHITE HOUSE,

THE WHITE HOUSE

WASHINGTON

December 20, 1969

ACTION

Office of

Telecommunications
Policy

MEMORANDUM FOR THE PRESIDENT

In spite of the rapidly growing importance of telecommunications to the Nation and for the government's own missions, there is no effective policy-making capability for telecommunications in the executive branch. The Administration is therefore largely unable to exert leadership or take initiatives in spite of vulnerability to criticism for FCC policies. Government-wide coordination of its own telecommunications activities has not been adequate. There has been widespread dissatisfaction with executive branch organization for telecommunications policy and operations for many years.

There are many important, complex, and quite fundamental issues that will have to be resolved in the telecommunications industry during your Administration; there are also many issues related to the government's own communications procurement and operations. Since January, we have been dealing with the most important issues largely on an ad hoc basis and simultaneously studying how these capabilities could be strengthened.

Among the alternatives examined were a Department of Communications, an independent agency, assignment to an existing Cabinet department, and the status quo. Each of these was found to have serious drawbacks organizationally or to cause unacceptable disagreements among executive branch agencies.

We have now concluded that the following organizational arrangements, together with several first-rate new people in the key positions, offer a significant improvement and will be widely accepted as a valuable step forward.

1. A small new Office of Telecommunications Policy (OTP) would be established in the Executive Office of the President, replacing the more narrowly defined functions of the Office of Telecommunications Management in the OEP. All Presidential responsibilities in the telecommunications area would be delegated to this office.

2. A Telecommunications Research and Analysis Center would be established in the Department of Commerce to provide research, engineering, economic, and frequency assignment support to the OTP and to other executive departments as needed.

3. No FCC responsibilities would be affected, but planning for eventual consolidation of government and civilian radio spectrum management would be started.


4. One of the first responsibilities of the OTP would be a major review in conjunction with the National Security Council of the objectives and management arrangements for the government's own telecommunications operations.

The cost of this arrangement would be \$1 to \$2 million annually above current levels for the next few years.

The Bureau of the Budget, the Office of Emergency Planning, the Office of Science and Technology, and the major departments and agencies affected by this plan agree with this proposal. The President's Advisory Council on Executive Organization has seen this proposal and decided not to consider this issue in their work. We expect no significant opposition from industry or Congress.

RECOMMENDATION

That you approve the preparation of a reorganization plan and associated executive order implementing the above plan as soon as possible.

Approve 

Disapprove _____


Peter H. Flanigan

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 2990

Date: Wednesday, February 4, 1970

Time: 12:05 P.M.

FOR ACTION: Tom Whitehead/

cc (for information): Peter Flanigan

FROM THE STAFF SECRETARY

DUE: Date: Friday, February 6, 1970

Time: 2:00 P.M.

SUBJECT: Telecommunications Reorganization Message

ACTION REQUESTED:

☒ For Necessary Action☐ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☐ For Your Comments☐ Draft Remarks

REMARKS:

Please submit a final draft of the Telecommunications Message signed off by Mr. Keogh by early Friday afternoon, covered by an ACTION - MEMORANDUM FOR THE PRESIDENT for Mr. Ehrlichman's signature, briefly stating the substance and asking for the President's approval.

Further, submit a separate status report on the legislation to accompany the message to the Hill the same day.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

R. COLE, JR.
For the President

February 6, 1970

To: Ken Cole

From: Peter Flanigan

We understand that Mr. Keogh sent the original of the Message to the Congress to your office. It should be inserted in this package at Tab A.

cc: Mr. Ehrlichman
Mr. Flanigan
Mr. Kriegsman
Mr. Whitehead✓
Central Files

CTWhitehead:ed

OTP

Thursday 2/5/70

9:10 Mr. Whitehead asked me to call

*Berry will w/ Cong Springer
But don't let
them know
the
grouping*

Art Pankopf (Sen) 225-5115 (Am 5102 news 308) 4:15 2/6
Nick Zapple (Sen) 225-6627 no briefing needed
Lew Berry (Sen) 225-3641 (Springer)
Bob Guthrie (H7C) 225-3147

wants copy message
Tell them the reorganization message on communications is tentatively scheduled for the 9th and it is almost exactly along the lines Tom discussed with them and which was laid out in the release from the Karth hearings.

If you would like, he would be glad to come up and discuss in more detail with them or the Congressman or Senator.

Today, tomorrow, Saturday, or Monday.

*just let
them
know
who
will
fill top
job*

January 30, 1970

To: Mr. Keogh

From: Tom Whitehead

Attached are a number of materials relating to our Telecommunications Reorganization. For external relations purposes, we are stressing the need to improve the government operation of its own extensive communications and the strengthening of the executive branch's capability to be a responsible partner in the national communications policy dialogue between the executive branch, the FCC, and the Congress. It is important to note that this proposes taking no authority away from the FCC.

If you have any questions, I would be glad to discuss them or to review your draft message for any substantive or political subtleties.

Attachments

cc: Mr. Whitehead

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 2990

Date: Wednesday, February 4, 1970

Time: 12:05 P.M.

FOR ACTION: Tom Whitehead✓

cc (for information): Peter Flanigan

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DUE: Date: Friday, February 6, 1970

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SUBJECT: Telecommunications Reorganization Message

ACTION REQUESTED:

☒ For Necessary Action☐ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☐ For Your Comments☐ Draft Remarks

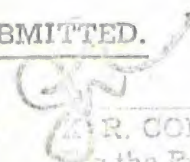
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Further, submit a separate status report on the legislation to accompany the message to the Hill the same day.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.


R. COLE, JR.
for the President

Proposed Changes to Draft Executive Order

SECTION 1

- (1) Replace (a) and (c) with the following:

"Coordinate telecommunications activities of the executive branch of the government and be responsible for the formulation of overall policies therefor. Responsibility for policy matters shall include, but not be limited to, industry organization and practices, regulatory policies, the allocation and use of the electromagnetic spectrum for both government and non-government use, and the privacy and security of telecommunications. Agencies shall consult with the Director in the development of policies and standards for the conduct of their telecommunications activities within the overall policies of the executive branch."

Rationale -- Includes wording from E.O. 10995 which seems strong and desirable to retain. Includes reference to privacy and security. Parallels the December 6 memo more closely than (a) and (c).

- (2) Replace (b) and (f) with the following:

"(b) Conduct economic, technical and systems analysis of telecommunications policies and opportunities in support of national policy formulation and U.S. participation in international telecommunications activities."

Rationale -- Shorter. Uses wording from December 6 memo which State agreed to.

- (3) Combine (d) and (n).

"Assure that the executive branch position on telecommunications policy issues, including non-government use of the electromagnetic spectrum, is presented effectively to the Congress and to the Federal Communications Commission in the form of legislative proposals, recommendations and testimony as required."

Rationale -- Eliminates redundancy. ~~Shorter. Uses wording from December 6 memo which State agreed to.~~

- (4) Delete last clause of (e).

"with allocation and assignment criteria related to quantifiable measures of resource utilization and socioeconomic value."

Rationale -- Unnecessary buzz words; may cause undue concern in DoD, industry; may prove impractical.

- (5) Modify (h) as follows:

"Review and test on a continuing basis existing and planned telecommunications systems, both governmental and private, to determine whether national security and emergency preparedness requirements including communications security are being met adequately and efficiently, and report the results ~~of this review~~ and any remedial actions recommended to the President through the National Security Council."

Rationale: Add testing, security, makes clear this is not a one-time review.

- (6) Modify (i) as follows:

"Review telecommunications research, and development, and system improvement and expansion programs and the testing, operation and use of telecommunications systems of Federal agencies to identify competing, overlapping, duplicating or inefficient programs; and make recommendations to appropriate agency officials and to the Director of the Bureau of the Budget concerning the scope and funding of these programs."

(6) Cont'd.

Rationale -- Covers testing, operation and use as the December 6 memo did.

(7) Modify (j) as follows:

"Exercise the functions conferred upon the President under the Communications Satellite Act of 1962 which were formerly delegated to the Director of Telecommunications Management in Executive Order 11191. as amended."

Rationale -- Correctness. State pointed out that some of these responsibilities are delegated elsewhere.

(8) Delete the word "plans" from (1).

Add new:

(9) "Conduct studies and analyses to evaluate the impact of the convergence of computer and communications technologies on communications, data processing and information handling, and recommend needed actions to the President, other Executive offices, Departments and agencies as appropriate."

Rationale -- Provides a capability within the Executive Office to analyze this area in a comprehensive way.

ADD A NEW SECTION BETWEEN 6 AND 7

"Sec ____ *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 Policy."

SECTION 13 -- last sentence

Change it to:

"The Secretary will provide such administrative and technical support as may be required for the efficient functioning of the Interdepartment Radio Advisory Committee (IRAC) and will provide for the maintenance of data files relevant to frequency management responsive to the needs of the Director of Telecommunications Policy and the IRAC."

Bureau of the Budget

ROUTE SLIP

TO Mr. WhiteheadRm 110Take necessary action ☐Approval or signature ☐Comment ☐Prepare reply ☐Discuss with me ☐For your information ☐See remarks below ☐FROM H SchoonDATE 2/5/70

REMARKS

Attached are copies of a redraft of the message for you, Joyce, etc. A copy is also going to Ken Cole per his request. We need all comments by 2 p.m. if we are to stay on schedule.

Also attached is a revised plan.

REORGANIZATION PLAN NO. OF 1970

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, , 1970, pursuant to the provisions of chapter 9 of title 5 of the United States Code.

OFFICE OF TELECOMMUNICATIONS POLICY

Section 1. Transfer of functions. The functions relating to assigning frequencies to radio stations belonging to and operated by the United States, or to classes thereof, conferred upon the President by the provisions of section 305(a) of the Communications Act of 1934, 47 U.S.C. 305(a), are hereby transferred to the Director of the Office of Telecommunications Policy hereinafter provided for.

Sec. 2. Establishment of Office. There is hereby established in the Executive Office of the President the Office of Telecommunications Policy, hereinafter referred to as the Office.

Sec. 3. Director and deputy. (a) There shall be at the head of the Office the Director of the Office of Telecommunications Policy, hereinafter referred to as the Director. The Director shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate now or hereafter provided for Level III of the Executive Schedule Pay Rates (5 U.S.C. 5314).

(b) There shall be in the Office a Deputy Director of the Office of Telecommunications policy who shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate now or hereafter provided for Level IV of the Executive Schedule Pay Rates (5 U.S.C. 5315). The Deputy Director shall perform such functions as the Director may from time to time prescribe and, unless the President shall designate another person to so act, shall act as Director during the absence or disability of the Director or in the event of vacancy in the office of Director.

(c) No person shall while holding office as Director or Deputy Director engage in any other business, vocation, or employment.

Sec. 4. Performance of functions of Director. (a) The Director may appoint employees necessary for the work of the Office under the classified civil service and fix their compensation in accordance with the classification laws.

(b) The Director may from time to time make such provisions as he shall deem appropriate authorizing the performance of any function transferred to him hereunder by any other officer, or by any organizational entity or employee, of the Office.

[?]

Sec. 5. Abolition of office. That office of Assistant Director of the Office of Emergency Preparedness which is on the date of the transmittal of this reorganization plan to the Congress held by the Director of Telecommunications Management under Executive Order No. 10995 of February 16, 1962, as amended, is abolished. The foregoing abolition of office shall become effective when the person first appointed as Director of the Office of Telecommunications Policy (under section 3 hereof or by recess appointment, as the case may be) enters upon office as such Director. The Director of the Office of Emergency Preparedness shall make such provisions as he may deem to be necessary with respect to winding up any outstanding affairs of the office abolished by the foregoing provisions of this section.

Sec. 6. Incidental transfers. (a) So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, held, or used by, or available or to be made available to, the Office of Emergency Preparedness in connection with functions affected by the provisions of this reorganization plan as the Director of the Bureau of the

Budget shall determine shall be transferred to the Office of Telecommunications Policy at such time or times as he shall direct.

(b) Such further measures and dispositions as the Director of the Bureau of the Budget shall deem to be necessary in order to effectuate the transfers provided for in subsection (a) of this section shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

Sec. 7. Interim Director. The President may authorize any person who immediately prior to the effective date of this reorganization plan holds a position in the Executive Office of the President to act as Director of the Office of Telecommunications Policy until the office of Director is for the first time filled pursuant to the provisions of section 3 of this reorganization plan or by recess appointment, as the case may be. The President may authorize any person who serves in an acting capacity under the foregoing provisions of this section to receive the compensation attached to the office of Director. Such compensation, if authorized, shall be in lieu of, but not in addition to, other compensation from the United States to which such person may be entitled.

DRAFT
2-5-70

TO THE CONGRESS OF THE UNITED STATES:

We live in a time when the technology of telecommunications is undergoing rapid change which will dramatically affect our whole society.

As the largest single user of the Nation's telecommunications facilities, the Federal Government must establish intelligent and effective policies and procedures in this area. Those telecommunications policies must be responsive to new needs and priorities and integrated more fully into the policy processes of the Government, and the executive branch must be better equipped to deal with the issues which will arise as telecommunications grow in quantity and quality.

As a step toward realizing these goals, I am today sending to the Congress Reorganization Plan No. 1 of 1970, prepared in accordance with chapter 9 of title 5 of the United States Code.

This plan would establish a new Office of Telecommunications Policy in the Executive Office of the President, to be headed by a Director and a Deputy Director appointed by the President by and with the advice and consent of the Senate. The reorganization plan would transfer to the Director the President's functions under the Communications Act of 1934 relating to assigning frequencies to Federal radio stations.

The major purpose of the new Office is to replace and significantly upgrade the effort in this area now being carried out in the Office of Emergency Preparedness under the Director of Telecommunications Management. The objective is to provide a top-level focal point for the development and coordination of Federal policies, and for providing advice to the President, Federal agencies and State and local governments on telecommunications matters. The existing office of the Director of Telecommunications Management would be abolished.

In addition to the function^s which are transferred to the new Office by the reorganization plan, it would perform other major duties which I intend to assign to it by Executive order as soon as the reorganization plan takes effect.

The new Office of Telecommunications Policy would play three essential roles:

1. It would serve as the President's principle adviser on telecommunications policy, helping to formulate government policies concerning a wide range of domestic and international telecommunications issues. The speed of economic and technological advance in our time means that new questions concerning communications are constantly arising, questions on which the Government must be well informed and well advised. The new Office will enable the President and all Government officials to share more fully in the experience, the insights, and the forecasts of Government and non-Government experts.

2. It would help formulate the policies and coordinate the operations for the Federal Government's own vast communications systems. It would, for example, set guidelines for the various departments and agencies concerning their communications equipment and services. It would evaluate the ability of Government communications systems to meet the security needs of the Nation and to perform effectively in time of emergency. The Office would direct the assignment of those portions of the radio spectrum which are reserved for Government use. It would carry out responsibilities conferred on the President by the Communications Satellite Act, advise State and local governments, and perform other related duties.

3. Finally, it would enable the Federal Government to speak with a clearer voice and to act as a stronger partner in discussions of communications policy with both the Congress and the Federal Communications Commission. This action will take away none of the prerogatives or functions assigned to the Federal Communications Commission by the Congress. It is my hope, however, that the new Office and the Federal Communications Commission will cooperate in achieving certain reforms in telecommunications policy, especially in our procedures for allocating portions of the radio spectrum for Government and civilian use.

After investigation, I have found and hereby declare that each reorganization included in the accompanying reorganization plan is necessary to accomplish one or more of the purposes set forth in section 901(a) of title 5 of the United States Code. In particular,

the plan is responsive to section 901(a)(1), "to promote the better execution of the laws, the more effective management of the executive branch and of its agencies and functions, and the expeditious administration of the public business;" and section 901(a)(3), "to increase the efficiency of the operations of the Government to the fullest extent practicable".

I have also found and hereby declare that it is necessary to include in the accompanying reorganization plan, by reason of the reorganizations made thereby, provision for the appointment and compensation of new officers specified in sections 3(a) and 3(b) of the plan. The rates of compensation fixed for these officers are comparable to those fixed for officers in the executive branch of the Government having similar responsibilities.

This plan should result in the more efficient operation of the Government. However, to itemize or aggregate the resulting expenditure reductions under the plan is not practical.

The public interest requires that Government policies concerning telecommunications be formulated with as much sophistication and vision as possible. This reorganization plan -- and the executive order which would follow it -- are necessary instruments if the Government is to respond adequately to the challenges and opportunities of the continuing communications revolution. I urge that the Congress allow this plan to become effective so that these necessary reforms can be achieved.

OTM

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

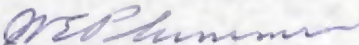
OFFICE OF THE DIRECTOR

February 6, 1970

MEMORANDUM FOR DR. CLAY T. WHITEHEAD

The attached copy of letter to FCC Chairman Burch I trust meets the intent of your memorandum of January 30. It was coordinated with Mr. Bernard Strassburg who felt that while not essential it might be helpful to the Commission.

To go beyond what we have said could negate intent of our letter of October 7 to the Commission in response to your memorandum of September 26 about RCA's concern that the ACS sale agreement might be changed by FCC action.


W.E. Plummer
Acting

Atchs.

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

OFFICE OF THE DIRECTOR

February 6, 1970

Honorable Dean Burch
Chairman
Federal Communications Commission
Washington, D.C. 20554

Dear Mr. Chairman:

To prevent possible misunderstanding, I should like to clarify the last paragraph of my letter to you dated January 27, 1970, concerning File No. P-C-7587.

My remarks were directed only to the long haul transmission and switching arrangements which will provide international and interstate telephone service. The operational objective of such a system should be that it function as though it were a single system. The advantages of centralized planning and operational authority are obvious when compared to a system planned and operated by a number of subsystems, each functioning as a unique entity.

This is not to imply that the Administration's feeling is that centralized ownership, planning and operation of all telecommunications services is necessarily in the public interest.

In addition to distribution indicated on the basic correspondence, copies of the basic letter plus this clarification have been sent to the Counsels for the Western Union International, Inc.; Anchorage Telephone Utility; Western Union Telegraph Company; and RCA Alaska Communications, Inc.

Sincerely,



W. E. Plummer
Acting

cc: Dr. C.T. Whitehead

January 27, 1970

Ref.: RCA Alaska Communications, Inc.
File No. P-C-7587

Honorable Dean Burch
Chairman
Federal Communications Commission
Washington, D.C. 20554

Dear Mr. Chairman:

The strategic location of the State of Alaska causes the national security implications of the intra- and interstate long haul transmission and switching capability provided in the State to be of unique concern to this office. The scarcity of redundant routing which causes primary reliance on single toll trunking routes and the remoteness from sources of supply to fill requirements for men and materials required for restoration of significant loss in such a system make it in the Nation's and State's interest that, insofar as practicable, the communications system of Alaska be the most modern and efficient available in the current state of telecommunication technology.

The urgent requirement for a modern, latest state of the art, Alaska Communication System, has been supported by the Alaskan Congressional Delegation, the Governor of Alaska and Senior Military Leaders concerned with the security of Alaska.

In my letter of October 7, 1969, to the Chairman of the FCC, I also expressed concern that the network characteristic and capability of the (national) telecommunications system be preserved.

In RCA Alascoms' opposition to the "Petition to Deny and Request for Other Relief," filed by the City of Anchorage, November 26, 1969, page 25, it is stated that the Anchorage Telephone Utility plans to install a step-by-step toll switching system. This appears to be a step backward in the provision of modern telephone service to and within Alaska. This conclusion is based upon the following data:

1. Step-by-step switches present problems to data transmission due to the many large magnets, high currents and steep wave fronts found in this equipment.

2. There are economic penalties connected with arranging such equipment to accommodate touch-tone signaling and to work with the type of multi-frequency signaling involved in toll systems.

3. Utilization of step-by-step machines would present a major problem in the use of CCITT #6 signaling on satellite channels.

4. Non-common control systems (step-by-step) do not lend themselves to the quality and diversity of today's calling services.

5. Step-by-step operations entail disproportionally high maintenance costs.

It is worth noting that it has been several decades since the last step-by-step toll train for use in interstate service was installed by the Bell System. There are very few in service now, and their use is limited to call completion. They are presently scheduled for replacement by crossbar or electronic switching machines.

I invite your attention to these considerations in order that you will be aware of our concern and that the disadvantages of the proposal of the City of Anchorage will receive full consideration in the Commission's deliberations relative to issuance of authorization to provide the intertoll switch at or near Anchorage.

I reiterate my belief that a fragmented approach to the provision of telecommunications service will, in the long run, result in a less efficient and more costly service than a single long haul system under centralized planning and operational authority.

Sincerely,



W. E. Plummer
Acting

cc: Honorable Mike Gravel
Honorable Theodore F. Stevens
Honorable Howard W. Pollock
Honorable Keith Miller
Dr. Clay T. Whitehead
Hon. Philip N. Whittaker

Federal Field Committee for
Development Planning in Alaska
RCA Alaska Communications, Inc.
Matanuska Telephone Assoc., Inc.
Public Service Commission of
Alaska

*Hon. George M. Shelton, Mayor of
Anchorage*

HHJ ones:avr:26Jan70:5186
bcc: DTM (2) ✓
NCD Reading
Subj File

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

October 7, 1969

OFFICE OF THE DIRECTOR

Honorable Rosel H. Hyde
Chairman
Federal Communications Commission
Washington, D.C. 20554

Dear Mr. Chairman:

I am forwarding herewith a letter from the Department of Defense (DOD) reaffirming its position with respect to the award of a license by the FCC for a microwave system between Anchorage, Alaska, and the satellite earth station to be located at Talkeetna. The DOD position is supported by valid justification, and we fully support the belief that it is most essential that RCA, as a purchaser of the Alaska Communications System (ACS), be given an opportunity to develop a viable communications system for Alaska without fragmentation of the system by introducing other long haul common carriers during the critical early years.

The long haul telecommunications system of any area is the nervous system supporting the national security and related governmental functions in the area. The State of Alaska is no exception and the integrity of the system must be maintained. There is need for a carrier with the capability of, and with the clear mandate and prerogative for planning a single integrated system which will continue to provide service to the extensive national security activities distributed throughout the State of Alaska.

As indicated in the ODTM dissent to the Report of the Rostow Task Force, the National Plan for Emergency Preparedness includes the following Presidential policy:

"The telecommunication resources of the Nation would be available for use by the Government in time of emergency, contingent upon the nature and extent of the needs of the public welfare for continued service."

"It is of the utmost importance that the network characteristic and capability of the telecommunication system be preserved to the greatest degree possible during a national emergency."

In consideration of this policy, the competitive bidding process through which the ACS was offered, was designed to produce as the successful bidder that applicant which could best provide a communications system for Alaska and which would make the greatest contribution toward the welfare of Alaska. Great weight was given in the competitive bidding process to offers to reduce rates and improve and expand the system. RCA proposed to purchase the ACS for \$28.4 million, to make improvements of \$27.6 million over the first three years, and to cut rates by almost one-third. RCA recognized that it would operate at a loss initially, but was willing to place enormous sums at risk on the basis that it was bidding to be the long lines carrier in Alaska.

In view of the foregoing, it would appear essential, at least for the first few years of transition from ACS operation to the status of a regulated public common carrier, to afford the maximum opportunity for integrated system planning and the development of a cohesive, economically viable system.

Our real concern is that should the FCC approve a number of competing applications for various communications links in Alaska, it would seem difficult and unfair to hold RCA to their prior commitments. Because of the increasingly commercial aspects of ACS operations, the DOD worked for over ten years to divest itself of it to private enterprise. If the terms of the sale are impaired to the extent that the contract is not consummated on July 1, 1970, results would include that the ACS would remain with the DOD and that the improvements included in the sale arrangements would be delayed substantially. I ask, therefore, that in your deliberations concerning the award of a license for the Talkeetna-Anchorage microwave link, full consideration be given to the effects outlined above, that could result from the award of a license to other than RCA.

Sincerely,



W. E. Plummer
Acting Director

Attachment



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

INSTALLATIONS AND LOGISTICS

3 OCT 1969

Mr. William E. Plummer
Acting Asst Director/Director of Tele-
communications Management
Executive Office of the President
Office of Emergency Preparedness
Washington, DC 20504

Dear Mr. Plummer:

The Communications Satellite Corporation (COMSAT) is installing an INTELSAT earth station at Talkeetna, Alaska, with a scheduled operational date of 1 July 1970.

RCA Global Communications, Western Union International (WUI), COMSAT, and Matanuska Telephone Company have submitted individual Filings to the Federal Communications Commission (FCC) to provide the microwave link between the earth station and Anchorage, Alaska (FCC File Nos. T-C-2274).

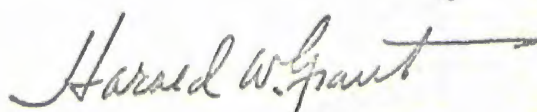
On 29 May 1969 the Department of Defense (DoD) submitted Enclosure 1 to the FCC, stating its position on the microwave link. We believe it is most essential that RCA, the purchaser of the Alaska Communications System (ACS), be given the opportunity to develop a viable commercial communications system for Alaska without competition from other common carriers during the critical first few years that they will need to meet the obligations which they accepted upon notification by the Air Force of the award to them of the sale of the ACS. Copies of this information have been provided to FCC by separate means.

The foregoing arrangement will ensure that the urgently needed communications for Alaska can be developed and provided in a timely and cost-effective manner. Furthermore, this arrangement would preclude jeopardizing the many contractual and operational requirements which must be satisfied prior to the turnover of the ACS to RCA by July 1970. With regard to communications costs, the purchaser of the ACS is obligated to drastically reduce the leased costs over the first three years

of operation. This can best be accomplished by allowing one common carrier, the purchaser of the ACS, to initially develop and implement the system as a whole.

We urge that you support the DoD position on this matter and inform the Chairman, FCC, accordingly..

Sincerely,

A handwritten signature in cursive script, reading "Harold W. Grant", followed by a horizontal line extending to the right.

HAROLD W. GRANT
Lieutenant General, USAF (Ret)
Director for Telecommunications
Policy

Enclosure

Dept of Army 29 May 69 Ltr to FCC



DEPARTMENT OF THE ARMY
OFFICE OF THE JUDGE ADVOCATE GENERAL
WASHINGTON, D.C. 20310

U 801
JAGU 1969/9872

29 May 1969

Mr. Ben F. Waple
Secretary
Federal Communications Commission
Washington, D. C. 20554

Re: Application of Communications Satellite Corporation
for Authority to Construct a Microwave Link between
the Proposed Talkeetna Earth Station and Anchorage,
Alaska, FCC File No. 65-CSG-P-69

Dear Mr. Waple:

As duly authorized counsel for the Secretary of Defense, I wish to express the Defense interest in the above-entitled application of the Communications Satellite Corporation for authority to construct a microwave link between the proposed Talkeetna Earth Station and Anchorage, Alaska.

The Department of Defense supports the need for the establishment of a microwave link between the earth station at Talkeetna and Anchorage and urges the Commission to grant the necessary authority provided the following provisions are included in the Commission's Order establishing the facilities:

- a. That the proposed microwave link be provided by the buyer of the ACS if selected in sufficient time to enable construction to meet scheduled operational date of the Earth Station; or alternatively, that COMSAT transfer both ownership and operation of the terrestrial facilities to the Alaska Communication System or to the successful buyer of the ACS not later than 1 July 1970.

U 801

JAGU 1969/9872

Mr. Ben F. Waple

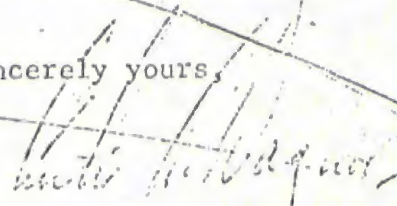
29 May 1969

b. That the order direct that the interface of the microwave facility with the Alaska long lines system be located at an established ACS facility, specifically the ACS Anchorage Toll Center.

The Department of Defense believes that the above provisions are necessary to protect not only the purchaser of the ACS, but also the people of the State of Alaska. In this connection, I might point out that the final evaluation of the four offers to purchase the ACS is currently in progress and the matter is expected to be sent to the President for selection of the purchaser on or before 1 July 1969.

I will be pleased to furnish any additional information you may desire.

Sincerely yours,


CURTIS L. WAGNER, JR.
Chief, Regulatory Law Division

cc: Lawrence M. DeVore
Assistant General Counsel
Regulatory Matters
Communications Satellite Corporation
950 L'enfant Plaza South, S. W.
Washington, D. C. 20024

THE WHITE HOUSE

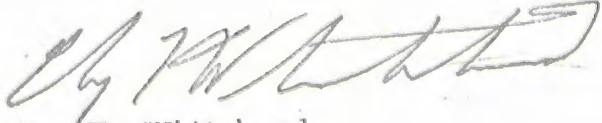
WASHINGTON

September 26, 1969

MEMORANDUM FOR GENERAL O'CONNELL

RCA Global Communications has expressed to me their concern about competing applications filed with the FCC for microwave communication links between the Talkeetna Earth Station and Anchorage. They point out that in the ACS sale agreement they made commitments for system improvements, service extensions, and cost reductions that were based on an entire system plan. Should the FCC approve a number of competing applications for various communication links in Alaska, it would seem difficult or unfair to hold RCA to their prior commitments. If you think it would be advisable, could you work with the Air Force to prepare a letter to the FCC stating the terms of sale for the ACS, the nature of RCA's commitments, and a statement to the effect that these facts should be considered in future FCC hearings. I do not think we want to take the position that the RCA plan is inviolate or that RCA has a monopoly position in Alaska communications, but should simply indicate that RCA's commitments were based on certain assumptions that may not hold, depending on FCC decisions.

Governor Scranton needs to make sure that Department of Defense views regarding the INTELSAT negotiations are adequately represented. He is proceeding on the assumption that your office is providing DOD representation in the INTELSAT delegation. Could you, by memorandum or phone call, reassure the Governor that this is the case and tell him what continuing arrangements will be made after October 1st.


Clay T. Whitehead
Staff Assistant

December 19, 1969

MEMORANDUM FOR THE PRESIDENT

Peter Flanigan has submitted the attached memorandum regarding a reorganization and strengthening of executive branch telecommunications activities. It proposes:

- (1) a small new policy office in the Executive Office and
- (2) an expanded research, analysis, and spectrum management office in the Department of Commerce. FCC responsibilities are not affected.

John Ehrlichman

December 19, 1959

MEMORANDUM FOR THE PRESIDENT

There has been widespread dissatisfaction with executive branch organization for telecommunications policy and operations for many years. These are very important, complex, and quite fundamental issues that will have to be resolved in the telecommunications industry during your Administration; there are also very issues related to the government's own communications procurement and operations.

Since January, we have been dealing with the most important issues largely on an ad hoc basis and simultaneously studying how these capabilities could be strengthened. We have concluded that the following organizational arrangements, together with several first-rate new people in the key positions, offer a significant improvement.

1. A small new Office of Telecommunications Policy (OTP) would be established in the Executive Office of the President, replacing the more narrowly defined functions of the Office of Telecommunications Management in the OMB. This office would be delegated all Presidential responsibilities in the telecommunications area.
2. A Telecommunications Research and Analysis Center would be established in the Department of Commerce to provide research, engineering, economic, and frequency assignment support to the OTP and to other executive departments as needed.
3. No FCC responsibilities would be affected, but planning for eventual consolidation of government and civilian radio spectrum management would be started.

4. One of the first responsibilities of the CIB would be a major review in conjunction with the National Security Council of the objectives and management arrangements for the government's own telecommunications operations.

The Bureau of the Budget, the Office of Emergency Planning, the Office of Science and Technology, and the major departments and agencies affected by this plan agree with this proposal. The President's Advisory Council on Executive Organization has seen this proposal and decided not to consider this issue in their work.

RECOMMENDATION

That you approve the preparation of a reorganization plan and associated executive order implementing the above plan as soon as possible.

Approve _____

Disapprove _____

Peter H. Flanagan

RESPONSIBILITIES OF THE OFFICE OF TELECOMMUNICATIONS POLICY

The Director of the Office of Telecommunications Policy develops the executive branch position on national telecommunications policy, coordinates the planning and operation of the telecommunications systems of the Federal government, discharges responsibilities assigned to the President in the areas of spectrum management and satellite communications, and performs emergency planning and control functions for telecommunications.

The Director serves as the President's principal advisor on telecommunications policy, including:

- (1) The organization, practices, and regulation of the U. S. domestic and international communications industry.
- (2) The allocation, use, and management of the radio spectrum resource for government use, and preparation of recommendations to the FCC on spectrum allocation for civilian use.
- (3) The preparation of U. S. positions for international communication conferences, conventions, and organizations.
- (4) Federal research and development programs in support of the above.

The Director assures that the executive branch position on telecommunication policy issues is effectively presented to the Congress and to the Federal Communications Commission in the form of legislative proposals, recommendations, and testimony as required.

The Director's responsibilities for the planning and operation of Federal government telecommunications systems include:

- (1) Development of government-wide standards for equipment and procedures, as required in the interest of economy or effectiveness.

- (2) Evaluation of the ability of national communications resources adequately and efficiently to meet established national security and emergency communications requirements.
- (3) Recommendations to the Bureau of the Budget concerning the funding of communications systems and research and development programs.
- (4) Preparation of guidelines for the most economical procurement of Federal telecommunications services.

The Director exercises the authority, delegated by the President, to assign radio frequencies for use by the government. He is assisted in this responsibility by the Telecommunications Research and Analysis Center to be established in the Department of Commerce and the Interdepartmental Radio Advisory Committee. He carries out the responsibilities conferred on the President by the Communications Satellite Act. The Director coordinates the development of plans and programs for the mobilization and use of telecommunications resources in an emergency, and prepares to administer national telecommunications resources in the event of war under the overall policy guidance of the Director, OEP.

The Director coordinates assistance in telecommunications matters provided by the Federal government to State and local governments. He appoints scientists, engineers, and economists from outside government to advise on telecommunications matters.

To carry out these responsibilities, the Director must have the following qualifications:

- (1) A thorough grasp of the social, economic, engineering, and national security factors which must be considered in formulating telecommunications policies and standards.
- (2) Familiarity with telecommunications needs and opportunities of government, industry, and the public, and with the structure of private and governmental telecommunications institutions, both national and international.

- (3) The ability to initiate and coordinate telecommunications policy matters on an interdepartmental basis in cooperation with industry and public interest groups, and to define and analyze those key policy issues requiring Presidential involvement.
- (4) The ability to direct studies utilizing systems analysis, systems engineering, and economics needed for the systematic analysis of telecommunications policies and opportunities, their impact, their effectiveness, and their costs.

EXECUTIVE BRANCH ORGANIZATION FOR TELECOMMUNICATIONS

In spite of the rapidly growing importance of telecommunications to the Nation and for the government's own missions, there is no effective policy-making capability for telecommunications in the executive branch. The Administration is therefore largely unable to exert leadership or take initiatives in spite of vulnerability to criticism for FCC policies. Government-wide coordination of its own telecommunications activities has not been adequate. These problems have been manifested in several ways:

1. There is a serious lack of effective machinery for dealing expeditiously with domestic telecommunications issues. The government has been grappling for several years, with only limited success, with such issues as "foreign attachments" to the public telephone network, cable TV and pay TV, the possible uses and industry structure for a domestic satellite communications system, and policies for computer communications. There is a current tendency to resolve such issues by past precedents and by compromises between the FCC and various agencies in the executive branch, but the increasingly rapid rate of technological change and introduction of new services makes policy-by-precedent increasingly less relevant, more restrictive, or counterproductive. Neither the FCC nor the executive branch has a significant capability for systematic economic and technical analysis.

2. Efforts to coordinate the procurement and use of telecommunications facilities and services by the Federal government have had limited success. The current coordination arrangements, embodied in the National Communications System (NCS) structure, have achieved certain desirable interconnections and operating procedures, but have not produced the desired assurances that the government is procuring the services needed in an efficient manner. Although present policies call for a "unified" NCS, there is little agreement on what further unification is needed, or what it would cost or accomplish.

3. The current procedures for spectrum allocation are highly inflexible and are increasingly creating a spectrum shortage crisis. The shortage is especially severe in the land mobile radio allocations, which are becoming increasingly important to local police and fire protection services, among many other claimants.

Current organization for communications policy-making and coordination

The Director of Telecommunications Management (DTM) in the Office of Emergency Preparedness is now charged by Executive Order and Presidential memorandum with the responsibility for coordinating telecommunications activities in the executive branch. The DTM also is designated Special Assistant to the President for Telecommunications. However, the history of the organization reveals that attempts by the DTM to exercise leadership in communications policy have been largely ineffectual. The responsibilities and authority of the DTM are questioned by agencies with operating responsibilities. This situation results from a number of factors including organizational location, inadequate staff, and lack of clear authority.

There is now no office in the executive branch with the responsibility or the capability to review the whole range of national telecommunications policies as expressed in legislation and in FCC policies. The Anti-trust Division of the Department of Justice has occasionally filed briefs on the competitive aspects of decisions before the FCC, but these derive largely from antitrust considerations rather than from familiarity with communications issues. The Department of Commerce has a telecommunications research capability, but no responsibility or familiarity with communications policy. Neither the Council of Economic Advisers nor the Office of Science and Technology are equipped to address the fundamental economic and institutional problems of the communications industry and its regulation by the FCC, or the problems of the government's own telecommunications.

Studies of Federal organization

Since World War II, there have been a number of studies of Federal communications organization and a number of reorganizations and shifts of responsibilities within the executive branch. None has proved particularly satisfactory, and, indeed, there is no ideal solution. This is due in part to the quasi-independence of the FCC from the executive branch and in part to the conflicting individual agency mission responsibilities within the executive branch.

The study of the Federal government communications organization completed in December 1968 by the Bureau of the Budget provides

a good statement of the shortcomings of our current organization. The Bureau of the Budget reported a need for:

- (1) a strengthened organization for policy planning, formulation and direction of Federal communications activities.
- (2) a reorganized and strengthened National Communications System (NCS) within the Department of Defense.
- (3) an improved procurement and technical assistance effort in communications on behalf of those Federal agencies which do not now have adequate resources in this field.
- (4) a unified frequency spectrum management process.
- (5) a coordinated technical assistance program for State and local government in this area.

The recently released report of the Government Accounting Office focused on the government's communications and evaluated the progress toward establishment of a unified National Communications System as directed by the President in 1963. The GAO found a need for stronger coordination of government telecommunications planning, and recommended a single entity be responsible for policy direction and control of the Government's telecommunications systems. The GAO also recommended clarification of what a "unified" NCS is intended to be.

Reorganization issues

The Budget Bureau study of Federal communications organization made a number of major recommendations and was recently distributed to the departments concerned. Agency views on this study have the common themes (1) that stronger coordination from the top is required in establishing Government policy for its own telecommunications requirements, and (2) that the Federal government should take a stronger role in the evolution of national telecommunications to deal with the increasingly rapid rate of technological change and industry growth. There is also agreement that a much stronger analytic capability within the executive branch is needed to achieve these goals.

There are a variety of possible ways in which telecommunications responsibilities could be reshuffled or strengthened. As a starting point, there is widespread agreement that a single office should bear ultimate responsibility for:

- (1) analyses and formulation of overall telecommunications policy for the executive branch.
- (2) policy-level coordination of Federal government procurement and use of telecommunications services and equipment.
- (3) allocation and assignment of spectrum resources to government users.

There are several further issues.

The first is where such a single office should be located. There are two competing sets of considerations. Further expansion of telecommunications activities within the Executive Office of the President would force undesirable growth in the size of the Executive Office of the President, while telecommunications does not require the frequent direct Presidential attention implied by a location within the Executive Office. On the other hand, placing the central office within an executive department (e.g., Commerce or Transportation) raises serious questions about the impartiality of frequency allocation and assignment among government users and assurance of vital national security interests. Both sides of this issue have considerable merit, but from the standpoint of practicality and the need to minimize even temporary disruptions of our policy machinery, the policy functions should for the time being remain in the Executive Office. However, as much of the operational and research responsibilities as possible should be carried out in the departments and agencies.

Another issue is whether the authority to allocate and assign frequency spectrum to nongovernment uses, now vested in the FCC, should be transferred to the central, executive branch policy office.

Consolidation of spectrum allocation authority would permit greater flexibility in assignment policies and eventually, even more efficient spectrum use. However, such a move requires legislation, it raises concerns about political interference in the assignment of frequencies, and it would inundate the new office with a highly routine workload. (The FCC now processes 800,000 applications yearly, compared to 37,000 now handled by the DTM.) For these reasons, immediate consolidation of these responsibilities is not recommended, but planning for eventual consolidation should be started.

A third issue concerns organizational arrangements for management of Federal communications networks to implement policy guidance. This is currently done through the National Communications System (NCS) structure. Both the BOB and GAO studies concluded that changes should be made in the NCS arrangements. However, the issues involved are too detailed and too complex to be settled in the context of reorganization of policy machinery. Therefore, the NCS arrangements should not be changed at this time, but should be studied as a priority matter by the new central policy office as soon as it is established. The study would review the objectives, system concepts, organizational arrangements, and effectiveness of the NCS structure, and should include a thorough examination by the National Security Council of national security objectives for telecommunications. Recommendations should be developed for the President regarding the best objectives and management arrangements for overall coordination of Federal telecommunications activities.

Recommendation

An Office of Telecommunications Policy should be established as an independent entity in the Executive Office of the President. The Director of this office, appointed by the President, would have primary executive branch responsibility for both national telecommunications policies and Federal administrative telecommunication operations. The responsibilities of the Office of Telecommunications Policy would include:

- economic, technical and systems analysis of telecommunications policies and opportunities in support of national policy formulation and U. S. participation in international telecommunications activities.
- developing executive branch policy on telecommunications matters including, but not limited to, industry organization and practices, regulatory policies, and the allocation and use of the electromagnetic spectrum for both government and nongovernment use.

- advocating executive branch policies to the FCC, and through the President to the Congress; and representing the executive branch in FCC proceedings.
- exercising final authority for the assignment of the spectrum to government users, and developing with the FCC a long-range plan for improved management of the total radio spectrum.
- reviewing and evaluating the research and development for, and planning, operation, testing, procurement, and use of all telecommunication systems and services by the Federal government; developing appropriate policies and standards for such systems; and making recommendations to the Bureau of the Budget and responsible departmental officials concerning the scope and funding of competing, overlapping, or inefficient programs.
- exercising the functions conferred on the President by the Communications Satellite Act.
- under the policy guidance of the Director, Office of Emergency Preparedness, coordinating plans and programs for testing of and preparing to the use of telecommunications resources in a state of national emergency.
- test, review, and report to the President, through the National Security Council, on the ability of national communications resources to meet established national security requirements efficiently and responsively.
- coordinating Federal assistance to state and local governments in the telecommunications field.

In performing these functions, the Director, Office of Telecommunications Policy, will be assisted by a small staff, augmented as required by: (1) ad hoc, interagency and nongovernment task groups, (2) independent consultants, (3) contract studies, (4) a new Telecommunications Research and Analysis Center, (5) the Interdepartment Radio Advisory Committee, and (6) a new Telecommunications Advisory Committee composed of experts from outside of the government. So long as the NCS structure is retained, he will also be assisted by the Executive Agent of the NCS.

A Telecommunications Research and Analysis Center (TRAC) should be established in the Department of Commerce, reporting to the Assistant Secretary for Science and Technology. The TRAC would provide a centralized research, engineering, and analysis capability in support of spectrum management and such other areas as may be required. Specific functions of the TRAC would be to:

- conduct research and analysis in the general field of telecommunication sciences in support of other government agencies or in response to specific directives from the Office of Telecommunications Policy, with particular emphasis on radio propagation, radio systems characteristics, and operating techniques leading to improved utilization of the radio resource.
- develop and operate a national electromagnetic compatibility analysis facility under the general policy guidance of the Director, OTP.
- provide the administrative and technical support required by the Interdepartment Radio Advisory Committee. This support will operate in accordance with policies and criteria laid down by the OTP, and will be responsive to OTP requests for information and special frequency assignment actions.

The Office of Telecommunications Policy should be established with an initial strength of up to 30 professionals, including up to 15 at super-grade levels. The position of Director, Office of Telecommunications Policy should be established at executive pay level III. Provision should be made within the budget of the office for adequate consulting fees and contractual support; and for administrative support to, and space for, task groups and personnel on short-term detail.

The Office of Telecommunications Management in the OEP should be abolished. All policy functions of that office not directly related to emergency preparedness should be transferred to the Office of Telecommunications Policy, along with appropriate emergency planning functions, final spectrum management authority, and NCS responsibilities. The major portion of the Frequency Management Directorate of the OTM should be transferred to the Department of Commerce to provide the technical and clerical support functions described above. The position of Special Assistant to the President for Telecommunications should be abolished.

The Office of Telecommunications Policy will exercise the policy functions of the Executive Office of the President with respect to the planning, integration, and emergency use of the telecommunications systems of the executive branch, subject to general policy guidance on appropriate matters from the National Security Council and the Director, OEP. This function will continue to be exercised through the mechanism of the National Communications System (NCS), until such time as changes in that mechanism are suggested by the policy review recommended above and approved by the President.

REORGANIZATION PLAN NO. OF 1970

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, , 1970, pursuant to the provisions of chapter 9 of title 5 of the United States Code.

OFFICE OF TELECOMMUNICATIONS POLICY

Section 1. Transfers of functions. The following are transferred to the Director of the Office of Telecommunications Policy hereinafter provided for:

(a) All functions relating to assigning frequencies to radio stations belonging to and operated by the United States, or to classes thereof, conferred upon the President by the provisions of section 305(a) of the Communications Act of 1934, 47 U.S.C. 305(a).

(b) To the extent that they are with respect to telecommunications, all functions relating to prescribing policies and methods of procurement and supply of personal property and nonpersonal services, including related functions, conferred upon the Administrator of General Services by section 201(a)(1) of the Federal Property and Administrative Services Act of 1949, 40 U.S.C. 481(a)(1).

Sec. 2. Establishment of Office. There is hereby established in the Executive Office of the President the Office of Telecommunications Policy, hereinafter referred to as the Office.

Sec. 3. Director and deputy. (a) There shall be at the head of the Office the Director of the Office of Telecommunications Policy, hereinafter referred to as the Director. The Director shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate now or hereafter provided for Level III of the Executive Schedule Pay Rates (5 U.S.C. 5314).

(b) There shall be in the Office a Deputy Director of the Office of Telecommunications Management who shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate now or hereafter provided for Level IV of the Executive Schedule Pay Rates (5 U.S.C. 5315). The Deputy Director shall perform such functions as the Director may from time

29 DEC 1959

to time prescribe and, unless the President shall designate another person to so act, shall act as Director during the absence or disability of the Director or in the event of vacancy in the office of Director.

(c) No person shall while holding office as Director or Deputy Director engage in any other business, vocation, or employment.

Sec. 4. Performance of functions of Director. (a)

The Director may appoint employees necessary for the work of the Office under the classified civil service and fix their compensation in accordance with the classification laws.

(b) The Director may from time to time make such provisions as he shall deem appropriate authorizing the performance of any of his functions by any other officer, or by any organizational entity or employee, of the Office.

[MORE]

[1-14-70]

Sec. 5. Abolition of office. That office of Assistant Director of the Office of Emergency Preparedness which is on the date of the transmittal of this reorganization plan to the Congress held by the Director of Telecommunications Management under Executive Order No. 10995 of February 16, 1962, as amended, is abolished. The foregoing abolition of office shall become effective when the person first appointed as Director of the Office of Telecommunications Policy (under section 3 hereof or by recess appointment, as the case may be) enters upon office as such Director. The Director of the Office of Emergency Preparedness shall make such provisions as he may deem to be necessary with respect to winding up any outstanding affairs of the office abolished by the foregoing provisions of this section.

Sec. 6. Incidental transfers. (a) So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, held, or used by, or available or to be made available to, the Office of Emergency Preparedness in connection with functions affected by the provisions of this reorganization plan as the Director of the Bureau of the

Budget shall determine shall be transferred to the Office of Telecommunications Policy at such time or times as he shall direct.

(b) Such further measures and dispositions as the Director of the Bureau of the Budget shall deem to be necessary in order to effectuate the transfers provided for in subsection (a) of this section shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

Sec. 7. Interim Director. The President may authorize any person who immediately prior to the effective date of this reorganization plan holds a position in the Executive Office of the President to act as Director of the Office of Telecommunications Policy until the office of Director is for the first time filled pursuant to the provisions of section 3 of this reorganization plan or by recess appointment, as the case may be. The President may authorize any person who serves in an acting capacity under the foregoing provisions of this section to receive the compensation attached to the office of Director. Such compensation, if authorized, shall be in lieu of, but not in addition to, other compensation from the United States to which such person may be entitled.

EXECUTIVE ORDER

ASSIGNING TELECOMMUNICATIONS MANAGEMENT FUNCTIONS
TO FEDERAL DEPARTMENTS AND AGENCIES

By virtue of the authority vested in me as President of the United States, and pursuant to Reorganization Plan No. ___ of 1970, section 606 of the Communications Act of 1934, as amended (47 U.S.C. 606), section 201 of the Communications Satellite Act of 1962 (47 U.S.C. 721), section 301 of title 3 of the United States Code, and title III of the Intergovernmental Cooperation Act of 1968 (P.L. 90-577; 82 Stat. 1102), it is hereby ordered as follows:

Section 1. Functions of the Director of the Office of Telecommunications Policy. In addition to those functions assigned to the Director of the Office of Telecommunications Policy (hereafter referred to in this order as the "Director") by Reorganization Plan No. ___ of 1970, the Director, subject to the authority and control of the President, shall:

(a) Serve as the President's principal adviser on telecommunications policy, including national communications policies and Federal administrative telecommunication operations.

(b) Conduct economic, technical, and systems analyses of national telecommunications policies, activities, and opportunities.

(c) Evaluate telecommunications industry organization, practices, and regulatory policies, with specific attention to their impact on communications development and service to industry and the public.

(d) Advocate telecommunications policy before the Federal Communications Commission and through the President to Congress, to include specific recommendations on spectrum management for non-government use.

(e) Develop, in cooperation with the Federal Communications Commission, a comprehensive long-range plan for improved management of the total radio spectrum resource, with allocation and assignment criteria related to quantifiable measures of resource utilization and socioeconomic value.

(f) Establish a rational, continuing program of analysis and research to support U.S. participation in international telecommunication conferences, conventions, negotiations, and operating organizations.

(g) Develop and promulgate Government-wide procurement guidelines and standards for telecommunications services, equipment and procedures, as required in the interest of economy and efficiency.

(h) Review existing and planned telecommunications systems, both governmental and private, to determine whether national security and emergency preparedness requirements are being met adequately and efficiently, and report the results of this review and any remedial actions recommended to the President through the National Security Council.

(i) Review telecommunications research, development, and system improvement and expansion programs of Federal agencies to identify competing, overlapping, duplicating or inefficient programs; and make recommendations to appropriate agency officials and to the Director of the Bureau of the Budget concerning the scope and funding of these programs.

(j) Exercise the functions conferred upon the President under the Communications Satellite Act of 1962, as amended.

(k) Coordinate the development of policy, plans, and programs for the mobilization and use of telecommunications resources in any emergency, under the overall policy direction of the Director, Office of Emergency Preparedness.

(l) Prepare plans to administer the use of telecommunications resources if directed to do so in the event of war or other national emergency.

(m) Coordinate Federal assistance to State and local governments in the telecommunications area.

(n) Assure that the executive branch position on telecommunications policy issues is presented effectively to the Congress and to the Federal Communications Commission in the form of legislative proposals, recommendations, and testimony as required.

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

Sec. 2. 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 Telecommunications Policy. 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. 3. Executive Order No. 11191 of January 4, 1965, headed "Providing for carrying out of certain provisions of the Communications Satellite Act of 1962," is hereby amended by substituting "Director of Telecommunications Policy" for "Director of Telecommunications Management."

Sec. 4. Emergency functions. (a) The authority vested in the President by subsections 606(a), (c), and (d), of the Communications Act of 1934, as amended (47 U.S.C. 606 (a), (c), and (d)), is delegated to the Director of Telecommunications Policy. Such authority shall be exercised under the overall policy direction of the Director, Office of Emergency Preparedness.

(b) Nothing in this order shall be construed as authorizing the exercise of any authority with respect to the content of any station program or of communications transmitted by any communication facility.

(c) The authority vested in the President by said subsections 606(c) and (d) and delegated to the Director by subsection 4(a) of this order to take over or use facilities or stations or to remove apparatus or equipment from facilities or stations shall be exercised only by the Director or with his express approval in each case.

(d) Section 1802 and subsections 401(27) and 2002(3) of Executive Order No. 11490 of October 28, 1969, headed "Assigning emergency preparedness functions to Federal departments and agencies," are hereby amended to conform to the provisions of this order.

Sec. 5. National Communications System. (a) The Presidential Memorandum of August 21, 1963, "Establishment of the National Communications System" (28 F.R. 9413), is hereby amended by substituting for the section headed "Executive Office Responsibilities" thereof, the following:

"Executive Office Responsibilities

The Director of Telecommunications Policy will exercise the policy functions of the Executive Office of the President with respect to the planning, integration, and emergency use of the telecommunications systems of the executive branch."

(b) Subject Presidential memorandum is hereby further amended by substituting "Director of Telecommunications Policy" for "Special Assistant to the President for Telecommunications" wherever it may appear.

Sec. 6. The Director 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. The Director also shall establish a Telecommunications Advisory Committee composed of experts in the telecommunications area outside the Government.

Sec. 7. The Director 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. 8. All executive departments and agencies of the Federal Government are authorized and directed to cooperate with the Director and to furnish him such information, support and assistance, not inconsistent with the law, as he may require in the performance of his duties.

Sec. 9. Nothing contained in this order shall be deemed to impair any existing authority or jurisdiction of the Federal Communications Commission.

Sec. 10. The Director 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. 11. Nothing contained in this order shall be deemed to impair the responsibilities of the Administrator of General Services under the Federal Property and Administrative Services Act of 1949, as amended, with respect to the representation of agencies in negotiations with carriers and in proceedings before Federal and State regulatory bodies or the procurement either directly or by delegation of authority to other agencies of public utility communications services. The Administrator shall coordinate his activities in these areas with the Director.

Sec. 12. Functions of the Secretary of Commerce. The Secretary of Commerce (hereinafter referred to in this order as the "Secretary"), in supporting the Director in the performance of his functions, shall:

(a) Provide a centralized research and engineering capability within the executive branch for the coordination of Federal frequency uses and assignments.

(b) Develop and operate a national electromagnetic compatibility analysis facility.

(c) Conduct research and analysis on radio propagation, radio systems characteristics, and operating techniques leading to improved utilization of the radio resource.

(d) Conduct research and analysis in the general field of telecommunication sciences in support of other Government agencies and in response to specific requests from the Director of Telecommunications Policy.

Sec. 13. The Secretary, in fulfilling his responsibilities under section 12 of this order, shall operate under general spectrum management guidelines and criteria prescribed by the Director, who shall retain ultimate authority for the allocation and assignment of radio frequencies to Government agencies. The Interdepartment Radio Advisory Committee secretariat shall be an operating unit within the Department of Commerce and shall make its recommendations to the Director through the Secretary.

Sec. 14. Retention of Existing Authority. Except as specifically provided therein, nothing in this order shall be deemed to derogate from any now existing assignment of functions to any department or agency or officer thereof made by statute, Executive order, or Presidential directives, including memoranda.

Sec. 15. Revoked Orders. The following are hereby revoked:

- (1) Executive Order No. 10705 of April 17, 1957.
- (2) Executive Order No. 10995 of February 16, 1962.
- (3) Executive Order No. 11084 of February 15, 1963.

THE WHITE HOUSE

1
OEP
DTM ✓
January 27, 1970

MEMORANDUM FOR THE STAFF SECRETARY

Subject: Log No. 2819

I recommend that the Annual Report under the Communications Satellite Act of 1962 be transmitted to the Congress with a revised transmittal letter to be prepared by Mr. Keogh.

Peter Flanigan
Assistant to the President

Attachment *Cy in Dmsat file*

cc: Mr. Keogh
Mr. Flanigan
Mr. Whitehead ✓
Mr. Kriegsmann
Central Files

CS Whitehead:ed

Bureau of the Budget
ROUTE SLIP

TO Mr. Whitehead

Take necessary action ☐

Approval or signature ☐

Comment ☐

Prepare reply ☐

Discuss with me ☐

For your information ☐

See remarks below ☐

FROM Howard Schrow DATE 1/29/70

REMARKS

Here is a first rough draft of an
executive order on telecommunications.
I have sent a copy to Mr. Joyce of
the NSC.

EXECUTIVE ORDER

ASSIGNING TELECOMMUNICATIONS MANAGEMENT FUNCTIONS
TO FEDERAL DEPARTMENTS AND AGENCIES

By virtue of the authority vested in me as President of the United States, and pursuant to Reorganization Plan No. ___ of 1970, section 606 of the Communications Act of 1934, as amended (47 U.S.C. 606), section 201 of the Communications Satellite Act of 1962 (47 U.S.C. 721), section 301 of title 3 of the United States Code, and title III of the Intergovernmental Cooperation Act of 1968 (P.L. 90-577; 82 Stat. 1102), it is hereby ordered as follows:

Section 1. Functions of the Director of the Office of Telecommunications Policy. In addition to those functions assigned to the Director of the Office of Telecommunications Policy (hereafter referred to in this order as the "Director") by Reorganization Plan No. ___ of 1970, the Director, subject to the authority and control of the President, shall:

(a) Serve as the President's principal adviser on telecommunications policy, including national communications policies and Federal administrative telecommunication operations.

(b) Conduct economic, technical, and systems analyses of national telecommunications policies, activities, and opportunities.

(c) Evaluate telecommunications industry organization, practices, and regulatory policies, with specific attention to their impact on communications development and service to industry and the public.

(d) Advocate telecommunications policy before the Federal Communications Commission and through the President to Congress, to include specific recommendations on spectrum management for non-government use.

(e) Develop, in cooperation with the Federal Communications Commission, a comprehensive long-range plan for improved management of the total radio spectrum resource, with allocation and assignment criteria related to quantifiable measures of resource utilization and socioeconomic value.

(f) Establish a rational, continuing program of analysis and research to support U.S. participation in international telecommunication conferences, conventions, negotiations, and operating organizations.

(g) Develop and promulgate Government-wide procurement guidelines and standards for telecommunications services, equipment and procedures, as required in the interest of economy and efficiency.

(h) Review existing and planned telecommunications systems, both governmental and private, to determine whether national security and emergency preparedness requirements are being met adequately and efficiently, and report the results of this review and any remedial actions recommended to the President through the National Security Council.

(i) Review telecommunications research, development, and system improvement and expansion programs of Federal agencies to identify competing, overlapping, duplicating or inefficient programs; and make recommendations to appropriate agency officials and to the Director of the Bureau of the Budget concerning the scope and funding of these programs.

(j) Exercise the functions conferred upon the President under the Communications Satellite Act of 1962, as amended.

(k) Coordinate the development of policy, plans, and programs for the mobilization and use of telecommunications resources in any emergency, under the overall policy direction of the Director, Office of Emergency Preparedness.

(1) Prepare plans to administer the use of telecommunications resources if directed to do so in the event of war or other national emergency.

(m) Coordinate Federal assistance to State and local governments in the telecommunications area.

(n) Assure that the executive branch position on telecommunications policy issues is presented effectively to the Congress and to the Federal Communications Commission in the form of legislative proposals, recommendations, and testimony as required.

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

Sec. 2. 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 Telecommunications Policy. 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. 3. Executive Order No. 11191 of January 4, 1965, headed "Providing for carrying out of certain provisions of the Communications Satellite Act of 1962," is hereby amended by substituting "Director of Telecommunications Policy" for "Director of Telecommunications Management."

Sec. 4. Emergency functions. (a) The authority vested in the President by subsections 606(a), (c), and (d), of the Communications Act of 1934, as amended (47 U.S.C. 606 (a), (c), and (d)), is delegated to the Director of Telecommunications Policy. Such authority shall be exercised under the overall policy direction of the Director, Office of Emergency Preparedness.

(b) Nothing in this order shall be construed as authorizing the exercise of any authority with respect to the content of any station program or of communications transmitted by any communication facility.

(c) The authority vested in the President by said subsections 606(c) and (d) and delegated to the Director by subsection 4(a) of this order to take over or use facilities or stations or to remove apparatus or equipment from facilities or stations shall be exercised only by the Director or with his express approval in each case.

(d) Section 1802 and subsections 401(27) and 2002(3) of Executive Order No. 11490 of October 28, 1969, headed "Assigning emergency preparedness functions to Federal departments and agencies," are hereby amended to conform to the provisions of this order.

Sec. 5. National Communications System. (a) The Presidential Memorandum of August 21, 1963, "Establishment of the National Communications System" (28 F.R. 9413), is hereby amended by substituting for the section headed "Executive Office Responsibilities" thereof, the following:

"Executive Office Responsibilities

The Director of Telecommunications Policy will exercise the policy functions of the Executive Office of the President with respect to the planning, integration, and emergency use of the telecommunications systems of the executive branch."

(b) Subject Presidential memorandum is hereby further amended by substituting "Director of Telecommunications Policy" for "Special Assistant to the President for Telecommunications" wherever it may appear.

Sec. 6. The Director 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. The Director also shall establish a Telecommunications Advisory Committee composed of experts in the telecommunications area outside the Government.

Sec. 7. The Director 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. 8. All executive departments and agencies of the Federal Government are authorized and directed to cooperate with the Director and to furnish him such information, support and assistance, not inconsistent with the law, as he may require in the performance of his duties.

Sec. 9. Nothing contained in this order shall be deemed to impair any existing authority or jurisdiction of the Federal Communications Commission.

Sec. 10. The Director 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. 11. Nothing contained in this order shall be deemed to impair the responsibilities of the Administrator of General Services under the Federal Property and Administrative Services Act of 1949, as amended, with respect to the representation of agencies in negotiations with carriers and in proceedings before Federal and State regulatory bodies or the procurement either directly or by delegation of authority to other agencies of public utility communications services. The Administrator shall coordinate his activities in these areas with the Director.

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(c) Conduct research and analysis on radio propagation, radio systems characteristics, and operating techniques leading to improved utilization of the radio resource.

(d) Conduct research and analysis in the general field of telecommunication sciences in support of other Government agencies and in response to specific requests from the Director of Telecommunications Policy.

Sec. 13. The Secretary, in fulfilling his responsibilities under section 12 of this order, shall operate under general spectrum management guidelines and criteria prescribed by the Director, who shall retain ultimate authority for the allocation and assignment of radio frequencies to Government agencies. The Interdepartment Radio Advisory Committee secretariat shall be an operating unit within the Department of Commerce and shall make its recommendations to the Director through the Secretary.

Sec. 14. Retention of Existing Authority. Except as specifically provided therein, nothing in this order shall be deemed to derogate from any now existing assignment of functions to any department or agency or officer thereof made by statute, Executive order, or Presidential directives, including memoranda.

Sec. 15. Revoked Orders. The following are hereby revoked:

- (1) Executive Order No. 10705 of April 17, 1957.
- (2) Executive Order No. 10995 of February 16, 1962.
- (3) Executive Order No. 11084 of February 15, 1963.

OTM

January 30, 1970

To: Mr. William Plummer

From: Tom Whitehead

Attached is a draft of a memorandum I considered sending Burch. On reflection, it struck me as not particularly appropriate in spite of the fact that it is a point worth making.

Would you please consider pointing out the substance of this to the Commission in an appropriate way.

Attachment

DRAFT 1/30/70

MEMORANDUM FOR DEAN BURCH

In his letter to you of January 27, 1970, W. E. Plummer, Acting Director of Telecommunications Management, has pointed out the concerns of the executive branch insofar as defense and emergency preparedness communications are concerned in the proposal of the City of Anchorage, Alaska, to install a step-by-step toll switching system. I trust that the Commission in its consideration of this matter will give full consideration to the requirements of the executive branch in this matter along with performance and cost considerations in deciding what investments are in the public interest.

Mr. Plummer also stated his belief that a single long-haul system under centralized planning and operational authority will result in more efficient and less costly service than would a "fragmented approach." This should not be construed that ~~this~~ ^{the} Administration's feeling is that centralized ownership, planning, and operation of all telecommunications services is in the best interests of a long-run, healthy, and innovative ~~telecom~~ telecommunications industry or in the public interest.

CTW

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

Type

OFFICE OF THE DIRECTOR

January 27, 1970

Ref.: RCA Alaska Communications, Inc.
File No. P-C-7587

Honorable Dean Burch
Chairman
Federal Communications Commission
Washington, D.C. 20554

Dear Mr. Chairman:

The strategic location of the State of Alaska causes the national security implications of the intra- and interstate long haul transmission and switching capability provided in the State to be of unique concern to this office. The scarcity of redundant routing which causes primary reliance on single toll trunking routes and the remoteness from sources of supply to fill requirements for men and materials required for restoration of significant loss in such a system make it in the Nation's and State's interest that, insofar as practicable, the communications system of Alaska be the most modern and efficient available in the current state of telecommunication technology.

The urgent requirement for a modern, latest state of the art, Alaska Communication System, has been supported by the Alaskan Congressional Delegation, the Governor of Alaska and Senior Military Leaders concerned with the security of Alaska.

In my letter of October 7, 1969, to the Chairman of the FCC, I also expressed concern that the network characteristic and capability of the (national) telecommunications system be preserved.

In RCA Alascoms' opposition to the "Petition to Deny and Request for Other Relief," filed by the City of Anchorage, November 26, 1969, page 25, it is stated that the Anchorage Telephone Utility plans to install a step-by-step toll switching system. This appears to be a step backward in the provision of modern telephone service to and within Alaska. This conclusion is based upon the following data:

1. Step-by-step switches present problems to data transmission due to the many large magnets, high currents and steep wave fronts found in this equipment.

2. There are economic penalties connected with arranging such equipment to accommodate touch-tone signaling and to work with the type of multi-frequency signaling involved in toll systems.

3. Utilization of step-by-step machines would present a major problem in the use of CCITT #6 signaling on satellite channels.

4. Non-common control systems (step-by-step) do not lend themselves to the quality and diversity of today's calling services.

5. Step-by-step operations entail disproportionally high maintenance costs.

It is worth noting that it has been several decades since the last step-by-step toll train for use in interstate service was installed by the Bell System. There are very few in service now, and their use is limited to call completion. They are presently scheduled for replacement by crossbar or electronic switching machines.

I invite your attention to these considerations in order that you will be aware of our concern and that the disadvantages of the proposal of the City of Anchorage will receive full consideration in the Commission's deliberations relative to issuance of authorization to provide the intertoll switch at or near Anchorage.

I reiterate my belief that a fragmented approach to the provision of telecommunications service will, in the long run, result in a less efficient and more costly service than a single long haul system under centralized planning and operational authority.

Sincerely,



W. E. Plummer
Acting

cc: Honorable Mike Gravel
Honorable Theodore F. Stevens
Honorable Howard W. Pollock
Honorable Keith Miller
Dr. Clay T. Whitehead
Hon. Philip N. Whittaker
Hon. George M. Sullivan

Federal Field Committee for
Development Planning in Alaska
RCA Alaska Communications, Inc.
Matanuska Telephone Assoc., Inc.
Public Service Commission of
Alaska

OE
DTM

January 27, 1970

MEMORANDUM FOR THE STAFF SECRETARY

Subject: Log No. 2319

I recommend that the Annual Report under the Communications Satellite Act of 1962 be transmitted to the Congress with a revised transmittal letter to be prepared by Mr. Keogh.

Peter Flanigan
Assistant to the President

Attachment *Cy in Domsat file*

cc: Mr. Keogh
Mr. Flanigan
Mr. Whitehead ✓
Mr. Kriegsmann
Central Files

CTWhitehead:ed

THE WHITE HOUSE
WASHINGTON

1/20/70
(Date)

TO: *T. Whitehead*
FROM: PETER FLANIGAN

ACTION:

DUE DATE: 26 Jan.
a.m.

- ☒ Prepare reply for
Mr. Flanigan's signature
- ☐ Direct reply
- ☐ Comments/recommendations
- ☐ Please handle
- ☐ Information
- ☐ File

REMARKS:

*Call Mr. McCormack
Lay.*

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 2819

Date: Monday, January 19, 1970

Time: 4:25 P.M.

FOR ACTION: Dir. Mayo

cc (for information):

Peter Flanigan (Whitehead)

FROM THE STAFF SECRETARY

DUE: Date: Monday, January 26, 1970

Time: 2:00 P.M.

SUBJECT: Annual Report on Activities of the Communications
Satellite Act of 1962.

ACTION REQUESTED:

____ For Necessary Action

X For Your Recommendations

____ Prepare Agenda and Brief

____ Draft Reply

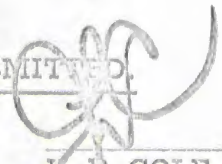
____ For Your Comments

____ Draft Remarks

REMARKS:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.


K. R. COLE, JR.
For the President

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

Date: January 19, 1970

Subject: Annual Report on Activities and Accomplishments
under the Communications Satellite Act of 1962

To: Mr. William J. Hopkins

Attached are two copies of the final draft of the President's Report to the Congress under the Communications Satellite Act of 1962. A proposed letter of transmittal has also been included.

In preparing the report and the letter of transmittal, assistance and advice have been obtained from:

Department of State
Department of Defense
Department of Transportation
National Aeronautics and Space Administration
National Aeronautics and Space Council
(Executive Secretary)
Ambassador Scranton

I would very much appreciate your assistance in obtaining the White House staff review of the report and the approval of the President for publication and forwarding to the Congress.



W. E. Plummer
Acting Director

Attachments



ANNUAL REPORT

on
ACTIVITIES AND
ACCOMPLISHMENTS
under the
COMMUNICATIONS
SATELLITE ACT OF 1962

January 1 - December 31, 1962

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III. THE INTERNATIONAL TELECOMMUNICATIONS SATELLITE CONSORTIUM (INTELSAT)	7
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TO THE CONGRESS OF THE UNITED STATES

There have been many significant accomplishments in commercial satellite communications during the 1960's. These include important milestones:

- Demonstration of the feasibility of satellite communications for practical uses;
- Enactment of the Communications Satellite Act of 1962;
- Establishment of the Communications Satellite Corporation;
- Creation of the International Telecommunications Satellite Consortium (INTELSAT); and
- Establishment and operation of a Global Commercial Communications Satellite System.

These unprecedented achievements were facilitated by the policy of the United States to make the services attainable through communications satellite technology available to the nations of the world. The outstanding success of INTELSAT is the product of enlightened international cooperation between the participating member nations of the Consortium. Through this cooperative effort was created the INTELSAT system which is today providing international telecommunication services to much of the world.

The rapid progress toward establishment of the global system and the accelerated application of advanced technology have demonstrated the basic soundness of the institutional arrangements in the interim multilateral agreement. This progress has been the result of INTELSAT's effective decision making performance and COMSAT's accomplishments in planning and execution, as Manager for INTELSAT. These achievements are a tribute to human creativity and international cooperation in surmounting the substantial impediments (technical, social, political and economic) normally encountered in the introduction of a new technology.

The full impact of our progress was graphically portrayed when I sat in The White House in July and talked to Neil Armstrong and Edwin Aldrin on the surface of the Moon, an experience shared with people throughout the world through the medium of satellite communications.

The challenges ahead are to address further the complex factors facing modern society and to formulate meaningful national and international policy to exploit the growing opportunities offered by satellite communications technology. A specific task ahead for the United States is the successful completion of the INTELSAT Conference in 1970 leading to a multilateral agreement on Definitive Arrangements. The objective of the United States in this regard is to build upon the achievements of the Consortium since the Interim Arrangements were established in 1964.

Under section 404(a) of the Communications Satellite Act of 1962, I am transmitting to the Congress this seventh report on the national program, which is successfully advancing satellite communications technology. This report reflects the steady progress being made toward implementing the policy declared by the Congress in the Act to establish, as expeditiously as possible, a commercial communications satellite system, as part of an improved global communications network. Already we see major improvements in international telecommunication capabilities which are providing significant benefits for all peoples.

RICHARD NIXON

THE WHITE HOUSE
January 1970

INTRODUCTION

Background

Through the Communications Satellite Act of 1962, the Congress of the United States enunciated national policy "to establish, in conjunction and in cooperation with other countries, as expeditiously as practicable a commercial communications satellite system as part of an improved global communications network, which will be responsive to public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding." The Act also declared it to be United States policy that "in order to facilitate this development and to provide for the widest possible participation by private enterprise, United States participation in the global system shall be in the form of a private corporation, subject to appropriate governmental regulations." The Communications Satellite Corporation (COMSAT), incorporated in the District of Columbia on February 1, 1963, has served to carry out the intent of the Congress.

Prior to development of communication satellite technology inter-continental telecommunication services were provided by high frequency radio and submarine cable. The classical institutional arrangements for such service were established bilaterally between United States communication common carriers and those of foreign nations.

The advent of communication satellites with their potential for enhancing international telecommunications presented a challenge to the ingenuity of the United States and the international community to establish arrangements designed to yield the greatest benefits. Rather than choosing to continue the bilateral approach, it was decided that new institutional arrangements involving a multilateral agreement with a large number of nations was the more desirable alternative.

Summary of Progress

During 1969 progress continued to be made by the INTELSAT Consortium in establishing and operating the Global Commercial Communications Satellite System. In five and one-half years INTELSAT has grown from an initial membership of 11 participating nations to its year-end membership of 70 nations. A progress chart showing the various programs

contributing to the establishment of commercial communications satellite services is shown in Appendix A. The locations of the satellites and earth stations of the Global System are shown in Appendix B.

Significant milestones in 1969 were the successful launching of two INTELSAT III series satellites, a new generation of improved operational satellites; and the design and development by industry of the more advanced INTELSAT IV series satellites. The Global System has experienced a steady growth in use of the available capacity of the space segment. The space segment facilities of the Global System continued to provide high quality telephone, telegraph, television and related services. Eighteen additional earth stations were activated in various countries during the year. With the initiation of commercial service via the INTELSAT system to the Indian Ocean basin and the Near-East, global coverage was achieved. Users of the system have thus obtained improved international telecommunications. For example, the National Aeronautics and Space Administration used leased INTELSAT facilities as a portion of its total telecommunications network supporting the APOLLO manned space operations. It is estimated that half a billion people watched the APOLLO 11 astronauts on the Moon via television relayed by satellites.

Evaluation of Accomplishments

There have been major technical and institutional accomplishments since enactment of the Communications Satellite Act of 1962. These have provided improved international telecommunications throughout the world. The basic goal established by the Congress has been largely achieved -- far more rapidly than was expected. Major milestones in the development of the global system include:

- Establishment of the Communications Satellite Corporation in February 1963;
- The International Agreement Establishing Interim Arrangements for a Global Commercial Communications Satellite System on August 20, 1964;
- Operation of the first commercial communications satellite (EARLY BIRD) June 1965; and
- Achievement of global coverage by the INTELSAT System in July 1969.

In evaluating this progress, it must be noted that not only advanced nations but also many of the developing countries have planned and installed earth stations to make use of this new mode of telecommunication. The rapid establishment of the space segment and growth in numbers of earth stations have meant that for the first time, particularly in the developing areas of the world, high quality, reliable, and reasonably priced international telecommunication services have become available. Furthermore, the live distribution of television over transoceanic regions has become routine.

The progress which has been achieved with the first three generations of operational commercial communication satellites represents a profoundly important step toward a new order of capability for worldwide communication. This progress enhances the process of establishing worldwide interconnection of all modes of telecommunication and thereby increases the possibilities for the enrichment of mankind through the sharing of knowledge. Future accomplishments will be limited only by the imagination, skill, and cooperation of the nations participating in this challenging venture in space.

There are additional tasks ahead, however, if the full range of goals established by the Congress are to be met. Continued concern for the interaction of policy, planning and technology will be needed to bring the benefits of communications by satellite to more of the developing areas of the world, particularly to the centers of low-density traffic. Further attention is also needed to expand the range of telecommunication services by applying in progressively greater measure the potential of communication satellite technology.

One of the important unfinished tasks ahead is to complete the INTELSAT Conference and to reach agreement with our partners on the Definitive Arrangements for INTELSAT. The United States' objective is to build upon the solid accomplishments of the Consortium since the Interim Arrangements were established in 1964.

NATIONAL ACTIVITIES

The keynote of the United States' activities in satellite communications is the mutual support and cooperation demonstrated by the United States Government-Industry team, coupled with the enlightened international cooperation by the members of INTELSAT. These joint efforts enabled INTELSAT to move rapidly toward its goals of establishing a successful international commercial enterprise, and of increasing the participation of the partner nations in research, development and manufacture in this new field of technology.

There follows a summary of significant activities during 1969 in furtherance of our national communication satellite policy; and of the concurrent planning which has been undertaken to maintain the rapid pace of progress in satellite technology and its adaptation to the needs of modern society.

Federal Coordination and Planning

The Director of Telecommunications Management and the Department of State, in coordination with the Federal Communications Commission, continued active participation in fulfilling Executive Branch responsibilities assigned to the President by the Communications Satellite Act of 1962.

The principal activities of the Director of Telecommunications Management and the Department of State in this functional area during the year included:

- Providing policy guidance to COMSAT, acting as the United States representative in meetings of the Interim Communications Satellite Committee (ICSC), of INTELSAT.
- Participating in the work of the United States Delegation to the Plenipotentiary Conference on Definitive Arrangements for the International Telecommunications Satellite Consortium, initially convened on February 24, 1969.
- Maintaining continuous review of all significant phases of the development and operation of the Global System including activities of the Communications Satellite Corporation, particularly with regard to INTELSAT III and IV satellites.

- Helping attain efficient use of the electromagnetic spectrum and technical compatibility of communication satellite systems with existing telecommunication facilities.
- Collaborating with other interested agencies and departments (including the Department of Transportation, the Federal Aviation Administration, the Federal Communications Commission and the National Aeronautics and Space Administration) in national planning and development with regard to use of satellites for aeronautical purposes.

Federal Support

The National Aeronautics and Space Administration (NASA) continued to provide launch vehicles and launch services on a reimbursable basis for placing INTELSAT satellites into transfer orbit for the Consortium, through COMSAT serving as Manager for INTELSAT; and to provide technical advice and assistance to COMSAT, as well as technical advice to the Federal Communications Commission.

The principal activities performed by NASA in this functional area during the year included:

- Launching additional INTELSAT III series satellites.
- Providing technical consultation service to COMSAT in a number of instances. NASA made its experience available to COMSAT in connection with various aspects of spacecraft technology, and spacecraft under design, development and test.
- Continuing to furnish technical advice and comments to the Federal Communications Commission (FCC) on a number of applications filed by COMSAT and on other matters in respect to satellite communications and earth stations.
- Making available for commercial purposes and on a reimbursable basis during the year television relay services via the Applications Technology Satellites ATS-1 and ATS-3.

III

THE INTERNATIONAL TELECOMMUNICATIONS
SATELLITE CONSORTIUM (INTELSAT)

Membership

INTELSAT continued to grow during 1969, increasing its membership and extending services to new areas. The addition of seven members during the year brought total membership in the Consortium to 70 countries. The new members are: Cameroon, Guatemala, Ivory Coast, Jamaica, Luxembourg, Nicaragua, and Republic of Viet Nam. In addition, the following eight countries have obtained allocated quotas and can accede at any time: Bolivia, Democratic Republic of the Congo, Costa Rica, Dominican Republic, Ecuador, Honduras, Paraguay, and Trinidad and Tobago.

The interest and active participation of so many countries in establishing a viable and useful Global Commercial Communications Satellite System is an indication of the promise of this new mode of communications for providing improved international telecommunication services.

Interim Communications Satellite Committee (ICSC)

The ICSC, as governing body of the organization, continued its normal bi-monthly meeting schedule for the purpose of planning and directing the development and operation of the INTELSAT system. The Committee dealt with a wide variety of issues and problems during the year, including among others:

- Approval of certain design and engineering changes in the INTELSAT III satellite series and for ordering additional satellites;
- Approval of the exercise of options under the INTELSAT IV satellite procurement contract for the purchase of additional satellites;
- Approval of launch arrangements and contracts relating to INTELSAT III and INTELSAT IV series satellites;
- Continual review and revision of contingency plans for operation of the space segment of the global system;

- Renewal of the service contract with the National Aeronautics and Space Administration to extend NASCOM communication services in support of the APOLLO program until September 1970;
- Establishment of policy relating to conditions under which INTELSAT inventions and data can be utilized by Signatories for communication satellite systems, including earth stations;
- Continual review of INTELSAT's user charges including consideration of the method of charging for multi-destination television transmissions;
- Approval of new earth stations to work with the space segment of the Global System;
- Determination of technical compatibility between the INTELSAT existing and planned space segment and the proposed domestic communications satellite system of Canada;
- Appointment of a new panel of legal experts from which presidents of arbitration tribunals will be selected;
- Coordination with the International Civil Aviation Organization to discuss possibilities and implications of the establishment of an aeronautical communication-satellite service;

Definitive Arrangements for INTELSAT

Pursuant to the terms of Article IX of the 1964 Intergovernmental Agreement Establishing Interim Arrangements for a Global Commercial Communications Satellite System, the Government of the United States convened a conference in Washington, D. C., in February 1969 to consider definitive arrangements for the global system. The Plenipotentiary Conference on Definitive Arrangements for the International Telecommunications Satellite Consortium met in Washington for four weeks, recessing on March 21, after establishing a Preparatory Committee to carry forward the work of the Conference.

The Conference Plenary was participated in by sixty-seven of the then sixty-eight member countries, by observers from twenty-nine non-member countries, and observers from the UN Secretariat and the ITU. Of this total of ninety-eight delegations to the Conference,

about forty-five participated in the work of the Preparatory Committee. The Preparatory Committee met in Washington, D. C., for four weeks during June and July, for three weeks during September and again for more than three weeks in November and December to try to resolve differences of views and formulate draft agreements.

The Conference Plenary is now scheduled to reconvene in Washington, D. C., on February 16, 1970, to consider the Preparatory Committee report and complete work on Definitive Arrangements for INTELSAT.

PROGRESS IN ESTABLISHING AND OPERATING THE GLOBAL SYSTEM

Background

The Global System has grown steadily since operations began in June 1965. The market for international services by satellite consists of requirements of the international telecommunication carriers.

An overview of and the progress made by INTELSAT toward establishing and operating the Global System can be seen in Appendices A and B.

Conceptual Framework of the Global System

Communication satellites placed in synchronous altitude equatorial (geostationary) orbit provide a unique transmission medium for all types of telecommunication services. Essentially, the synchronous altitude equatorial corridor -- when active repeater communication satellites are employed -- is virtually a 22,300 mile high ionospheric belt which can be exploited to extend the range of telecommunication capability. The fundamental attributes of this revolutionary mode of communications include an unprecedented degree of versatility and flexibility together with high capacity that can be achieved at economically viable costs per channel.

The INTELSAT system is based on the deployment of a relatively few high performance geostationary communication satellites so located in orbit as to provide essentially global coverage. The specific configuration of the Global system is achieved by placing the individual satellites so as to optimize the coverage in (a) the Atlantic Ocean Basin, (b) the Pacific Ocean Basin and (c) the Indian Ocean Basin. All satellites after INTELSAT I (Early Bird) have multiple access capabilities which enable several earth stations to use a single satellite simultaneously. A system with these coverage and operational features enhances the availability of the satellites to a maximum number of nations.

Technical control of the INTELSAT satellite operation, orbit positioning and monitoring of the satellites status is accomplished from a select number of tracking, telemetry, command and monitoring (TTC&M) earth stations comprising a system control network.

Space Segment Development

The INTELSAT system is based on an integrated systems approach in both systems design (configuration) and management in the establishment and operation of the system. Since a few geostationary satellites

allow extensive geographic coverage, global in scope, the institutional arrangements of INTELSAT provide an opportunity for applying an orderly and integrated systems approach to the design of the system. The current configuration of the INTELSAT system with the present operational satellites is shown in Appendix B.

Operational Satellites

The operational system of 1969 consisted primarily of INTELSAT III series satellites with secondary reliance on the INTELSAT II satellites and the single INTELSAT I (Early Bird) satellite.

-- INTELSAT I (Early Bird)

The first INTELSAT satellite, Early Bird, positioned in geostationary orbit over the Atlantic Ocean was retired from service on January 20, 1969, and used as an in-orbit spare. This satellite had provided regular commercial service between North America and Western Europe since June 28, 1965. Early Bird was placed back into commercial service for a short period from June 30, 1969 to August 17, 1969, when difficulty was experienced with the INTELSAT III (F-2) antenna.

-- INTELSAT II Series

Two of the three INTELSAT II series satellites successfully launched during 1967 were in service at the end of the year. The INTELSAT II (F-3) satellite positioned over the Atlantic has been used during most of 1969 to provide service between North America and Ascension and Grand Canary Islands as well as to the NASA APOLLO Tracking and Data Acquisition Ship in the Atlantic. This satellite was also used for service during the failure of the Atlantic INTELSAT III satellite. The Pacific INTELSAT II (F-4) satellite is used to provide part of the commercial service between the U. S. mainland and Hawaii.

-- INTELSAT III Series

During 1969 two INTELSAT III series satellites were successfully launched and placed into geostationary orbit. Another INTELSAT III satellite was launched in July but failed to reach orbit due to a malfunction of the third stage of the Delta launch vehicle. The two satellites launched this year plus the satellite successfully launched at the close of 1968 has allowed an INTELSAT III satellite to be positioned over each of the three ocean areas, Atlantic, Pacific and Indian.

One portion of one of the amplifiers in the Indian Ocean satellite has failed, requiring earth stations to transmit greater power. Overall quality and maximum capacity has not changed, however, and the satellite continues to provide full-time service.

The Atlantic satellite has provided for most of the Atlantic Basin traffic during 1969, but it experienced antenna problems from June 29, 1969 to July 28, 1969 during which time it was not able to carry any traffic.

Technical modifications have been made on subsequent satellites in this series. For example, the INTELSAT III satellite which is positioned over the Pacific Ocean has not experienced any difficulties since being launched and continues to provide the majority of commercial service in the Pacific region.

-- Advanced Satellites --

The next generation of satellites, the INTELSAT IV series, is under construction and is scheduled for launching beginning in 1971. The original contract, placed in October 1968, called for delivery of a prototype and four flight models. A contract option for two additional flight models was exercised in October 1969. Another option for two additional flight models was exercised in December 1969. The Atlas Centaur was selected during 1969 to be the launch vehicle for the INTELSAT IV series satellites.

-- Satellite Operational Capabilities

There has been a substantial growth in the size and performance characteristics of the INTELSAT satellites from the first generation model Early Bird. The principal features and operational capabilities of the various types of INTELSAT satellites are shown in Appendix C.

Tracking, Telemetry, Command and Monitoring

Overall operational control of the INTELSAT system is accomplished by specialized stations which perform tracking, telemetry, command and monitoring (TTC&M) functions. These stations track the individual satellites in the INTELSAT system, receive telemetry data which indicate the performance and status of the satellites, and transmit commands which control the various on-board communications and position keeping equipment. The TTC&M stations are operated under lease or other arrangements with INTELSAT.

The TTC&M stations at Andover, Maine; Paumalu, Hawaii; and Fucino, Italy were placed in an operational status prior to 1969. A new station located at Carnarvon, Australia, was placed into operational status during 1969.

Earth Stations

The year 1969 saw the largest annual increase in the number of operational earth stations in the history of INTELSAT. Eighteen new stations became operational. New earth station antennas were placed into operation in the following countries: Argentina, Australia (Carnarvon No. 2, Ceduna), Bahrain, Brazil, Canada (Mill Village No. 2), Republic of China, France (Pleumeur Bodou No. 2), Germany (Raisting No. 2), Indonesia, Iran, Japan (Yamaguchi), Kuwait, Lebanon, Morocco, Peru, United Kingdom (Hong Kong), and the United States (Guam).

At the close of the year, 41 earth station antennas were in operation in 24 countries. Nine other stations or additional antennas are expected to be in service within the first six months of 1970. They are located in the following countries: Colombia, East Africa (Kenya), Italy (Fucino No. 3), Greece, India, Malaysia, Republic of Korea, Spain (Buitrago No. 2), and Thailand (Si Racha No. 2). In addition, nine more stations are expected to be placed in operation during the latter half of 1970. One of these stations is to be located at Talkeetna, Alaska, located about 90 miles north of Anchorage. This station is scheduled to begin commercial operation by July 1, 1970.

Utilization of the Space Segment

Each satellite in the INTELSAT system is accessed by a group of earth stations as listed in Appendix B. The utilization of the INTELSAT satellites increased from a total of 75 two-way voice circuits provided at the end of 1965, to 1416 circuits by the end of 1969. The growth in utilization of the operational satellites is shown in Table 2.

Number of Operational INTELSAT Satellites	1	1	4	4	5	5
Satellite Utilization* Percent of Rated Capacity	31.3%	35.8%	53.3%	74.9%	44.4%	37.8%
Number of Leased Two-way Voice Circuits (All classes of terminals)	75	86	344	560	1416	2877
Number of Operational Earth Station Antennas (Includes NASA terminals)	5	12	15	23	41	57
Year Ending	1965	1966	1967	1968	1969	1970 Estimate

*"Utilization in percent of rated capacity" figures include the effect that some non-standard earth stations are less efficient in utilizing satellite capacity.

TABLE 2
GROWTH OF UTILIZATION
THE INTELSAT SYSTEM

The higher capacity INTELSAT III series satellites and the increasing number of operational earth stations throughout the world made possible the dramatic increase in voice traffic utilization in 1969.

The transmission of television via the INTELSAT satellites has increased from approximately 40 hours in 1965 to approximately 760 hours in 1969.

Use by NASA

The NASA Operational Communications System began using commercial satellite service for APOLLO support in February 1967, and the use of the INTELSAT service continued throughout 1969.

The APOLLO manned flights conducted in 1969 included the use of satellite service to the three instrumentation ships outfitted for direct communications via communication satellites of the INTELSAT system. This provided the APOLLO Mission Director in Houston, Texas, a capacity to effect real time direction of the orbiting APOLLO spacecraft.

Special Events

The unique capability of communication satellites to transmit live television broadcasts across the oceans was demonstrated throughout the year. Various important public affairs events of world-wide interest were relayed via INTELSAT satellites.

Among the major events relayed via communication satellites during 1969 were: the inauguration of President Nixon, the funeral of General Eisenhower, the DeGaulle referendum in France and the French national elections, President Nixon's meeting with President Thieu, President Nixon's visits to Western Europe, Romania and the Far East, the Investiture of the Prince of Wales, the Pope's visit to Uganda, the Wimbledon tennis tournament, the U. S. baseball World Series, and the Strategic Arms Limitation Talks (SALT) in Helsinki, Finland.

Of special interest were the live television broadcasts of the APOLLO 9, 10, 11 and 12 missions. The historic APOLLO 11 moonlanding showing man's first steps on the surface of the Moon, was one of the most dramatic and significant scientific accomplishments in history. The moonlanding was relayed by communication satellite to five continents, which also made it the most widely shared event in history.

SUMMARY
(Opportunities and Challenges)

The first operational commercial communications satellite (Early Bird) was deployed to meet expanding telecommunication requirements in the high traffic volume North Atlantic region. Subsequent operational satellites (INTELSAT II's and III's) are providing satellite capability in the Atlantic, Pacific and Indian Ocean regions to those nations with earth stations, thereby assuring them efficient, economical, direct access to the Global System. There is an opportunity to promote the development of technology which will accommodate low-density traffic sources throughout the world. Here the challenge is to promote the early utilization of advancing technology which will bring the benefits of direct access to the Global System within the economic means of any nation desiring such access.

The initial use of the Global System has been to provide international public telecommunication services. There is an opportunity for technical and management innovations to take advantage of the unique attributes offered by advancing technology in expanding the range of telecommunication services by making broader applications of communication satellites. Here the challenge is to address the complex technical, social, political and economic problems and formulate meaningful United States national and international policy.

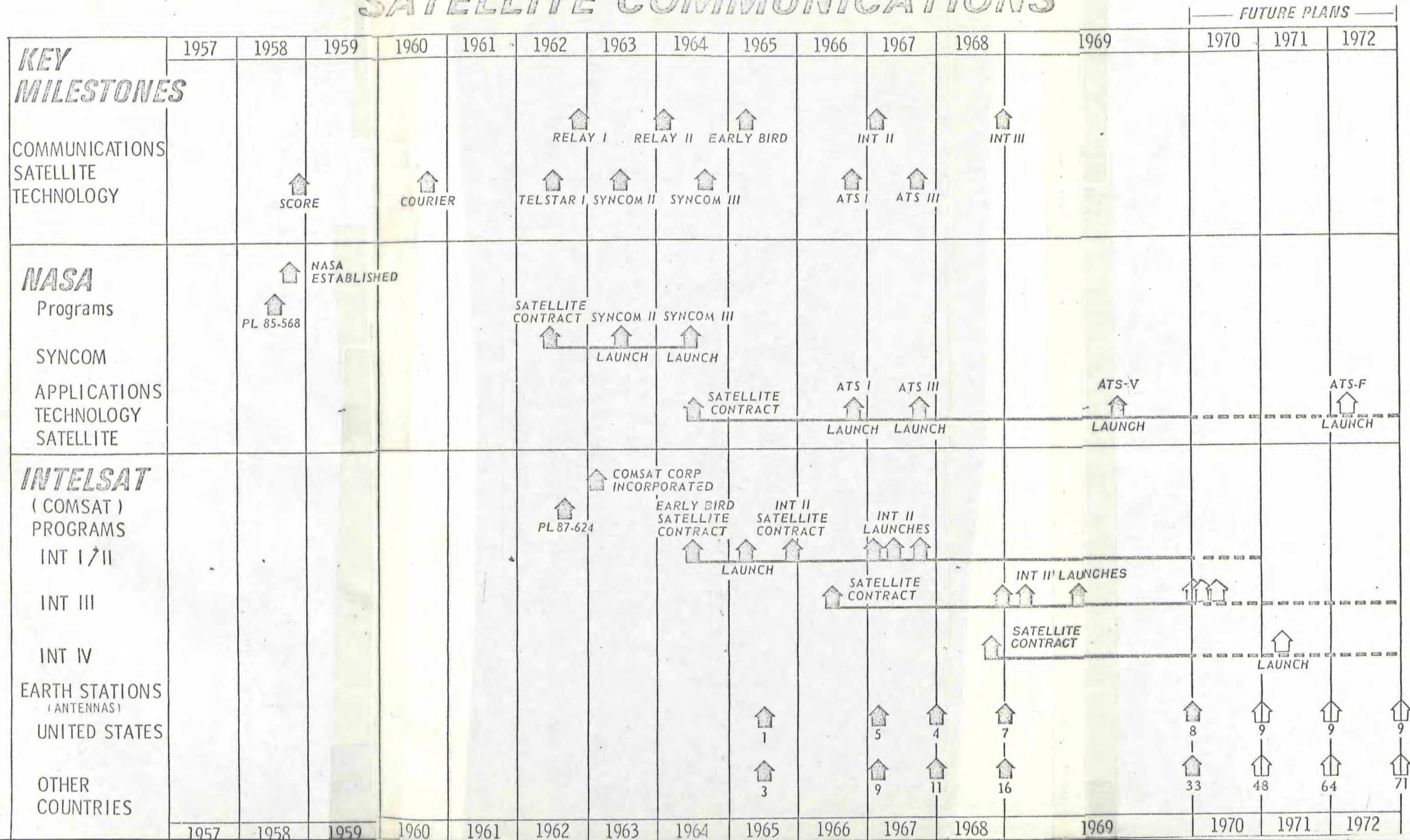
Finally, many opportunities are presented to the nation in bringing the benefits of satellite communications to mankind. In meeting this challenge, the United States will continue to support the Global Commercial Communications Satellites System which is made available to all nations -- large and small, developed and developing -- on a non-discriminatory basis by the International Telecommunications Satellite Consortium (INTELSAT).

APPENDIX A

PROGRESS CHART

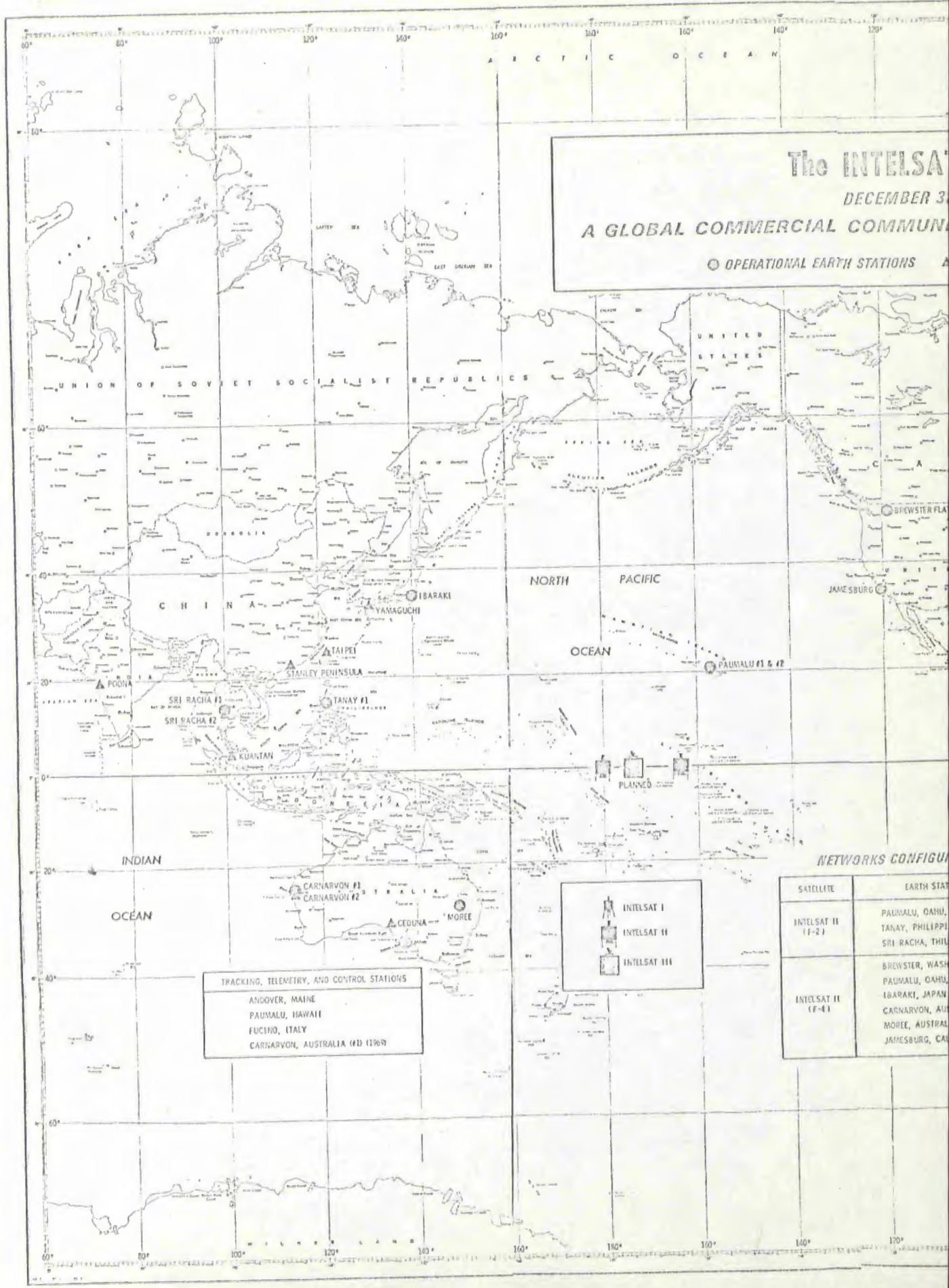
SATELLITE COMMUNICATIONS

PROGRESS CHART SATELLITE COMMUNICATIONS



APPENDIX B

THE INTELSAT SYSTEM



The INTELSAT

DECEMBER 31, 1969

A GLOBAL COMMERCIAL COMMUNITY

○ OPERATIONAL EARTH STATIONS

NETWORKS CONFIGURATION

SATELLITE	EARTH STATION
INTELSAT II (F-2)	PAUMOTU, OHIO TANAY, PHILIPPINES SRI RACHA, THAILAND
INTELSAT II (F-1)	BREWSTER, WASHINGTON PAUMOTU, OHIO IBARAKI, JAPAN CARNARVON, AUSTRALIA MOREE, AUSTRALIA JAMESBURG, CALIFORNIA



TRACKING, TELEMETRY, AND CONTROL STATIONS

ANDOVER, MAINE
PAUMOTU, HAWAII
FUCINO, ITALY
CARNARVON, AUSTRALIA (HD 11969)

INTELSAT System

DECEMBER 31, 1968

COMMUNICATIONS SATELLITE SYSTEM

II STATIONS ▲ NEW EARTH STATIONS (1969)



APPENDIX C

INTELSAT SATELLITES

GROWTH IN OPERATIONAL CAPABILITY

APPENDIX C

ITEM	INTELSAT I (Early Bird)	INTELSAT II	INTELSAT III	INTELSAT IV ^a
Diameter, inches	28.4	56.0	56.0	93.0
Height, inches (overall)	47.1	51.0	78.0	193.0
Weight, lb (in orbit)	85	190	322	1584
Design Lifetime (Years)	1-1/2	3	5	7
Total two-way telephone circuits ^b , <u>or</u>	240	240	1200	3,000 to 9,000 ^c
TV Channels ^d	1	1	4	12

^aParameters estimated.

^bWhen used with standard Earth Stations having 85 to 97-ft. diameter.

^cDepending on type modulation, number of carriers per repeater, and antenna beam width used.

^dIn lieu of telephone circuits.

INTELSAT SATELLITES
GROWTH IN OPERATIONAL CAPABILITY

1/21/70

To: Mr. William Niskanen

From: Clay T. Whitehead

Draft Federal Communications
Reorganization

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

telecommunications

January 24, 1970

MEMORANDUM TO TOM WHITEHEAD

FROM: Peter M. Flanigan

pmf

I discussed the attached with Henry Kissinger and Henry doesn't believe that the President will get himself sufficiently briefed to take this subject up. Apparently there are a large number of substantially more important items on the agenda. Kissinger suggests, and it seems reasonable to me, that this be an item for the Secretary of State to discuss with the Prime Minister.

Telecommunications

not sent

January 22, 1970

MEMORANDUM FOR THE PRESIDENT

The INTELSAT negotiations have been making progress on a number of fronts. However, there is considerable resentment of Comsat Corporation deriving in part from its role as both U. S. representative and system manager. This has resulted in strong pressures to "internationalize" the management of INTELSAT and remove Comsat from that role. These pressures are mostly from France, Germany, and England.

We are convinced this is unacceptable at this time from the standpoint of system reliability and integrity. We are further convinced that this would be a poor precedent for future international activities involving complex economic and technical operations. We have, however, gone a very considerable way to accommodate the views of other nations that U. S. dominance should be constrained in spite of our majority use of and investment in the system and the fact that the technology and launch capability are provided largely by the U. S. Congressional feelings are also quite strong on this issue.

Recommendation

That you emphasize to Prime Minister Wilson during his visit that the U. S. has made many significant concessions toward internationalizing the INTELSAT organization but that the position of his and other European governments on the issue of technical management goes beyond what the U. S. can accept. You might also urge the Prime Minister to ask his negotiators to review their own positions as well as ours since we feel strongly that our position on this issue is both fair and reasonable.

The INTELSAT negotiations will be covered in your briefing book for the Prime Minister's visit, but I feel the substantive importance of this issue deserves emphasis.

Peter M. Flanigan
Assistant to the President

Attachment

cc: Mr. Ehrlichman
Mr. Flanigan
CTWhitehead:jm

Mr. Whitehead ✓
Central Files

ACTION
INTELSAT

MEMORANDUM FOR THE PRESIDENT

Attached is a memorandum from Peter Flanigan suggesting you mention an important issue in the INTELSAT negotiations to Prime Minister Wilson during his visit. Although these negotiations will be covered in your briefing book prepared by the State Department, we feel the issue should be emphasized because of its importance to the U. S. communications industry.

John D. Ehrlichman

Attachment

cc: Mr. Ehrlichman
Mr. Flanigan
Mr. Whitehead ✓
Central Files

CTWhitehead:ed

Suggested Talking Points for Meeting with Prime Minister Wilson

INTELSAT CONFERENCE

1. Our negotiators and yours have been working hard for almost a year trying to get a permanent agreement on the operation of the global commercial communications satellite system, INTELSAT.
2. Your negotiators are seeking to reduce the dominance of the United States in INTELSAT and to "internationalize" the organization fully and swiftly. We recognize the feelings that lie behind this aim and we are sympathetic to the need for greater "internationalization". We have, in fact, already gone a long way and have agreed to several important changes in that direction. We very much want an Agreement to come out of the Plenipotentiary Meeting resuming here next month. But we cannot go quite as far as your negotiators are urging us.
3. Specifically there is one proposition, strongly backed by your negotiators, which we cannot accept. It is to take a decision now to turn over the management of the technical and operational functions of INTELSAT to an international officialdom.
4. The management is now provided by the Communications Satellite Corporation (COMSAT), a U.S. company. We have already agreed to turn over all non-technical management functions to an international secretariat under a Secretary General; but we are not satisfied that the technical operations can be efficiently and economically performed by a secretariat. We are not foreclosing this possibility later, however. We have proposed that COMSAT continue under a five-year contract, during which time a thorough and impartial study will be made by outside experts as to the best technical management arrangements for the long-term. Until the results of this study are in, we are not prepared to agree in principle to throw out COMSAT and turn the technical operations over to an international secretariat.
5. I believe our position is fair. We are open-ended as to what happens after the five-year period, based on the study. Additionally, I would like you to know that in the light of the legislative background of this matter (the Communications Satellite Act of 1962 which designates COMSAT as the "chosen instrument" to develop commercial satellite communications) and the strong feelings of interested Congressional leaders, we could not agree to the position your people are taking without running into serious difficulties with the Congress.

*Federal
Communications
Commission
George*

January 19, 1970

MEMORANDUM FOR KEN COLE

In talking to the Budget Bureau today about telecommunications reorganization, they pointed out that, before proceeding much further, they would need guidance from the White House regarding the schedule for the various reorganization plans and messages to be sent to the Congress. They also indicated some uncertainty about who in the White House properly should be involved in determining the schedule. I call this to your attention since there is apparently a real uncertainty there that should be resolved.

At the same time, I would like to put in a plea for scheduling the telecommunications reorganization as soon as possible. Not only do we already have Presidential approval and a draft reorganization plan and accompanying executive order, but we have created something of a policy vacuum in the telecommunications area pending the creation and filling of the Office of Director of Telecommunications Policy.

Clay T. Whitehead
Staff Assistant

Mr. Flanigan
cc: Mr. Kriegsman
Mr. Whitehead ✓
Central Files

CTWhitehead:ed

Bureau of the Budget
ROUTE SLIPTO M. WhiteheadTake necessary action ☐Approval or signature ☐Comment ☐Prepare reply ☐Discuss with me ☐For your information ☐See remarks below ☐FROM H. SchnoorDATE 1/30

REMARKS

Per your request**SPECIAL
SERVICE**

REORGANIZATION PLAN NO. OF 1970

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, , 1970, pursuant to the provisions of chapter 9 of title 5 of the United States Code.

OFFICE OF TELECOMMUNICATIONS POLICY

Section 1. Transfers of functions. The following are transferred to the Director of the Office of Telecommunications Policy hereinafter provided for:

(a) All functions relating to assigning frequencies to radio stations belonging to and operated by the United States, or to classes thereof, conferred upon the President by the provisions of section 305(a) of the Communications Act of 1934, 47 U.S.C. 305(a).

(b) To the extent that they are with respect to telecommunications, all functions relating to prescribing policies and methods of procurement and supply of personal property and nonpersonal services, including related functions, conferred upon the Administrator of General Services by section 201(a)(1) of the Federal Property and Administrative Services Act of 1949, 40 U.S.C. 481(a)(1).

Sec. 2. Establishment of Office. There is hereby established in the Executive Office of the President the Office of Telecommunications Policy, hereinafter referred to as the Office.

Sec. 3. Director and deputy. (a) There shall be at the head of the Office the Director of the Office of Telecommunications Policy, hereinafter referred to as the Director. The Director shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate now or hereafter provided for Level III of the Executive Schedule Pay Rates (5 U.S.C. 5314).

(b) There shall be in the Office a Deputy Director of the Office of Telecommunications Management who shall be appointed by the President by and with the advice and consent of the Senate and shall be compensated at the rate now or hereafter provided for Level IV of the Executive Schedule Pay Rates (5 U.S.C. 5315). The Deputy Director shall perform such functions as the Director may from time

19 DEC 1969

to time prescribe and, unless the President shall designate another person to so act, shall act as Director during the absence or disability of the Director or in the event of vacancy in the office of Director.

(c) No person shall while holding office as Director or Deputy Director engage in any other business, vocation, or employment.

Sec. 4. Performance of functions of Director. (a)

The Director may appoint employees necessary for the work of the Office under the classified civil service and fix their compensation in accordance with the classification laws.

(b) The Director may from time to time make such provisions as he shall deem appropriate authorizing the performance of any of his functions by any other officer, or by any organizational entity or employee, of the Office.

[MORE]

Sec. 5. Abolition of office. That office of Assistant Director of the Office of Emergency Preparedness which is on the date of the transmittal of this reorganization plan to the Congress held by the Director of Telecommunications Management under Executive Order No. 10995 of February 16, 1962, as amended, is abolished. The foregoing abolition of office shall become effective when the person first appointed as Director of the Office of Telecommunications Policy (under section 3 hereof or by recess appointment, as the case may be) enters upon office as such Director. The Director of the Office of Emergency Preparedness shall make such provisions as he may deem to be necessary with respect to winding up any outstanding affairs of the office abolished by the foregoing provisions of this section.

Sec. 6. Incidental transfers. (a) So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, held, or used by, or available or to be made available to, the Office of Emergency Preparedness in connection with functions affected by the provisions of this reorganization plan as the Director of the Bureau of the

Budget shall determine shall be transferred to the Office of Telecommunications Policy at such time or times as he shall direct.

(b) Such further measures and dispositions as the Director of the Bureau of the Budget shall deem to be necessary in order to effectuate the transfers provided for in subsection (a) of this section shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

Sec. 7. Interim Director. The President may authorize any person who immediately prior to the effective date of this reorganization plan holds a position in the Executive Office of the President to act as Director of the Office of Telecommunications Policy until the office of Director is for the first time filled pursuant to the provisions of section 3 of this reorganization plan or by recess appointment, as the case may be. The President may authorize any person who serves in an acting capacity under the foregoing provisions of this section to receive the compensation attached to the office of Director. Such compensation, if authorized, shall be in lieu of, but not in addition to, other compensation from the United States to which such person may be entitled.

DTM 3
January 29, 1970

Dear Mr. KixMiller:

Enclosed are copies of the memoranda we discussed on the telephone yesterday regarding the proposed reorganization of the executive branch for telecommunications matters. No formal announcement has been made, so these memoranda should be regarded as privileged. However, we do expect an announcement in February.

I have also enclosed a copy of our memorandum to the FCC on domestic satellite policy. This may give you some indication of the kinds of problems we are tackling and the kind of approach we think is appropriate.

Sincerely,

Clay T. Whitehead
Staff Assistant

Enclosures

Mr. Richard KixMiller
Vice President
Celanese Corporation
522 Fifth Avenue
New York, New York 10036

cc: Mr. Whitehead
Central Files

CTWhitehead: ed

2/6/70

Judy --

Here's a copy
of the package
(Tom still has
the chron but
I thought perhaps
we'd better have
a copy also --
in case.

Apparently they're
going to have to
redo the Message
(see note re
meeting with
Huebner and
Schnoor at 9 a.m.
Saturday.

Gene

Friday 2/6/70

meeting
2/7
9am

7:00 Mr. Huebner:

Tom Whitehead asked me to let you know that we have a problem with the Congress -- if we're to meet our time schedule, we'll have to redo the Message by noon tomorrow.

Schnoor has a copy of the penultimate draft and they will have drafted the necessary changes by 9 a.m. Saturday morning.

Could you meet with Tom and Schnoor at 9 or shortly thereafter tomorrow to do whatever ----- ?

Friday 2/6/70

MEETING

~~2~~ 7/70

9:00 a.m.

7:40 Lee Huebner will be here for a 9 o'clock
meeting tomorrow morning...or whenever
you're ready.

Thursday 2/5/70

MEETING
2/6/70
4:15 p.m.

12:30 Art Pankopf indicated that a couple of weeks ago you discussed with him the domestic satellite issue but very little concerning the communications reorganization and he thinks it would be advisable if you could come up and brief him on it.

We have scheduled an appointment for 4:15 p.m. tomorrow -- Rm. 5102 New Senate Office Bldg.

*Ted Com
Org*

Thursday 2/5/70

9:10 Mr. Whitehead asked me to call

nty

*Berger
will call
w/ Cong
But don't
think
they need
w/ briefing*

Art Pankopf (Sen)	225-5115	(Am 5102 new 305) 4/15	2/6
we Nick Zapple (Sen)	225-6627	<i>no briefing needed</i>	
we Lew Berry (House)	225-3641	<i>(Springer)</i>	
we Bob Guthrie (HRC)	225-3147		

*just let
them
know
who
will
fill top
job*

write copy message
Tell them the reorganization message on communications is tentatively scheduled for the 9th and it is almost exactly along the lines Tom discussed with them and which was laid out in the release from the Karth hearings.

If you would like, he would be glad to come up and discuss in more detail with them or the Congressman or Senator.

Today, tomorrow, Saturday, or Monday.

Thursday 2/5/70

*Fed
Comm
Org.*

9:10 Mr. Whitehead asked me to call

Art Pankopf
Nick Zapple
Lew Berry
Bob Guthrie

Tell them the reorganization message on communications is tentatively scheduled for the 9th and it is almost exactly along the lines Tom discussed with them and which was laid out in the release from the Karth hearings.

If you would like, he would be glad to come up and discuss in more detail with them or the Congressman or Senator.

Today, tomorrow, Saturday, or Monday.

Thursday 2/5/70

11:30 You wanted to be reminded to talk to Howard
 about

1. The sentence referring to the specific transfer
 of Presidential frequency assignment authority.
2. His deletion of the sentence about TRAC.

FCC

January 8, 1970

Dear Charlie:

I hate to take issue with such a cogent and concise memo as yours on telecommunications organization. Let me first disarm you by saying I agree with most of your inclinations, and then explain why we came out so differently.

First, I believe there is adequate provision for improved policies for the government's own communications needs under the new organization. The need for improvement here is uncontroversial and largely managerial in nature, but quite complex. Therefore it did not receive prominence in the memorandum; rather, we wanted to establish the machinery necessary to get it done.

Second, I simply did not and do not feel that the executive branch can develop the experience and competence rapidly enough to take on the FCC spectrum allocation and authority at this time, even if Congress would agree. To do so would result in strong political pressures being brought to bear directly on the President by competing economic and social interests, not unlike the international airline route cases. Without a very strong, professional capability in the executive branch, this has the potential to cause the President significant and needless political trouble. We have dealt with the need for better spectrum management in two ways: (1) by building up the executive branch capability, expressed through improved management of government spectrum usage and through occasional recommendations to the FCC on civilian spectrum usage where we are on solid ground; and (2) by initiating formal consultation between the executive and the FCC on consolidated spectrum management possibilities. I am convinced much good can be done without formally "taking over" the FCC responsibilities if executive branch competence is built up and believe this approach builds for the future more soundly than immediate consolidation.

Your last point is more fundamental. It is important to note that we have not proposed any formal change in the relative responsibilities or authorities of the FCC, the Congress, or the executive. Rather, we have emphasized the strengthening of executive branch abilities in carrying out its own responsibilities and in formulating its positions on issues in the policy dialogue with the FCC and Congress.

While a very large part of the new office's efforts will be devoted to internal executive branch matters, this alone would not warrant Executive Office prominence. We must realize the need for a stronger executive branch capability to meet its role in the formulation of Federal telecommunications policies. Telecommunications is becoming increasingly important in other aspects of our economy and society. The FCC cannot by itself fully consider the broader implications of its actions and is too much caught in the reconciliation of disputes among competing interests and firms. I see no satisfactory alternative to a broader executive branch role. We need some place in the Federal Government where these issues can be addressed more fully on their merits and in close cooperation with other policy-makers, such as CEA, OST, HEW, and DOT. Having Dean Burch at the FCC will be a great help, but every regulatory agency chairman operates under severe constraints, and we need help in formulating our own positions.

I share your concern about those 30 (or fewer) policy-makers showing up for work each morning; there will undoubtedly be pressure to get involved in disputes not vital to the Administration's interests. However, I believe this is somewhat mitigated by the Executive Office location and the opportunity for White House control on major policy issues; the Executive Office location also helps us control filings by various departments before the FCC.

In summary, I feel strongly that we need an improved executive branch capability and that our proposal offers more potential protection to the President than potential harm even though strong White House oversight will be needed for some time. I also feel

that our proposal is a good mix between getting important things done and preserving flexibility for the future. I would welcome talking to you about this in the near future.

Sincerely,

Clay T. Whitehead
Staff Assistant

Mr. Charles McWhorter
American Telephone and Telegraph
195 Broadway
New York, New York 10007

cc: Mr. Flanigan
Mr. Whitehead
Central Files

CTWhitehead:jm

12/26/69
Orig.

January 7, 1970

To: Mr. Flanigan

From: Tom Whitehead

Do you have any changes to
suggest before I send this?

Letter to Charlie McWhorter re
telecommunications organization
memo.

January 8, 1970

Dear Charlie:

I hate to take issue with such a cogent and concise memo as yours on telecommunications organization. Let me first disarm you by saying I agree with most of your inclinations, and then explain why we came out so differently.

First, I believe there is adequate provision for improved policies for the government's own communications needs under the new organization. The need for improvement here is uncontroversial and largely managerial in nature, but quite complex. Therefore it did not receive prominence in the memorandum; rather, we wanted to establish the machinery necessary to get it done.

Second, I simply did not and do not feel that the executive branch can develop the experience and competence rapidly enough to take on the FCC spectrum allocation and authority at this time, even if Congress would agree. To do so would result in strong political pressures being brought to bear directly on the President by competing economic and social interests, not unlike the international airline route cases. Without a very strong, professional capability in the executive branch, this has the potential to cause the President significant and needless political trouble. We have dealt with the need for better spectrum management in two ways: (1) by building up the executive branch capability, expressed through improved management of government spectrum usage and through occasional recommendations to the FCC on civilian spectrum usage where we are on solid ground; and (2) by initiating formal consultation between the executive and the FCC on consolidated spectrum management possibilities. I am convinced much good can be done without formally "taking over" the FCC responsibilities if executive branch competence is built up and believe this approach builds for the future more soundly than immediate consolidation.

Your last point is more fundamental. It is important to note that we have not proposed any formal change in the relative responsibilities or authorities of the FCC, the Congress, or the executive. Rather, we have emphasized the strengthening of executive branch abilities in carrying out its own responsibilities and in formulating its positions on issues in the policy dialogue with the FCC and Congress.

While a very large part of the new office's efforts will be devoted to internal executive branch matters, this alone would not warrant Executive Office prominence. We must realize the need for a stronger executive branch capability to meet its role in the formulation of Federal telecommunications policies. Telecommunications is becoming increasingly important in other aspects of our economy and society. The FCC cannot by itself fully consider the broader implications of its actions and is too much caught in the reconciliation of disputes among competing interests and firms. I see no satisfactory alternative to a broader executive branch role. We need some place in the Federal Government where these issues can be addressed more fully on their merits and in close cooperation with other policy-makers, such as CEA, OST, HEW, and DOT. Having Dean Burch at the FCC will be a great help, but every regulatory agency chairman operates under severe constraints, and we need help in formulating our own positions.

I share your concern about those 30 (or fewer) policy-makers showing up for work each morning; there will undoubtedly be pressure to get involved in disputes not vital to the Administration's interests. However, I believe this is somewhat mitigated by the Executive Office location and the opportunity for White House control on major policy issues; the Executive Office location also helps us control filings by various departments before the FCC.

In summary, I feel strongly that we need an improved executive branch capability and that our proposal offers more potential protection to the President than potential harm even though strong White House oversight will be needed for some time. I also feel

that our proposal is a good mix between getting important things done and preserving flexibility for the future. I would welcome talking to you about this in the near future.

Sincerely,

Clay T. Whitehead
Staff Assistant

Mr. Charles McWhorter
American Telephone and Telegraph
195 Broadway
New York, New York 10007

cc: Mr. Flanigan
Mr. Whitehead
Central Files

CTWhitehead:jm

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

January 2, 1970

FOR: Tom Whitehead

FROM: Peter M. Flanigan



Charlie McWhorter is a thoughtful fellow with a long history of service to the President. His memorandum of December 23rd (attached) cuts directly across your proposals. I think it deserves a thoughtful answer which I would appreciate your preparing. Particularly, you should respond to his charge that the White House should not be involved in policy formulation. I would appreciate seeing the draft as soon as it is prepared.

December 23, 1969

CONFIDENTIAL

Memorandum

To: Messrs. Peter M. Flanigan and Clay T. Whitehead

From: Charlie McWhorter

Re: Reorganization of the Office of the Director of Telecommunications Management

This memorandum is submitted by me in order to express to you my personal thoughts and concern with regard to the proposed changes for reorganization of the ODTM within the Executive Office of the President. The views expressed herein are my own and are not presented on behalf of A.T. & T. since their comments have been expressed separately. My comments deal with only two aspects of this matter. First, in my opinion, there is a failure to provide adequately for the two problems which almost everybody admits exist in this area, namely:

1. To coordinate the effective use of the frequency spectrum.
2. To develop the necessary policies for the government in connection with its acquisition of communications facilities for its own needs.

If the Administration could take the initiative in providing leadership and developing the necessary policy and internal structure to deal with these two problems, there would be widespread approval within the communications industry. This in turn should provide some political benefits to the extent that "good government is good politics."

The other point, however, which troubles me most deeply is the suggestion that a policy making group for telecommunications matters be set up within the Executive Office which would "initially" have up to 30 people. This proposal does not make sense to me either on the merits or politically. The implicit suggestion that there is no present policy making group within the Federal Government for communications is simply not true. The Congress itself in the Communications Act of 1934 delegated to the Federal Communications Commission a broad policy role in communications matters. This policy role of the FCC has been sustained by the courts and expanded to cover new situations in many instances. It could reasonably be expected that Congress would strongly resent any effort by the Administration to preempt this policy making role that Congress has delegated to the FCC.

To the extent that the White House feels it is necessary or politically advantageous to take on the responsibility for resolving policy disputes, this could be handled on an ad hoc basis as was done in the matter of domestic satellites. I question, however, whether it is politically wise

- for any Administration to attempt to resolve most such "policy questions" since many are really a contest between various economic interests. Politically, it would be much better to let the FCC carry out its responsibilities in this area, particularly where we have a strong chairman to represent any views of the Administration.

If the Executive Office has to maintain an initial staff of some 30 policy making people for telecommunications matters, it would inevitably result in the employment of a group of theoretical and academic types who would attempt to use their status as White House policy makers to restructure and meddle with the industry in competition with the FCC. This would inevitably drag the White House into the middle of unnecessary disputes. Politically, there is no way you can win with this approach. Rather, it is my opinion that the White House staff should attempt to discourage their involvement in economic controversies which are a healthy and vital part of our private enterprise system.

In my view the Nixon Administration staff procedures which call for the use of special task forces as needed to deal with a specific problem and then go out of existence seems to be the best approach. If you have 30 policy makers showing up for work every morning trying to justify their existence and providing a basis for larger appropriations and staff the following year, the Administration would be stuck with a trouble-making apparatus that would inevitably create unnecessary political problems. Rather, I would strongly recommend that this suggestion for such a policy-making group be rejected and that the Nixon Administration rely on either Dean Burch as Chairman of the FCC or the special task force approach where that seems to be the best alternative.

cc: Hon. John D. Ehrlichman

Tuesday 2/10/70

4:15 Howard Schnoor said the Wall Street Journal quoted Dean Burch as saying that he expects that some would interpret the W. H. proposal as the first step toward usurping other FCC functions.

Howard thought perhaps someone should make clear to Mr. Burch that the plan does not usurp any FCC functions.

Tuesday 2/10/70

11:35

Andy Paul, Motorola, called. He wants to ask you a couple of questions about the telecommunications reorganization. He will call you later. He knows you will be out of town the rest of the week.

Monday 2/9/70

10:10 Per Mr. Whitehead's request, we called Cahill (FCC), Plummer and Hyberg (OEP), Solomon (Defense), and Tribus (Commerce) to advise that the Federal Communications Reorganization would be announced at a press conference at 11 a.m. today.

Thursday 2/12/70

10:05 George Eagle, Table News Magazine, called. In light of the proposed reorganization, he wants to know what the implications are for cable TV -- if, after the reorganization goes through, there is any specific plan for study of cable TV.

362-6487

*Too early yet.
No specific plans
for study of
cable TV.*

Telecom Reply

February 7, 1970

Dear Mr. Rogers:

Thank you for your letter of February 5 regarding the telecommunications reorganization. I think your thoughts on the matter are correct, and I appreciate your setting out your personal situation with regard to this Office.

As I indicated, we hope to move as quickly as possible in establishing this Office and getting its work under way. I look forward to talking with you again and will be in touch in the near future.

Sincerely,

Clay T. Whitehead
Staff Assistant

Mr. T. F. Rogers
Vice President
Urban Affairs
The Mitre Corporation
Westgate Research Park
McLean, Virginia 22101

cc: Mr. Whitehead ✓
Central Files

CTWhitehead:jm

THE MITRE CORPORATION

WESTGATE RESEARCH PARK

MCLEAN, VIRGINIA 22101

5 February 1970

T. F. ROGERS
VICE PRESIDENT
URBAN AFFAIRS

Dr. Clay T. Whitehead
Staff Assistant
The White House
Executive Office Building
Washington, D. C. 20500

Dear Dr. Whitehead:

I thought that you might like to have a written summary of certain portions of our recent conversations as I recall them.

The most important matter, of course, is that of the intended re-organization itself. On the basis of my study of the papers that you provided to me, and the views that you expressed subsequently in response to the questions raised in my mind by this study, I would agree that the recommendations concerning the organizational location, the "charter" and the mode of operation of the new Office certainly can - and should - allow the telecommunications field to receive the attention that it requires.

Whether or not it will do so will depend upon the support that it receives from the President, its staffing and staff support and the cooperation that it engenders among those groups within and without the government - but particularly within the executive branch - that are importantly concerned with the provision and use of telecommunications services. To a very great extent, the level of cooperation eventually extended to the new Office by these groups will reflect the energy and care with which the Office undertakes its work, the professional soundness of the conclusions it reaches, and the objectivity and utility of the policies and recommendations which it generates.

The Director of this new Office must undertake to assure the President that the telecommunications facilities and services required for national security are confidently in hand, that he is purchasing all of the Federal

government's telecommunications services economically, that the electromagnetic spectrum is being used effectively and conservatively, that the telecommunications industry is being stimulated to accommodate to great changes in technology and service demand, that the international aspects of telecommunications activities further our national interests and that, in general, it is conducting its activities in consonance with his political philosophy. Undoubtedly, the White House will experience difficulty in identifying very many men who can bring to the new Office the scope and level of experience that these variegated tasks demand. But, of course, this is oftentimes the case at this level in the government, and it is particularly likely to be so when the organization is a new one. Therefore, a Director should be selected who has the qualifications best suited to addressing those areas which the President deems to be the most in need of attention over the nearer term, and the Director should enlist others who are competent to address the remaining ones.

On the basis of my present limited knowledge of the hazards, opportunities and issues in the telecommunications area as they are perceived in the White House, I am not able to reach truly useful conclusions in regard to the "rank ordering" of the task areas beyond agreeing that an early review of the present NCS arrangements should rank highly. Therefore, I cannot comment on the professional qualifications that should be emphasized now in the selection of a Director.

As to my personal views in regard to accepting any request to head this Office, I would make the following observations:

- a. I am now convinced that the responsibilities and authority of the new Office will be great, that these responsibilities must be discharged satisfactorily, and that its intended character will allow it to do so.
- b. I could bring to the Office useful experience in many of the areas for which it would have responsibility, with much of this experience concentrated in the areas of technology, executive branch operations, Defense and industry, but lesser in the Federal-State-local relationships and international areas.

- c. My understanding of the responsibilities of this Office is that they would be expected to be discharged by the exercise of professional skills of a technical and administrative nature; these skills would have to be applied, of course, in a prudent and politic manner so as to exhibit a sensitivity to the responsibilities, interests and concerns of others, but, at least for the most part, they would not require involvement in partisan politics.
- d. I am not now engaged, nor have I ever been engaged, in partisan political activity, and I have never registered as a political party member. I am unaware of any views or actions of this Administration that would give me pause in regard to accepting such a position.
- e. I served the Government in Washington for over five years immediately prior to joining the MITRE Corporation eight months ago. I am keenly mindful, therefore, of the personal demands that high positions in the executive branch place upon those who hold them; accepting another important and difficult assignment - and this clearly would be one - is not a prospect that I view with relish. My position here is a truly excellent one. I believe that the work that I am doing is important and it brings me a great deal of satisfaction; the leaders of the Corporation and its Board of Trustees are outstanding men and I take a distinct pleasure in being associated with them.

I would not leave my present position unless the White House were able to convince itself and my Corporation President, Mr. Robert Everett, and the Chairman of our Board of Trustees, Mr. Robert Sprague, that, on balance, the Corporation and the government - which the Corporation is chartered to serve - would be served best by my leaving to take up such a position.

I found our discussions to be quite interesting and I am pleased and reassured to learn of this important and constructive development.

I trust that you will find these observations useful.

Sincerely,



T. F. Rogers

Wednesday 2/4/70

1:50

Lee Huebner has brought copies of the Message and is asking if you have a list of people you want to circulate it to.

February 2, 1970

To: Mr. Ron Ziegler

From: Clay T. Whitehead

I could also forward copies of the reorganization plan and Executive Order if you are so fascinated you can't put the subject out of your mind. I will also send a copy of the message transmitting the reorganization plan to Congress when I receive it from Keogh.

CTWhitehead:jm

500
February 2, 1970

To: Mr. Keogh

From: Tom Whitehead

The Telecommunications Reorganization Message is scheduled for February 9th and I have just been informed that it is protocol to clear both the reorganization plan and the Message with the Government Operations Committee in advance, and I am further advised that the legal clearance requirement involves sending both to the Justice Department before it goes to the Congress.

All of this has to be done before the President signs it. Therefore, you should arrange for the BOB to get it at the earliest possible date.

CTWhitehead:ed

F C O

February 4, 1970

MEMORANDUM FOR RICHARD MORSE

As I mentioned to you on the phone, I think this is a terribly important and exciting opportunity for the right guy. I think you will see from the job description that there are very few people in the country who can fill this job the way it should be filled. Our time horizon for this is somewhat short since the reorganization plan is expected to go to Congress on February 9 and will become effective 10 days thereafter. Failing this, I would be most interested in talking to you about one of the other positions we discussed and the broader problem of attracting first-rate people in the Administration.

I hope you have a good trip and look forward to talking with you when you return.

Clay T. Whitehead
Staff Assistant

Attachments

cc: Mr. Whitehead
Central Files

CTWhitehead:ed

*fed Comm
org.*

January 15, 1970

Dear Mr. Morris:

In reply to your letter of December 23, 1969, to Mr. Peter Flanigan, there has been no release by the White House of a memorandum on the reorganization of the Federal Government's Communications Management Structure.

We do expect a formal release on this subject at a later time.

Sincerely,

Clay T. Whitehead
Staff Assistant

Mr. Lloyd P. Morris
2947 North 78th Court
Elmwood Park, Illinois 60635

CTWhitehead:ed/jm

Mr. Flanigan
cc: Mr. Whitehead ✓
Central Files

THE WHITE HOUSE
WASHINGTON

Date 12/31

TO: *Tom Whitehead*

FROM: Peter Flanigan

FYI _____

Draft reply _____

Please Handle ✓

File _____

Other remarks

Eva: Pse reply

December 23, 1969

Mr. Peter M. Hlanigan
Presidential Assistant
WHITE HOUSE
Washington, D.C.

RE: WHITE HOUSE MEMORANDUM ON THE REORGANIZATION
OF THE FEDERAL GOVERNMENT'S TELECOMMUNICATION
MANAGEMENT STRUCTURE.

Dear Sir:

1. In connection with some school board committee work on educational telecommunications systems technology, reference has been made to a recent release of a White House memorandum on the reorganization of the Federal Government's Communications Systems Management Structure.
2. Please inform me if this is available and indicate identification and procurement details.
3. Thank you.

Yours very truly,

L P Morris

Lloyd P. Morris
2947 North 78th Court
Elmwood Park, Illinois
60635

LPM:es