MAN 27 1971

Mr. Benjamin H. Oliver
Vice President for Government
Communications
American Telephone & Telegraph Co.
2055 L Street, N.W.
Washington, D. C. 20036

Dear Ben:

We are working with the Department of Defense and the General Services Administration to determine the best course of action with respect to the future of the AUTOVON and FTS telephone networks. We plan to complete this within the next few months.

I understand that you have given some consideration to the possibility of providing the capabilities inherent in AUTOVON and FTS in the form of a service offering by the company. We would like to evaluate such a possibility in conjunction with the other options which are available at the present time. It would be most helpful if you could provide specific information on the costs of such a service, on interconnection privileges, and on the division of management, engineering and other responsibilities and prerogatives between the government and the telephone industry under such an arrangement.

Sincerely,

Clay T. Whitehead

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Mr. Whitehead - 2 ~

## OFFICE OF TELECOMMUNICATIONS POLICY WASHINGTON, D.C. 20504

Date: March 18, 1971

Subject: Letter to Ben Oliver, AT&T

To: Mr. Whitehead

From: Charles Joyce ( Long)

Recommend that you sign the attached letter to Ben Oliver.

The purpose of the letter is to get the AT&T top management to focus on the question of providing a government communications network as a service offering, and to see if they will commit themselves to a price level. To date, all discussion of such an offering has been informal and non-committal. AT&T has not sorted it out internally.

The major hooker I see in the service offering thus far is interconnection rights. If AT&T engineers the network and offers it as a service, they are in a stronger position to say that it is "incompatible" with terminal equipment or other facilities we may want to interconnect with. We will be watching this aspect closely.

Attachment

The whitefund EXECUTIVE OFFICE OF THE PRESIDENT OFFICE OF TELECOMMUNICATIONS POLICY WASHINGTO" D.C. 20504 March 17, 1971 MEMORANDUM FOR C. Danny May Deputy Manager National Communications System SUBJECT: Working Group on AUTOVON-FTS Planning The Steering Group which was assembled to study AUTOVON-FTS planning, has agreed to the formation of a Working Group to organize and evaluate the results of all available studies relevant to the future of these networks. Specifically, the Working Group should: 1. Cummarize, organize and present in a suitable comparative form the data comprising the results of relevant studies. 2. Summarize the requirements and assumptions underlying each study. 3. Obtain such clarification of the inputs, methods or results of such studies as may be feasible and useful. 4. Summarize any known or suspected weaknesses in the methods used or conclusions reached in the studies. 5. Obtain, insofar as possible within the time available, comparative specific information relative to the recent AT&T SCS proposal. 6. Present an evaluation of the relative costs and relative merits of the system alternatives which have been studied. For your guidance in determining the relevance of various aspects of this work, the attached draft indicates those questions which, at the present time, seem of most concern with respect to several known options. Insofar as

possible, your efforts should contribute to answering these questions. We plan to further refine the questions of concern in the near future, and will provide you with this refined version for your guidance when it is ready.

The Department of Defense and the General Services Administration have agreed to make technical experts available to work with you and the NCS staff on this problem. Mr. William Ellis is your principal Defense contact for this purpose and Mr. Torrance Snyder is the principal GSA contact. David Hall and Michael McCrudden from this Office will participate as appropriate in the Working Group.

It is our hope that you will be able to complete this task by April 30, 1971, so that the Steering Group can begin its task of identifying and deciding upon the principal issues concerning the future of these networks. Any questions of scope or intent which arise and which cannot be disposed of promptly by the Working Group should be referred to the Steering Group, through me, for guidance.

Charles Joyce, Jr.

Project/Policy Manager

Attachment

cc: Mr. Dave Solomon

Mr. Elmer Jones

Mr. Torrance Snyder

Mr. William Ellis

Mr. Dave Hall

Mr. Michael McCrudden

## EVALUATION OF AUTOVON-FTS OPTIONS

- A. There is a need for a comparative evaluation of five network configuration alternatives based on identical traffic load and performance factors. The evaluation must include consideration of:
  - 1. Costs

All 1968 costs need updating

- . telpak increase
- . proposed telpak increase
- . increased switching cost (SCAN tariff revision)
- . increased DDD costs to DOD
- 2. Guarantees to critical users in emergencies
- a. What preemption capabilities would be required under each configuration?
- b. What preemption capabilities would be available for each configuration at what cost?
- c. What safeguards can be provided to prevent saturation of the system by one group in the event of military or civilian emergency?
- d. What is the implication if the assumed number of critical users is incorrect?
  - 3. Ability to control and allocate costs to users under GUSS.
    - a. What are units of service that determine user costs?
- b. What flexibility do we have to adjust costs up and down? Can alternative costs be controlled at various levels?

- c. Analyze alternative control mechanisms.
  - . use traffic AMA
  - . access line
  - . other?
- d. What information will Government be provided about who is using service?
  - 4. Grade of service.
- a. Clarify what AT&T means by their proposed grade of service levels, and what the end to end grade of service would be under AT&T proposal.
- b. How do we determine that the grade of service is what it is supposed to be?
  - 5. Availability of special features.
    - a. What special features are available under each option?
- b. Does the choice to forego options now preclude the availability of the options in the future? Are there additional costs for delayed selection of options?
- B. Network configurations to be considered are:
  - 1. Separate AUTOVON and FTS, no connection.
    - a. Determine present costs.
    - b. Project cost of present system.
  - 2. Separate but interconnected AUTOVON and FTS.
- a. What are the specific objectives which interconnection would satisfy?

- . crossover traffic
- . , other
- b. If interconnected, what are the technical problems, if any?
- c. What costs are involved for interconnection (both technical and operational)?
- d. How long would it take to implement interconnection of the two systems?
  - 3. AT&T Alternative 4.
  - 4. AT&T Alternative 7.
  - 5. AT&T Alternative 8.

A comprehensive list should be made of all assumptions and factors underlying the evaluation of system performance and cost.

- C. With respect to the provision of government telecommunications as a service offering, the following questions should be answered:
- 1. What protection or guarantees should be provided to the government in the tariff?
  - a. Provision for delayed exercise of optional features.
- b. Provision for ordering changes in grade of service. Should a cost formula be developed to allow government to order changes in grade of service from time to time?
- 2. How can service to critical users in an emergency be guaranteed?
- a. How survivable is GUSS in comparison to AUTOVON? How achieved? At what cost?
- b. What methods of preemption are available? At what cost?

- 3. How would costs compare with those for the other alternatives considered above?
  - a. Absolute or relative costs?
- b. How are termination liabilities handled for present CONUS switches if we convert to GUSS?
- c. What are the number of switches and trunks in GUSS as opposed to VON and FTS? (Does this determine pricing comparison?) If not, what other factors need to be considered?
- 4. What means could be provided for the control and allocation of costs to users?
- a. Are different means available for different types or classes of users?
- b. What are appropriate control and cost distribution levels for various users?
  - 5. What are the grade of service options and impact on costs?
- Consider costs of lower grade of service than heretofore analyzed.
- 6. What prerogatives would the government surrender under a service offering?
- 7. What benefits would be available to the government under GUSS not available under other configurations?
  - 8. Compatibility with overseas and Canadian AUTOVON.

F-15-3 MAR 1971 Honorable Elmer B. Staats Comptroller General of the United States Washington, D. C. 20548 Dear Elmer: I was informed on February 9, 1971, by Mr. E. H. Morse, Jr., Director of your Cifice of Policy and Special Studies, that the GAO is beginning a government-wide survey of the trend, development, and use of automated data processing and related telecommunications systome. I am sure you are aware of my responsibilities to the President in this area as outlined in paragraph (k) of Executive Order 11556. As a rest stop in discharging there responsibilities, lest Cotohan The material way would be a weather the remaining a property to bear a weight out the develop for my approval a statement of objectives and time-phased action steps required to reach these objectives. The resulting program paper is still being refined in detail. I did, however, cutho. Le my staff in January to p. .... d with the recommended initial action which was, in effect, a study eimilar to that being initiated by the GAO. As in the case of the FTS/AUTOVON interconnection, also being studied separately by our organizations, it would appear to be mutually beneficial to reach agreement on the exchange of basic information so as to reduce the workload which will be necessarily placed upon the Federal agencies. Mr. Charles C. Joyce, Jr., is responsible to me for the conduct of our studies, and is the primary point of contact for your stall. Unfortunately, Mr. Joyce has been injured and will be out of the office for a few weeks. Until his return, Mr. Charles H. Culpepper (telephone 395-5186) is available to work with the GAO team. Sincerely. CHCulpepper:avr:19Feb71 STONED bcc: /Dir. OTP (2) CHCulpepper: Reading Clay T. Whitehead Subject File

ACCOUNTS AND ACCOUNTS

## UNITED STATES GENERAL ACCOUNTING OFFICE WASHINGTON. D.C. 20548

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OFFICE OF POLICY AND SPECIAL STUDIES

B-115369

Dear De. Witchead:

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This is to advise you that the Ceneral Accounting Office is undertaking a governmentwide survey of the trend, development and use of automatic data processing and related telecomment and use of automatic data processing and related telecommunications systems. Our objective is to identify present and planned uses of these combined technologies with particular emphasis on how management policies are affecting the planning, organization, control, and use of these interdependent systems.

In the interest of making this project a cooperative effort in identifying the emerging problems and developing possible solutions, we would appreciately your designating a marker of your staff as liaison representative for this project. Officials at selected field locations will be notified of the expected starting date of our study by our appropriate regional offices.

Any questions in connection with this survey should be directed to Mr. Harry J. Mason, Jr., or Mr. Neal R. Wooden, members of my staff (telephone 386-3819 or 386-5796).

Sincerely,

E. H. Morse, Jr.

E. H. Morse, Jr.
Director, Office of Policy
and Special Studies

The Honorable Dr. Clay T. Whitehead
Director, Office of Telecommunications
Policy
Executive Office of the President

Office of Telecommunications Policy
Route Slip

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## UNITED STATES GENERAL ACCOUNTING OFFICE WASHINGTON, D.C. 20548

OFFICE OF POLICY AND SPECIAL STUDIES FEB 9 1971

B-115369

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Sincerely,

Director, Office of Policy

and Special Studies

The Honorable Dr. Clay T. Whitehead Director, Office of Telecommunications Policy Executive Office of the President

Down February 5, 1971 Honorable Elmer B. Staats Comptroller General of the Walled States Washington, D.C. 20548 Dear Mr. Elmer: I was advised by Mr. R. G. Rothwell, your Associate Director, Defense Division, on December 18, 1970, that the GAO planned to initiate a review of the feasibility and benefits of consolidating the Automatic Voice Network (AUTOVON) and the Federal Telecommunications System (FTS). Prior to receipt of your letter, my staff had undertaken a similar review. To that end, a steering committee comprising representatives of DCD. GSA and my office has been appointed; a draft work program has been developed; and representatives of the respective agencies designated to constitute a working group. I can understand, after reading your "Review of Status of Development Toward Establishment Of A Unified National Communications System (B166655)", your reasons for addressing specifically the interconnection of these two systems. I am sure that you understand that I have a responsibility to the President to ensure that the Executive Branch has the most efficient communications at the most economical cost which can be obtained. I therefore intend to continue with our study and expect that you will also elect to continue with yours. It would appear however, to be of mutual benefit if some agreement were reached on the exchange of basic information which would both reduce the workload on the personnel of our respective offices and would eliminate duplication of effort and expenses on the part of the agencies and the private industrial concerns who must provide much of the information which will be needed in the course of this study. Your representatives have contacted our office and indicate that they will make their first visit during the week of February 18th. At that

time, I think it would be well for representatives of our respective offices to discuss the ground rules under which our coincident studies are to be conducted.

Sincerely,

Clay T. Whitehead

DBHall:avr:5Feb71

bcc: Dir OTP - 2

DBHall Reading

Subject

Dr. Mansur

Mr. Joyce

Mr. Hall

Mr. McCrudden