

THE WHITE HOUSE
WASHINGTON

5/27/70

To: Ken Cole

From: Tom Whitehead

OK by me, but suggest deleting
"to urban residents" in first
paragraph.

OK with Pete, too.

*J/E agrees
de - Cole*

THE WHITE HOUSE
WASHINGTON

May 20, 1970

MEMORANDUM FOR

MR. KEN COLE

It would be, I think, a most helpful thing if the President could send this word of greeting to the Commission on Cable Communications which the Sloan Foundation is financing.

This is a subject of enormous interest to persons in urban affairs. Cities like New York are about to be wired for cable TV. Just like the telephone 80 years ago, and probably with just as much potential for changing ways of communication. Trouble is no city knows just what to approve and what not. New York and others are waiting on this commission, which will be headed by Ed Mason, one of the great men of the age.

A note from the President would add enormously to the prestige of the group, and would I think calm this area down while their deliberations go forward.



Daniel P. Moynihan

Attachment

THE WHITE HOUSE

WASHINGTON

Dear Mr. Wessell:

I should like to express to you my appreciation of the initiative of the Alfred P. Sloan Foundation in undertaking to create and support the Commission on Cable Communications. It is certainly my hope that your Commission, under the able direction of Professor Edward Mason, will be able to come successfully to grips with the problems we can expect to encounter as wide-band communications are made available on a large scale to urban residents. I hope particularly that it will be able to illuminate the tremendous potentialities of such wired systems.

The power of new technologies to impose change is beyond dispute. But we have learned in recent years that there is nowhere any assurance that the change will necessarily be beneficial. Perhaps for the first time in history, we are aware that the time to think about the consequences of a technology is before it has become so firmly fixed in place that it is very nearly beyond reconsideration. A new technology can take a society down many roads, not all of which lead to agreeable destinations. Your commission, in attempting to explore some of those roads and set forth an account of the alternatives, will be performing an important public service.

I look forward with considerable interest to your report. The distinguished group you have gathered to consider these matters provides every reason for confidence in the outcome.

Sincerely yours,

Mr. Nils Y. Wessell
President
Alfred P. Sloan Foundation
630 Fifth Avenue
New York, New York 10020

COMMISSION ON CABLE COMMUNICATIONS

The following have been, or are being asked to serve on the Sloan Commission on Cable Communications. Those whose names are marked with a double asterisk have agreed to serve; a single asterisk signifies tentative acceptance.

** Chairman, Dr. Edward S. Mason
Dean Emeritus, Graduate School of
Public Administration
Harvard University
Cambridge, Massachusetts

** John F. Collins
Former Mayor of Boston;
Visiting Professor
Massachusetts Institute of Technology
Cambridge, Massachusetts

** Dr. Lloyd C. Elam
President, Meharry Medical College
Nashville, Tennessee

John W. Gardner
Chairman, National Urban Coalition
Washington, D.C.

* Dr. Kermit Gordon
President, Brookings Institution
Washington, D.C.

** Morton L. Janklow
Attorney
New York City

** Dr. Carl Kaysen
Director, Institute for Advanced Study
Princeton, New Jersey

** James R. Killian, Jr.
Chairman of the Corporation, M.I.T.
Cambridge, Massachusetts

Dr. Edward Levi
President, University of Chicago
Chicago, Illinois

** Arjay R. Miller
Dean, Graduate School of
Business Administration
Stanford University
Stanford, California

** Dr. Emanuel Piore
Vice President and Chief Scientist
IBM Corporation
Armonk, New York

** Dr. Frederick Seitz
President, Rockefeller University
New York City

Dr. Herbert A. Simon
Dean, Graduate School of
Industrial Administration
Carnegie Mellon University
Pittsburgh, Pennsylvania

** Frank Thomas
President, Bedford-Stuyvesant
Restoration Corporation
Brooklyn, N. Y.

Dr. James Q. Wilson
Professor of Government
Harvard University
Cambridge, Massachusetts

COMMISSION ON CABLE COMMUNICATIONS

The officers and staff of the Alfred P. Sloan Foundation have been occupied over the past several months in exploring some of the problems and possibilities that will arise out of the burgeoning of wired broad-band communications systems in cities and ultimately throughout most of the country. It is important that this new and immensely powerful technology be put to use at least in part in the public interest; that it serve as a weapon in overcoming some of the massive problems of the cities. Unless some action is taken, wired communications will become driven by random economic and political forces into kinds of systematic arrangements that will be inadequate and inefficient at best, and perhaps even deleterious. It seems that the time for a serious exploration of these issues is now, while some freedom still exists. The pressures upon the cities to assign franchises are now becoming persistent, and with the issuance of franchises and the onset of operations that freedom will begin to disappear.

During the next decade, the wiring of the metropolitan areas of the United States will be pressed toward completion. Initially these wired systems will be used primarily for improved reception of conventional television programs. The desire to improve television reception already provides in many areas of the country, including New York, the economic motivation for establishing wired systems. But there is unanimity among experts that the ultimate uses of one-way

and two-way wired systems will be many, extending to shopping and banking services, the remote control of household appliances including no doubt appliances that will be brought into being by the availability of the system, surveillance systems and the accessibility of data banks.

Even without that enormous range of services, the one-way wired system is attractive enough to justify subscription rates of \$50 annually and more. Under the best of circumstances, a black-and-white television set operates only indifferently off-the-air.* A sharp signal on Channel 2 may mean a soft Channel 13. Irregular topography, natural or man-made, reduces one or more signals, or may black them out entirely. These deficiencies are magnified when color reception is sought; from the point of view of the engineer, off-the-air color reception is always unsatisfactory. The history of cable television begins with these inadequacies of off-the-air reception: entrepreneurs sprang up initially to bring signals into communities such as Palm Springs, California, where topography precluded off-the-air signals; more recently, with the spread of color television, cable television is beginning to penetrate major urban areas where in principle conventional transmission is acceptable. Quite

* Television and other communications received directly via open-circuit broadcast transmission are characterized as "off-the-air" or "over-the-air" reception. Reception by wire is called "cable" or "wired" reception.

at the highest level with the social and economic consequences of the technology. It will be in the cities that these social and economic consequences will be felt, and it is most proper that the cities take the lead in moulding the system in the best possible fashion.

If this new and burgeoning technology of cable communications can be shaped, in any manner that corresponds to the general principles of our social and economic system, so that it may serve the pressing needs of the cities, it will be tragic if the opportunity is allowed to pass. It is today, when the system is not yet formed, that the cities can begin to impose upon it the form that will be most suitable for the needs of the cities.

At this juncture, a national commission can play a critical role. Under its auspices, an assessment of the consequences of this technology can be undertaken, with particular reference to the social and economic needs of the cities. A commission might attempt to establish terms of reference for franchising urban wired systems, in order to enable the cities to act sensibly and knowledgeably upon the proposals which are now coming before them.

Such a commission should include experts on urban affairs, on communications technology, on urban engineering, and on the special areas of urban activity such as welfare, the provision of health services, education and city planning. It should

have representation from business and the public. A small staff should be provided.

The commission should issue a report which would both explore the nature of its deliberations and set out its conclusions. Its task would end there: the report would be available for all those who have responsibilities or are interested.

Because of the rapid development of pressure on the cities, the commission should be prepared to act with all possible speed. Ten to twelve months for commission meetings, plus an additional two months to prepare and issue the report, should not be unreasonable.

The Sloan Foundation has undertaken, by action of its Board of Trustees, to provide financial support for such a Commission, to be called The Commission on Cable Communications. It is intended that the Commission include a Chairman and fourteen Commissioners, and that it be provided with an ample staff and with competent staff direction. An honorarium will be paid Commissioners.

The Commission will be expected to meet monthly, each meeting to begin with dinner Thursday evening, to run through Friday and when necessary to occupy some part of Saturday; in this fashion, only one working-day in each month need be set aside by Commissioners for formal participation in the undertaking. It is tentatively proposed (subject to agreement by

the Commission itself) that the three days beginning with the third Thursday in each month, beginning in September 1970, be set aside. An organizing meeting will be arranged during mid-June, 1970, after a poll of the Commissioners to establish the most favorable date.

May 15, 1970