

16 MAY 1971

10 PM

Honorable Joseph M. McDermott
Chairman, Subcommittee on Treasury,
Post Office, and General Government
Committee on Appropriations
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

Enclosed herewith are summary sheets and marked pages of the FY 1972 budget submissions for the Office of Telecommunications Policy which reflect the President's proposed budget amendment transmitted to the Congress on April 17, 1971.

This submission, printed as House Document No. 42-31, reflects requests for additional funds to meet FY 1972 costs of civilian pay raises authorized by Public Law 91-514. The Office of Telecommunications Policy is requesting an additional \$25,000 for salaries and expenses, bringing the total FY 1972 appropriation request to \$1,425,000.

In addition to the FY 1972 budget of the Committee, the enclosed reflects certain other appropriations authorized for FY 1971, including pay supplemental requests included in House Document No. 42-25, which the Congress is presently considering.

I trust that these materials will be useful to the Committee in its consideration of our request.

Sincerely,

Ray T. Whitbeck

Enclosure

Ray T. Whitbeck (3)
Director, OTC
Building 100-200

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF TELECOMMUNICATIONS POLICY

SALARIES AND EXPENSES, TELECOMMUNICATIONS

For expenses necessary for the conduct of telecommunications functions assigned to the Director of Telecommunications Policy, including services as authorized by 5 U.S.C. 3109 [\$2,000,000] \$2,702,000: Provided, That not to exceed [\$500,000] \$1,000,000 of the foregoing amount shall remain available for telecommunications studies and research until expended. (Independent Offices and Department of Housing and Urban Development Appropriation Act, 1971.)

CHAPTER I

FISCAL YEAR 1972 BUDGET SUMMARY

Introduction. This is the first Budget submitted by the Office of Telecommunications Policy. The Office was established by Reorganization Plan No. 1 of 1970, approved by the Congress on April 20, 1970, and its responsibilities further specified by Executive Order 11556, dated September 4, 1970.

The creation of the Office represents a major initiative by the President to deal in a coherent and comprehensive fashion with major public policy issues in the communications field. Its establishment was the result of numerous studies and recommendations, including those by committees of Congress. This reorganization has been received with widespread approval in Congress, the industry, and public groups.

Scope of Function and Responsibility. The mission assigned to OTP is significantly broader and more direct than any Executive Branch agency has heretofore had in communications. In general, the responsibilities of the Office fall into two categories: (1) national communications policy; and (2) the Federal Government's use and ownership of communications facilities.

In the discussion and development of national communications policy, the Executive Branch is a partner with the Congress, the Federal Communications Commission, and the public. OTP directs the development of communications policy within the Executive Branch and assures that the views and recommendations of the Executive Branch are effectively presented.

With regard to the Government's own communications systems, OTP establishes policies and guidelines for procurement and operation and coordinates management. Federal communications systems are vital to national security, are essential to the mission of many departments, and cost, according to various estimates, \$5 - \$10 billion annually.

In order to carry out its duties and responsibilities, OTP must have a highly competent and creative professional staff that is equal to the complexity and importance of communications policy issues. The staff and budget will be kept at the lowest level possible to do what must be done. The Office will utilize consultants and outside contractual support where that is more economical than increasing the number of permanent personnel.

Budget Requirements. The Budget estimates described herein total \$2,702,000 and consist of the following major elements:

- \$1,702,000 for personnel and related expenses.

This will permit the staff to reach the level of 65 positions that was judged to be the necessary complement at the time of the reorganization.

- \$1,000,000 for contract studies and research to supplement in-house efforts.

These funds will provide for necessary studies that can be carried out more economically by contract or require highly specialized expertise.

CHAPTER VI

OBJECT CLASS SUMMARY

	<u>1970 Actual</u>	<u>1971 Estimate</u>	<u>1972 Estimate</u>
11. <u>Personnel Compensation:</u>	<u>\$1,039,000</u>	<u>\$1,039,000</u>	<u>\$1,338,000</u>
Permanent Positions	903,000	936,000	1,189,000
Positions other than Permanent	121,000	93,000	138,000*
Other Personnel Compensation	15,000	10,000	11,000
12. <u>Personnel Benefits:</u>	<u>85,000</u>	<u>84,000</u>	<u>107,000</u>
Total Personnel Compensation and Benefits	1,124,000	1,123,000	1,445,000

*The estimate of \$138,000 will provide approximately 5.0 man years of expert assistance at rates for individuals not to exceed the per diem rate of the equivalent of the top step of a GS-15. Their efforts will supplement the regular staff and provide expertise in specialized work areas which are needed intermittently.

21. <u>Travel:</u>	<u>23,000</u>	<u>48,000</u>	<u>88,000</u>
Staff Travel	15,000	38,000	73,000
Invitational Travel	8,000	10,000	15,000

Recurring Staff Travel: The amount of \$73,000 is requested to support the professional staff in carrying out the mission assigned the Office of Telecommunications Policy. Extensive travel is required in connection with (1) inspection of major communication facilities associated with the National Communications System; (2) travel to commercial, university and government research and development laboratories and centers; (3) travel to international conferences such as those associated with the activities of the International Telecommunication Union; (4) periodic meetings of the NATO Civil Communications Planning Committee meetings in Brussels, Belgium; (5) inspection and review of emergency communications facilities; and (6) other travel by professional and senior staff to address conferences and participate in meetings and special seminars.

Invitational (Consultant) Travel: The amount of \$15,000 is required for travel of consultants engaged in the conduct of special assignments for the Director of OTP, including travel for members of the Frequency Management Advisory Council and the Electromagnetic Radiation Management Advisory Council and other industry and government advisory committees.

22. <u>Transportation of Things:</u>	<u>1,000</u>	<u>2,000</u>	<u>2,000</u>
23. <u>Rents, Communications, and Utilities:</u>	<u>57,000</u>	<u>67,000</u>	<u>47,000</u>
Postage	3,000	3,000	3,000

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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF TELECOMMUNICATIONS POLICY

Identification code		19 72 actual	19 72 estimate	19 72 estimate
Budget Appendix Page	Heading	Request Pending	Proposed Amendment	Revised Request
62	<u>Office of Telecom-</u> <u>munications Policy</u> Salaries and Expenses	\$2,620,000	\$82,000	\$2,702,000
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF TELECOMMUNICATIONS POLICY
Salaries and Expenses

Program and Financing (in thousands of dollars)

Identification code	19 72 actual	19 72 estimate	19 72 estimate
	Request Pending	Proposed Amendment	Revised Request
<u>Program by Activities:</u>			
1. Telecommunications Management	1,620	82	1,702
2. Research and Development	<u>1,000</u>	<u>---</u>	<u>1,000</u>
Total program costs, funded - obligations.....	2,620	82	2,702
<u>Financing:</u>			
Budget authority (appropriation)	2,620	82	2,702
<u>Relation of Obligations to Outlays:</u>			
Obligations incurred, net.....	2,620	82	2,702
Obligated balance, start of year	559	---	559
Obligated balance, end of year	<u>- 679</u>	<u>-82</u>	<u>- 761</u>
Outlays.....	2,500	---	2,500

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF TELECOMMUNICATIONS POLICY
Salaries and Expenses

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code	19 72 actual	1972 estimate	19 72 estimate
Personnel compensation:	Request Pending	Proposed Amendment	Revised Request
11.1 Permanent positions	1,122	67	1,189
11.3 Positions other than permanent	130	8	138
11.5 Other personnel compensation	10	1	11
11.8 --- Special personal services payments			
Total personnel compensation	1,262	76	1,338
Personnel benefits:			
12.1 Civilian	101	6	107
13.0 --- Benefits for former personnel			
21.0 Travel and transportation of persons	88	---	88
22.0 Transportation of things	2	---	2
23.0 Rent, communications, and utilities	47	---	47
24.0 Printing and reproduction	10	---	10
25.0 Other services	1,075	---	1,075
26.0 Supplies and materials	17	---	17
31.0 Equipment	18	---	18
32.0 --- Lands and structures			
33.0 --- Investments and loans			
41.0 --- Grants, subsidies, and contributions			
42.0 --- Insurance claims and indemnities			
43.0 --- Interest and dividends			
44.0 --- Refunds			
99.0 Total obligations	2,620	82	2,702

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF TELECOMMUNICATIONS POLICY
Salaries and Expenses

Personnel Summary

Identification code	1972 actual	1972 estimate	1972 estimate
	Request Pending	Proposed Amendment	Revised Request
Total number of permanent positions	65	---	65
Full-time equivalent of other positions.....	5	---	5
Average number of all employees....	62	---	62
Average GS Grade.....	12.3	---	12.3
Average GS Salary.....	\$18,921	643	\$19,564
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OFFICE OF TELECOMMUNICATIONS POLICY
Salaries and Expenses

Detail of Personnel Compensation

	19 70 actual		19 71 estimate		19 72 estimate	
<u>Grades and Ranges:</u>	<u>Number</u>	<u>Salary</u>	<u>Number</u>	<u>Salary</u>	<u>Number</u>	<u>Salary</u>
PA III, \$40,000						
Director of Telecommunications Policy	---	---	1	40,000	1	40,000
PA IV, \$38,000						
Deputy Director	---	---	1	38,000	1	38,000
PA V, \$36,000						
Director of Telecommunications Management	1	36,000	---	---	---	---
GS-18, \$36,000						
Associate Director	3	106,515	---	---	---	---
Director, Frequency Management	---	---	1	36,000	1	36,000
Senior Program/Policy Manager	---	---	1	36,000	1	36,000
General Counsel	---	---	1	36,000	1	36,000
GS-17, \$32,546 to \$36,000						
Senior Program/Policy Manager	---	---	3	97,638	3	100,893
Deputy Associate Director, Advanced Concepts & Technology	1	30,714	---	---	---	---
Chief, Communications System Division	1	30,714	---	---	---	---
Physical Science Analyst	1	30,714	---	---	---	---
GS-16, \$28,129 to \$35,633						
Electronic Engineer	1	25,044	---	---	---	---
Chief, National Communications System	1	28,317	---	---	---	---
Special Assistant for Telecommunications Preparedness	1	29,202	---	---	---	---
Senior Program/Policy Manager	---	---	3	86,263	3	90,953

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Use for budget schedules on detail of personnel services

OFFICE OF TELECOMMUNICATIONS POLICY

Salaries and Expenses

(continued)

Detail of Personnel Compensation

	19 70 actual		19 71 estimate		19 72 estimate	
	Number	Salary	Number	Salary	Number	Salary
<u>Grades and Ranges:</u>						
GS-15, \$24,251 to \$31,523						
Special Assistant	1	24,411	1	24,251	1	25,059
Executive Assistant	1	28,226	1	26,675	1	26,675
Systems Analyst	2	50,348	3	75,985	4	101,044
Attorney	1	25,937	1	24,251	2	49,310
Economist	---	---	2	48,502	4	98,620
Operations Research Analyst	---	---	1	24,251	1	25,059
Engineer	3	79,337	1	24,251	2	49,310
Econometrician	---	---	1	24,251	1	25,059
Telecommunications Specialist	3	80,100	2	56,582	2	56,582
Sociologist	---	---	---	---	1	24,251
GS-14, \$20,815 to \$27,061						
Telecommunications Specialist	2	41,251	1	20,815	1	21,509
Operations Research Analyst	---	---	---	---	1	20,815
Systems Analyst	---	---	1	20,815	1	21,509
Economist	---	---	---	---	2	41,630
Engineer	2	41,906	1	20,815	2	42,324
GS-13, \$17,761 to \$23,089						
Systems Analyst	1	18,437	1	19,537	1	20,129
Engineer	1	18,437	---	---	1	17,761
Telecommunications Specialist	1	20,298	1	17,761	1	18,353
Economist	---	---	1	17,761	2	36,114
GS-12, \$15,040 to \$19,549						
Executive Secretary	---	---	1	15,040	1	15,541
Telecommunications Specialist	2	29,803	---	---	---	---
GS-11, \$12,615 to \$16,404						
Administrative Officer	1	13,890	1	14,720	1	15,141
Telecommunications Specialist	3	38,097	---	---	---	---

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Use for budget schedules on detail of personnel services

OFFICE OF TELECOMMUNICATIONS POLICY

Salaries and Expenses

(continued)

Detail of Personnel Compensation

	19 70 actual		19 71 estimate		19 72 estimate	
<u>Grades and Ranges:</u>	<u>Number</u>	<u>Salary</u>	<u>Number</u>	<u>Salary</u>	<u>Number</u>	<u>Salary</u>
GS-10, \$11,517 to \$14,973 Secretary	1	12,679	1	13,437	1	13,821
GS-9, \$10,470 to \$13,611 Secretary	1	12,513	2	23,732	3	34,551
Telecommunications Specialist	1	10,210	---	---	---	---
Staff Assistant	1	11,197	---	---	---	---
Data Analyst	1	11,197	---	---	---	---
Computer Specialist	1	10,539	---	---	---	---
GS-8 and under Various	<u>23</u>	<u>198,305</u>	<u>13</u>	<u>123,330</u>	<u>17</u>	<u>132,514</u>
Total permanent positions	63	1,094,338	48	1,006,663	65	1,310,527
Plus: Pay above stated annual rate		4,209		3,924		---
Less: Lapse	-10	-195,415	-3.7	-74,587	-7.5	-121,127
Plus: Positions other than permanent	5.6	120,771	4	92,700	5	138,000
Plus: Overtime		<u>15,000</u>		<u>10,300</u>		<u>10,600</u>
Average employment, total compensation	58.6	1,038,903	48.3	1,039,000	62.5	1,338,000
Personnel Benefits		<u>85,461</u>		<u>84,000</u>		<u>107,000</u>
Total compensation and benefits		1,124,364		1,123,000		1,445,000

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STANDARD FORM 3-A
May 1960, Bureau of the Budget
Circular No. A-11, Revised
3-206

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Use for budget schedules on detail of personal services

Cong

Alaskan satellite needs looked after by Gravel

Alaska will receive 26 satellite earth stations under a federally funded project sponsored by Senator Mike Gravel (D-Alaska).

Senator Gravel said that a \$320,000 federal contract is ready for signature and that the earth stations will be installed as soon as the University of Alaska—the technical manager of the project—receives equipment which is yet to be purchased. He said all the stations should be in place before next winter.

"When this is done," he said, "the communities involved [which represent all the areas of the state] will be able to use the NASA [National Aeronautics and Space Administration] satellite ATS-1 to form the world's first regional communications network."

The network will be used to provide voice communications for health and other emergency services—and eventually educational programs. An agreement affecting Alaska is to be announced by the U.S. Office of Education and NASA, the senator said.

Friday 5/7/71

MEETING

5/10/71

3 p. m.

4:10 We have scheduled a meeting on Monday (5/10) at 3 p. m.
with Cong. Howard Robison.

Tuesday 5/4/71

Cong
MEETING
5/7/71
2:30 p. m.

1:20 We have scheduled a meeting with Cong. Robison
on Friday (5/7) at 2:30 p. m. Brian will go with you.

Thursday 5/6/71

Cong
MEETING
5/10/71
11:30

1:45

We have scheduled the meeting for Lyn Dougan (Telecommunications, Inc. Salt Lake City) for Monday at 11:30 after staff meeting.

(Mr. Dougan is a friend of Cong. Hogan.)

Marie Challen 225-4131

Cong

Tuesday 5/4/71

MEETING
5/10/71

4:10 BRIAN:

Lyn Dougan (Telecommunications, Inc., Salt Lake City)
is a friend of Congressman Hogan.

Mr. Dougan will be coming to Washington on Saturday
and would like to come over and see Mr. Whitehead (or
someone) on Monday (5/10). He is an investment advisor
and is otherwise interested in telecommunications.

Mentioned this to Tom; he said he wanted to talk with you
about it before you call them back.

Please call Marie Chaillet in Cong. Hogan's office 225-4131

Dr. Mansur:

Do you want to see him?
Brian suggested you might.

I will pick it up for Tom if he
wishes.

Wednesday 5/5/71

MEETING
3:30 or after
5/5/71

12:30 Brian has been checking to get you in to meet
Cong. Ed Roybal; apparently you will have to catch
him before 4 o'clock.

We will have the car stand by at 3:15 to take you
to the Hill -- Brian will make the arrangements to
locate Cong. Roybal so you can talk for a few minutes.
(Roybal is from California)

Cong

Tuesday 5/4/71

MEETING
5/7/71
1:00 p. m.

12:50 Brian has scheduled an appointment for Cong. Jack Edwards (Alabama) on Friday (5/7) at 1 p. m. - Room 137 Old House Office Building (Cannon).

Cong

Tuesday 5/4/71

MEETING

5/5/71

9 a.m.

11:25 Brian has scheduled a meeting with Cong. Don Riegle (Michigan) for 9 a.m. on Wednesday (5/5) -- Room 1408 Longworth Building.

He suggests he will pick you up at your apartment and drive to the Hill.

Cong

Tuesday 5/4/71

MEETING
5/6/71
3:30 p. m.

11:15 Brian Lamb has scheduled a tentative appointment for
Cong. Louis Stokes on Thursday (5/6) at 3:30 p. m.
in Room 315 Old House Office Bldg. -- they will confirm
on Thursday morning.

Cong

Tuesday 5/4/71

MEETING
5/5/71
4 p. m.

11:10 Brian Lamb has scheduled an appointment for you
on Wednesday (5/5) at 4 p. m. with Cong. John Myers (Indiana)
in Room 137 Old House Office Bldg. (Cannon).

Long.

Monday 5/3/71

MEETING

5/3/71

3:30 p.m.

11:15 Brian just called. He scheduled a meeting for you with Congressman Steed at 3:30 this afternoon (5/3) in Room 2405 Rayburn Office Building (4th floor).

Brian will call you later and plan to meet you in Congressman Steed's office.

Thursday 4/22/71

Cong
MEETING

4/26/71

3 p.m.

9:15 BRIAN:

Mr. Whitehead would like you to go Cong. Macdonald's
office with him Monday (4/26) at 3 o'clock.

Wednesday 4/21/71

MEETING

4/26/71

3:00 p. m.

10:00 The meeting with Cong. Torbert Macdonald has been scheduled for 3 p. m. on Monday (4/26) -- Room 2470 Rayburn House Office Bldg.

Will you want Brian to accompany you?

Eva -

Re: Meeting for Mr. Whitehead with
Congressman Torbert Macdonald.

I have talked to Chip Shooshan,
Mr. Macdonald's AA, and established
a firm appointment for 3:00 P.M.
on Monday, April 26th at the Congressman's
office. Our contact is Chip.
Office: 2470 Rayburn House Office Bldg.
Tel: 225-2836

Length of meeting flexible-according to
how long they both want to make it.

Helen Hall

Massachusetts Bar in February 1926 and practiced law in the city of Worcester since; entered the United States Navy in December 1942 and was separated from the service in December 1945 with the rank of lieutenant commander; single; served in the Worcester city government for a period of 10 years; elected to the 80th Congress on November 5, 1946; reelected to the 81st, 82d, 83d, 84th, 85th, 86th, 87th, 88th, 89th, 90th, 91st, and 92d Congresses.

FIFTH DISTRICT.—ESSEX COUNTY: City of Lawrence. **MIDDLESEX COUNTY:** Cities of Lowell and Woburn. Towns of Bedford, Billerica, Burlington, Carlisle, Chelmsford, Draught, Dunstable, Groton, Lexington, North Reading, Pepperell, Reading, Tewksbury, Tyngsborough, Wakefield, and Wilmington. Population (1960), 430,545; estimated to July 1969, 510,000.

F. BRADFORD MORSE, Republican, of Lowell, Mass.; born in Lowell, 1921; attended Lowell public schools, Boston University, B.S., 1948; LL.B., 1949; honorary degrees, Lowell Technological Institute, D. Sci., Northeastern University, D. Pub. Adm.; married to Vera Francesca Cassilly, 1955; children: Susanna Francesca, born 1961, and Anthony Bradford, born 1963; served in infantry in World War II; attorney-at-law; law clerk to chief justice of the Supreme Judicial Court of Massachusetts, 1949; faculty member, Boston University School of Law, 1949-53; member, Lowell City Council, 1952-53; attorney, U.S. Senate Committee on Armed Services, 1953-54; executive secretary and chief assistant to Senator Leverett Saltonstall, 1955-58; deputy administrator of Veterans Affairs for the United States, 1958-60; elected to the 87th Congress November 8, 1960; reelected to the 88th, 89th, 90th, 91st, and 92d Congresses; member, Committee on Foreign Affairs.

SIXTH DISTRICT.—ESSEX COUNTY: Cities of Beverly, Gloucester, Haverhill, Lynn, Newburyport, Peabody, and Salem. Towns of Amesbury, Boxford, Danvers, Essex, Georgetown, Groveland, Hamilton, Ipswich, Lynnfield, Manchester, Marblehead, Merrimac, Middleton, Nahant, Newbury, North Andover, Rockport, Rowley, Salisbury, Swampscott, Topsfield, Wenzham, and West Newbury. Population (1960), 433,240; (1970), 481,111.

MICHAEL J. HARRINGTON, Democrat, of Beverly, Mass.; born in Salem, Mass., September 2, 1936; son of Elizabeth K. Harrington and the late Hon. Joseph B. Harrington; educated in parochial and public schools of Salem, Mass.; valedictorian, class of 1954, St. John's Preparatory School, Danvers, Mass.; graduated from Harvard College, 1958, with honors in history, and Harvard Law School, 1961; Carnegie Institute internship in State government; Harvard Graduate School of Public Administration, 1962 and 1963; elected to Salem City Council, 1960-63, Massachusetts Legislature, 6th Essex District, 1964-69; Democratic State committeeman, 2d Essex District, 1968; partner, law firm of Ronan & Harrington, Salem, Mass., 1962 to present; incorporator of Salem Hospital; incorporator of Salem Savings Bank; member of Historic Salem, Inc.; married Dorothy M. Leahy of Salem, Mass., September 12, 1959; five children: Leslie, Mark, Keith, Alison, and Michael Justin; elected by special election, September 30, 1969, to the 91st Congress, to fill the vacancy caused by the death of the Hon. William H. Bates; reelected to 92d Congress.

SEVENTH DISTRICT.—ESSEX COUNTY: Town of Saugus. **MIDDLESEX COUNTY:** Cities of Everett, Malden, Medford, and Melrose. Towns of Arlington, Belmont, Stoneham, and Winchester. **SUFFOLK COUNTY:** Cities of Chelsea and Revere, and the town of Winthrop. Population (1960), 428,473; estimated to July 1969, 428,424.

TORBERT HART MACDONALD, Democrat, of Malden, Mass.; born in Boston, Mass., June 6, 1917, son of John G. Macdonald and Harriet Hart; graduate of Malden public schools, Medford High School, Andover Academy, Harvard College (1940), Harvard Law School (1943) (1946); married to Phyllis Brooks; four children, Torbert Hart, Jr., Laurie, Brian, and Robin; member of the Massachusetts and Federal bars; admitted to practice before the United States Supreme Court; veteran of World War II, having served as P.T. boat commander in Southwest Pacific; received Silver Star Medal and Presidential Citation; practicing attorney; former member of National Labor Relations Board for New England area; member Harvard Varsity Club; majority whip for New England area; awarded Order of Merit, Commendatore Rank, by the Republic of Italy; appointed to the Third Mexico-United States Interparliamentary Conference, March 1963; delegate to the National Democratic Conventions, 1956, 1960, 1964, and 1968; member Boston, Federal and Massachusetts Bar Associations; was elected to the 84th Congress November 2, 1954; reelected to the 85th, 86th, 87th, 88th, 89th, 90th, 91st, and 92d Congresses.

EIGHTH DISTRICT.—MIDDLESEX COUNTY: Town of Brookline. **SUFFOLK COUNTY:** Cities of Boston, 1970, 398,962.

THOMAS P. O'NEIL, 1917; son of Thomas St. John's High School; business; married Mildred Thomas 3d, Susan, Chr.; committee 1946 and 1947 as minority leader 1947; the 83d Congress November 8, 1960; reelected to the 89th, 90th, 91st, and 92d Congresses.

NINTH DISTRICT.—SUFFOLK COUNTY: Cities of Boston, 1970, 429,000; estimated to July 1969, 429,000.

LOUISE DAY HICKEY, Mass., October 16, 1921; born, 1955; Boston University and Federal court treasurer, Boston School of Management, 1963-65; candidate member of the Boston Award, 1964; Outstanding Association of Women; chairman, Boston City Council Committee on Health and Hospitals; 1970.

TENTH DISTRICT.—BRISTOL COUNTY: Cities of Dighton, Easton, Freetown, Somerset, Swansea. **SUFFOLK COUNTY:** Towns of Boston, Walpole, Wrentham, and Middleborough. Population (1960), 433,240; (1970), 481,111.

MARGARET M. HICKEY, M.A., LL.B. (scholarship); LL.B. candidate, Annual Survey of the University of Leiden, Boston Bar Association Women Lawyers Association Governor's councilor, University Speakers Bureau; various offices, Catholic Women's Council, Legislation and Division of the Section on Bar Association; married John M. Hickey; elected to the 91st Congress.

ELEVENTH DISTRICT.—MIDDLESEX COUNTY: Cities of Boston, 1970, 398,962. **SUFFOLK COUNTY:** Cities of Boston, 1970, 398,962.

JAMES A. BURKE, Boston, Mass.; education, Suffolk University; statistics for the city of Boston, attached to the 1st and 2nd battle stars and 10th General Court for 10th Representatives 4th and Korean Veterans Mercantile Affairs, Peabody, Mass.

Tuesday 4/20/71

MEETING

10:45 Brian advises that you won't be able to see
Torbert Macdonald today -- but they will try again
tomorrow.

Thursday 4/9/71

MEETING
4/20/71

4:55 Brian suggests that on Monday (4/19) we call
Torbert Macdonald's office (he has discussed this with
Macdonald's Administrative Assistant) and Mr. Whitehead
will talk with Mr. Macdonald and ask if it might be possible
to drop by on Tuesday (4/20) to chat with him.
They are leaving his calendar fairly free on Tuesday
to simplify the meeting.

APR 12 1971

copy

Honorable Marlow W. Cook
United States Senate
Washington, D. C. 20510

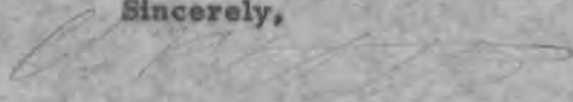
Dear Senator Cook:

I thought you would want to know that, at your request, members of my staff and I met with Mr. Fred Paxton of WPSD-TV in Paducah, Kentucky, and eight other television station representatives from around the country on the afternoon of April 5th.

After Mr. Paxton's initial presentation on the threat to broadcasting by the FCC proposed CATV regulations, we had a very constructive exchange of views for the remaining part of an hour. There are many questions still to be resolved, and this Office has made no final decision regarding CATV policies. I hope, however, that the meeting was helpful to Mr. Paxton and his colleagues -- as it was to us. We find it very useful to get articulate and well thought out inputs such as this.

Please feel free to let me know if we can be of any assistance in the future.

Sincerely,



Clay T. Whitehead

cc: Mr. Whitehead
Mr. Hinchman
Mr. Lamb
Dr. Lyons
BPLamb:jm 6/8/71

Copy
Jun 7, 1971

Dear Les:

Your letter of March 22 expresses a concern which I share in full, and I want to thank you for your comments about the cable TV issue. It goes without saying that the many new communications technologies, including coaxial cable, must develop only in a manner which takes due regard of long-term social consequences. Because we are aware that this situation is not a simple one, last fall I established the Office of Telecommunications Policy to give the Executive Branch the planning and policy capability necessary in the communications field.

I assure you that the Administration will oppose the establishment of regulatory principles which result in impairment of television service to rural areas or which give cable television unfair advantage over broadcasting. I have sent a copy of your letter to Tom Whitehead, the Director of the Office of Telecommunications Policy. I am sure that he will be as interested as I was to have your views and that you will be hearing from him in the near future.

With warm regards,

Sincerely,

RWN

Honorable L. C. Arends
House of Representatives
Washington, D. C. 20515



✓ cc: CTWhitehead with copy of incoming

See
"CATV"

TELEGRAM TO:

(called in 5:35 pm, 4/1/71)

Mr. Jalmar Kertula
Chairman, House Commerce Committee
State Capitol Building
Juneau, Alaska

Mr. George Hohman
Chairman, House Finance Committee
State Capitol Building
Juneau, Alaska

I regret that I cannot attend your joint meeting on domestic satellites due to prior commitments, but commend you for recognizing importance of this proceeding and the need for long-range program and policy guidance.

The Administration's views continue to be as expressed in the White House memorandum to FCC Chairman Burch in January 1970, a copy of which I am sending by mail. Briefly, stated, we recommend a policy wherein all technically and financially qualified entities may be authorized to establish systems and provide services. This will encourage the innovative incentives of the private sector to channel this new technology in directions which are efficient and most closely matched to user's needs.

We appreciate Alaska's special stake in this proceeding, and believe this policy will best serve your interests. Even if only one system can economically serve Alaska (due to your

small initial demand), your options and negotiating strength will be much greater if there are several prospective suppliers.

Also, the continuing presence of alternative suppliers should encourage innovative approaches, expanded capabilities, flexibility, and low rates.

And, while we would not support substantial subsidization of Alaskan services by other users, the marginal cost of serving Alaska as an adjunct to one or another of the service offerings in the lower 48 should still result in very attractive rates and services to Alaska.

Alaska's most pressing concern should be to develop firm estimates of service needs (including bush communications and TV) and the extent to which these may require (and merit) direct subsidization. This will provide a sound and strong basis for negotiations with prospective suppliers and for planning public funding as appropriate.

Clay T. Whitehead
Director
Office of Telecommunications Policy
Executive Office of the President
Washington, DC

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Clay T. Whitehead
Director
Office of Telecommunications Policy
Executive Office of the President
Washington, DC

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF TELECOMMUNICATIONS POLICY
WASHINGTON D.C. 20504

March 30, 1971

OFFICE OF THE DIRECTOR

To: Nino Scalia

From: Steve Doyle

The attached telegram arrived at OTP on March 29. The Deputy Director directed that a telegram reply be prepared by you in cooperation with Walt Hinchman which would make the following points:

1. Appreciate the invitation.
2. Have followed Alaskan satcom developments closely and are aware of proposals by several entities to provide satcom. services to Alaska within proposed domsat programs.
3. OTP considers it essential that individual state governments and administrations provide for maximum use of new technology in rendition of services to population.
4. Administration's policy is as stated in January 1970 -- (recap domsat policy statement as it relates to Alaskan interest).
5. OTP will not participate in Alaskan hearings but does appreciate opportunity afforded to have its views included in the record.

SD

Steve Doyle

Office of Telecommunications Policy
Route Slip

29 MAR 1971

To

Clay T. Whitehead

~~George H. Mansur~~

Antonin Scalia

Wilfrid Dean

~~Steve Doyle~~

Walt Hinchman

Charles Joyce

William Lyons

B. Lamb

Eva Daughtrey

Timmie White

Judy Morton

REMARKS

The White House
Washington

WHA091 D

WB178

1971 MAR 26 PM 4 15

(WH) (PR JUA009) DD PDF JUNEAU ALASKA 26 1032A PST
CLAY T WHITEHEAD DIRECTOR OFFICE OF TELECOMMUNICATIONS POLICY
EXECUTIVE OFFICE OF THE PRESIDENT 395-5800 WASHDC
BEGINNING AT 9AM FRIDAY APRIL 2ND THE HOUSE COMMERCE AND FINANCE
COMMITTEES WILL JOINTLY REVIEW PROPOSALS FOR ALASKAN TELECOMMUNICATION
SERVICE AS PRESENTED BY APPLICANTS FOR FCC DOMESTIC SATELLITE
CERTIFICATION. YOU ARE INVITED TO ADVISE THE JOINT COMMITTEE
ON RECOMMENDED PROGRAMS AND POLICY CONSIDERATIONS. YOUR BRIEFING
IS CONSIDERED IMPORTANT IN DEVELOPING THE STATES POSITION BEFORE
FCC STOP PLEASE REPLY EARLIEST OF INTEREST STOP UPON RESPONSE
WILL SEND FORMAL LETTER AND AGENDA CONTACT DAN CASEY ADMINISTRATIVE
ASSISTANT STATE CAPITOL BUILDING 586-5277 OR 586-5297 AT JUNEAU
ALASKA

JALMAR KERTULA CHAIRMAN HOUSE COMMERCE COMMITTEE

GEORGE HOHMAN CHAIRMAN HOUSE FINANCE COMMITTEE.
9AM 2ND 586-5277 586-5297.(355)

Thursday 4/1/71

cmg
MEETING

4/5/71

3:30 p.m.

3:50 We have rescheduled the meeting for
Fred Paxton, et al. for 3:30 p.m. on
Monday (4/5) and have advised Mr. Hinchman
and Mr. Lamb.

cc: Mr. Hinchman
Mr. Lamb

Monday 3/22/71

MEETING

4/5/71

2:30 p.m.

4:10 Senator Cook's office (Kentucky) called to say
the Senator asked that you meet with Fred Paxton
who owns TV station WPSD (Paducah, Ky.)

Brian Lamb talked with their office and feels strongly
that you should meet with Mr. Paxton, along with three
other gentlemen to discuss CATV rule making proposal.
(Senator Cook is on the Commerce Committee)

We have scheduled the meeting for 2:30 p.m. on
Monday (4/5).

Will you want anyone to sit in?

(Mrs. Doss)

Dr. Mansur will be away.

Mr. Hinchman ✓

Mr. Lamb

April 5, 1971

Fred Paxton	WPSD-TV, Paducah, Ky.
Oscar Hirsch	KFVS-TV, Cape Girardeau, Mo.
Jerry Danziger	KOB-TV, Albuquerque, N. Mex.
Arthur King	WAVE-TV, Louisville, Ky. WFIE-TV, Evansville, Ind. WFRV-TV, Green Bay, Wis. WMT-TV, Cedar Rapids, Iowa
August Meyer and Robert Myers	WCIA, Champaign, Ill. WMBD-TV, Peoria, Ill. KFMB-TV, San Diego, Calif.
Donald Moeller	KYTV, Springfield, Mo. KOAM-TV, Pittsburg, Kan.
Rosel Hyde	KSL-TV, Salt Lake City, Utah
Edgar F. Czarra, Jr. Michael S. Horne	Covington & Burling Washington, D.C.

Other stations joining in the Comments to the FCC: WSAU-TV, Wausau, Wis.; WTRF-TV, Wheeling, West Vir.; WMTV, Madison, Wis.; WSPA-TV, Spartanburg, S. Car.; WEEK-TV, Peoria, Ill.; KTTS-TV, Springfield, Mo.; WLEX-TV, Lexington, Ky.; WCOV-TV, Montgomery, Ala.

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Office of Telecommunications Policy
Route Slip

5 APR 1971

To

Clay T. Whitehead

George F. Mansur

Nino Scalia

Will Dean

Walt Hinchman

Charlie Joyce

Jack Thornell

Frank Urbany

~~Steve Doyle~~

Bill Lyons

Brian Lamb

Linda Smith

Eva Daughtrey

Timmie White

Judy Morton

Elaine Christon

SUSPENSE: COB

REMARKS:

WPSD-TV

Channel

NBC

6

oooooooooooooooooooo The Television Service of The Paducah Sun-Democrat ooooooooooooooooooooo

Phone - Area Code 502

442-8214

P. O. B O X 1 0 3 7

PADUCAH, KENTUCKY

42001

April 1, 1971

Dr. Clay T. Whitehead
Director
Office of Telecommunications Policy
18th and G. Street
Washington, D. C.

Dear Dr. Whitehead:

Thank you for making an appointment to meet with our delegation. Senator Cook's office advised that the meeting is confirmed for 3:30 p.m. Monday, April 5, at Room 749, 18th and G.

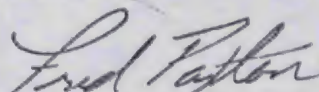
His office also said you would like to know who would be coming. Perhaps I should explain that we are a group of 21 stations who have filed pleadings with the FCC regarding Docket 17397-A, the CATV rulemaking. The following is a list of those stations:

KOB-TV, Albuquerque, N. Mex.	WPSD-TV, Paducah, Ky.
KFVS-TV, Cape Girardeau, Mo.	WEEK-TV, Peoria, Ill.
WMT-TV, Cedar Rapids, Iowa	WMBD-TV, Peoria, Ill.
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WAVE-TV, Louisville, Ky.	KTTS-TV, Springfield, Mo.
WMTV, Madison, Wis.	KYTV, Springfield, Mo.
WCOV-TV, Montgomery, Ala.	WSAU-TV, Wausau, Wis.
	WTRF-TV, Wheeling, W. Va.

We hope to have a representative from each of the stations or station groups. I am unable to give you the precise number now, because some of the members do not have their travel plans confirmed. However I would estimate that there will be approximately a dozen of us. At the time of the meeting I will give you a list of all the parties present, and an indication of whom they represent.

Again, thank you for making the appointment. We look forward to discussing this vital matter at some length with you.

Sincerely,



Fred Paxton
Managing Director

Thursday 4/1/71

MEETING
4/5/71
3:30 p. m.

3:56 We have rescheduled the meeting for
Fred Paxton, et al. for 3:30 p. m. on
Monday (4/5) and have advised Mr. Hinchman
and Mr. Lamb.

cc: Mr. Hinchman
Mr. Lamb

Monday 3/22/71

MEETING

4/5/71

2:30 p. m.

4:10 Senator Cook's office (Kentucky) called to say the Senator asked that you meet with Fred Paxton who owns TV station WPSD (Paducah, Ky.)

Brian Lamb talked with their office and feels strongly that you should meet with Mr. Paxton, along with three other gentlemen to discuss CATV rule making proposal. (Senator Cook is on the Commerce Committee)

We have scheduled the meeting for 2:30 p. m. on Monday (4/5).

Will you want anyone to sit in?

(Mrs. Doss)

Dr. Mansur will be away.

Mr. Hinchman

Mr. Lamb

Monday 3/22/71

4:10 Mrs. Duty in Senator Cook's office (Kentucky) called. (225-4343)
She said the Senator asked that you meet with
Fred Paxton who owns TV station WPSD (Paducah, Ky.)

Brian Lamb talked with their office and feels that
you should meet with Mr. Paxton, along with three others
to discuss CATV rule making proposal. (Sen. Cook
is on the Commerce Committee.

Will you want Mr. Lamb to sit in? _____

Dr. Mansur? _____

Mr. Hinchman? _____

cmg
Office of Telecommunications Policy
Route Slip

31 MAR 1971

To

~~Clay T. Whitehead~~ ✓

~~George F. Mansur~~ ✓

Antonin Scalia

Wilfrid Dean

~~George Joyce~~ ✓

Walt Hinchman

Charles Joyce

William Lyons

Eva Daughtrey

Timmie White

THE WHITE HOUSE
WASHINGTON

To. Tom Whitehead
From PM Henigan

74I

3/20/71

Pete:

TW

Howard Baker is
genuinely much in-
terested in INTELSTAT
and OTP. A big plus

- Abbott



DEPARTMENT OF STATE

Washington, D.C. 20520

424A
March 19, 1971

MEMORANDUM OF MEETING WITH SENATOR BAKER

Participants: Senator Howard Baker, Tennessee
Mr. James Jordan
Ambassador Washburn

The Senator agreed to serve on the INTELSAT Delegation as a Congressional Adviser, replacing Senator Hugh Scott. Senator Scott is no longer a member of the Communications Subcommittee of the Senate Commerce Committee. Senator Baker is therefore the ranking Republican member of this Committee. It is appropriate, therefore, for him to take Senator Scott's place on our Delegation. I understand that Alex Schnee has cleared this change with Mr. Hamburger in Senator Scott's office.

Accordingly, we must now get an appropriate letter forward to Messrs. Agnew and Mansfield, requesting that Senator Baker so serve.

The Senator indicated that he would like to become more informed on space communications and for this reason is happy to accept the invitation to serve on the INTELSAT Delegation. He expressed an interest in visiting the COMSAT headquarters at L'Enfant Plaza to view the triple-screen presentation, to see the dish antenna, and visit the control center. Mr. Jordan will accompany him. We are to be in touch with Mr. Jordan as to the timing of the visit. I said that I would discuss this with Mr. Battle.

Without making a firm commitment, the Senator indicated interest in visiting the INTELSAT Plenipotentiary when it is in session at the Department of State in April/May. If he comes, I said we would welcome him at one of our Delegation meetings.

I gave him a copy of the Secretary of State's memorandum to the President inviting the President to

participate in the initialing ceremony approximately May 19, 20 or 21. The Senator said that he would make a point of attending the initialing ceremony if this takes place.

The Senator asked whether Senator Pastore had ever visited L'Enfant Plaza and whether Senator Pastore had come to any of the Plenipotentiary sessions. I said I would check on this. He said: "John and I might come along together."

A.W.

Abbott Washburn

THE SECRETARY OF STATE

WASHINGTON

March 11, 1971

7103055

MEMORANDUM FOR THE PRESIDENT

COPIES TO:

S/S:RF

E

S/INTELSAT

E/TT

IO

OIC

L/T

Subject: Invitation to Participate at Final
Meeting of INTELSAT Plenipotentiary
Conference in May

Recommendation:

That you accept in principle the invitation to be present at the initialing ceremony for the INTELSAT "definitive arrangements" on the final day of the Conference, and to make a brief talk congratulating the delegates of 77 nations on having negotiated this difficult Agreement.

Approve _____ Disapprove _____

Discussion:

The International Telecommunications Satellite Consortium (INTELSAT) global communications satellite system, initiated by the United States and 11 other countries in 1964, is our most significant endeavor to date in international cooperation in space. It provides instantaneous high-quality telephone, telegraph, and radio-TV communications -- via satellites positioned at 22,300 miles above the Atlantic, Pacific, and Indian Oceans -- to all member countries of INTELSAT with operating earth stations. Today there are 77 member countries in INTELSAT, with 50 earth stations in operation on five continents. The members own INTELSAT in shares related to their use of the system.

The global system was set up in 1964 under interim arrangements. In February 1969 an international conference was convened in Washington, D.C., to negotiate permanent

arrangements. There have been eight meetings of this INTELSAT Conference, one of the largest international conferences ever held in the Capital. Most of the 77 member countries have sent delegations to the plenary sessions. In addition, some 23 non-member countries, including the USSR, have sent observer delegations.

Drafting work on the texts of the "definitive arrangements" was largely completed at the session which ended December 18, 1970. Most of the major issues have been settled through negotiation, and prospects appear favorable that the next Plenipotentiary meeting of all member countries -- scheduled to open April 14, 1971 -- will culminate in agreement.

This achievement will not only mark a signal success in the progress of INTELSAT, but will constitute a milestone in international cooperation, and help establish a favorable climate for other multinational efforts such as international development of resources of the seas.

Accordingly, I believe it would be appropriate and productive of good relations if you could attend the final initialing ceremony and extend a few words of thanks and congratulations to the delegates on their achievement. This would require about 50 minutes of your time, allowing for the televised portion of the initialing ceremony, including your remarks, and transportation to and from the White House. No definite date has yet been set, but the ceremony, which will take place in the International Conference Room of the Department of State, is expected to occur during the final week -- on May 19, 20, or 21. It is our hope that one of these dates might be feasible to your schedule.

With the inclusion of the observer delegations, representatives of approximately 100 nations will be in attendance. The initialing ceremony will mark the successful conclusion of two years of patient negotiating effort.

You will recall that, in your December 29, 1969 letter to Governor Scranton, you commented on the prospect of the eventual linking together of all nations on earth via instantaneous satellite communications: "The prospect--- is an exciting one. It carries enormous potential for better understanding among all peoples of the world."

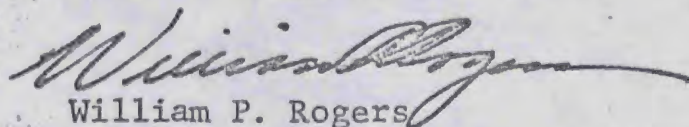
President Eisenhower, in 1959, was the first President to point out the potential use of satellites for everyday commercial communications. He thus foresaw INTELSAT. During the Kennedy Administration the Communications Satellite Act of 1962 established COMSAT to develop such a system. Then, in 1964, under President Johnson, INTELSAT was formed on a temporary experimental basis.

Your appearance at the ceremony marking the establishment of the permanent INTELSAT organization would serve to identify the Administration with this achievement, and would be in keeping with the words of your Inaugural Address:

"We are entering an era of negotiation.

"Let all nations know ... our lines of communication will be open.

"We seek an open world."


William P. Rogers

Enclosures:

1. INTELSAT Background Data Sheet.
2. List of Member Countries of INTELSAT.
3. List of Observer Delegations at INTELSAT Conference.
4. Statistics on Users of the INTELSAT system.

Drafted by: S/INTELSAT - Mr. B. Smith:sct 2/23 - 3/9/71
U - Mr. Williams

Clearances: J - Ambassador Johnson IO - Mr. DePalma
S/INTELSAT - Ambassador Washburn OIC - Mr. Jackson
E - Mr. Trezise E/TT - Mr. Rein L/T - Mr. Wittington

March 1971

INTELSAT BACKGROUND DATA

The INTELSAT Conference, which since February 1969 has been seeking to reach agreement on permanent arrangements for the global communications satellite system, is one of the largest international conferences ever held in Washington, D.C. Most of the 77 member countries have sent delegations to the plenary sessions. In addition, 23 non-member countries, including the USSR, have sent observer delegations.

INTELSAT was organized on an interim basis in 1964 largely on our initiative, with our technology, and with the U.S. signatory, COMSAT, putting up over 50 percent of the investment. It has been extraordinarily successful. Eleven countries participated initially. In six years the number of partner-members has grown to 77 countries. (List of members attached.) Yugoslavia is thus far the only Communist nation in the system. A half dozen more countries are on the point of joining.

INTELSAT is the first cooperative peaceful use of outer space for everyday commercial purposes.

An object over the equator at a distance of 22,300 miles moves synchronously with the earth's rotation and thus hovers "stationary" over one-third of the globe. INTELSAT has geo-stationary communication satellites at 22,300 miles above the Atlantic, Pacific, and Indian Ocean basins, from where they can "see" and link up member countries that have ground stations. Some 50 ground stations are presently in operation in 30 countries. By late 1972 there will be 70 ground stations in operation in 50 countries.

The satellites are capable of transmitting any kind of electronic message: telephone, telegraph, computer data, facsimile. They carried, live, the television pictures of the moon landing to the largest audience in human history, over half a billion people. The system has particular significance for developing nations, providing them with low-cost, international public telecommunications.

For example, you can now put a call through to Santiago, Chile, in three minutes which formerly required three days. Since INTELSAT's first communications satellite, "Early Bird", went into orbit in 1965, charges for international telephone calls have been reduced by between 25% and 50%.

By provision of the Communications Satellite Act of 1962, the Communications Satellite Corporation (COMSAT) is the chosen instrument to develop commercial satellite communications. COMSAT is the United States' signatory to the INTELSAT Interim Arrangements and also serves as Manager of the system. With our large vote and COMSAT as Manager, the United States has dominated the system.

INTELSAT is a business operation. It is, actually, an international public utility, jointly owned by the 77 partner-members. The amount of a member's investment is related to his use of the system. In the years 1964-1970, the cumulative gross capital expenditure on the satellite system by the 77 members was \$271 million. The U.S. share (and voting power) is currently about 52% or \$142 million. Ninety-two percent of the total expenditures went to U.S. contractors. There is no U.S. Government money in INTELSAT. America's share is contributed entirely by COMSAT, a private corporation.

The INTELSAT expenditures do not include the cost of some 50 ground stations which have been paid for by each of the 30 countries in which they are located. Averaging \$5 million per station, the total investment in ground stations is \$250 million. (U.S. manufacturers have produced over 50% of the hardware in these stations.)

The INTELSAT system has brought modern and direct communication to many areas of the world which previously had none. Formerly, for example, communications between the U.S. and Spain were limited to two indirect voice-circuits across the Pyrenees. Today, via satellite, there are in excess of 50 direct circuits between Spain and the U.S. The cost of a three-minute telephone call between New York and Spain in 1964 was \$12. Today the cost is

\$6.75. Similar examples could be cited for almost every developing country with access to a ground station.

The negotiations for "definitive arrangements" have proved long and difficult. Eight sessions of the Conference have been held since February 1969 with a final Plenipotentiary meeting now scheduled to begin in mid-April. Our delegation is made up of members of the State Department, COMSAT, FCC, and the White House Office of Telecommunications Policy. Leonard Marks was the first chairman of our U.S. Delegation. Former Governor William W. Scranton then served as chairman for 10 months; and, in January 1970, he was succeeded by Abbott Washburn.

Not one but two agreements are involved: an inter-governmental agreement, to be signed by representatives of the member governments, and an operating agreement to be signed by the telecommunications entities (the postal, telephone, and telegraph departments of other governments, COMSAT for the U.S.)

On December 18, 1970, the Working Group, consisting of delegations from 40 countries, completed its work on drafts of the two agreements. The texts contain relatively few bracketed alternatives. (The major issues have been resolved; a few troublesome lesser issues remain.) Thus the prospects appear favorable that the final Plenipotentiary meeting, scheduled to open on April 14, 1971, for 4½ weeks, will succeed in reaching agreement.

When the permanent agreement is reached, it will be something like the driving of the golden spike -- but instead of connecting two halves of a single continent, much of the world will be linked together for instantaneous telephone, telegraph, TV, radio, facsimile, computer data transmission, and other modes of electronic communication. As President Nixon has pointed out, INTELSAT holds the promise of eventually linking together all nations on earth for instantaneous communication. "This exciting prospect," he wrote in December 1969, "carries enormous potential for better understanding among all peoples."

Like the invention of the printing press five centuries ago, the impact of this development on human society, spread of knowledge, and life style is beyond calculation.

March 1971

Members of INTELSAT

Algeria
Argentina
Australia
Austria
Belgium
Brazil
Cameroon
Canada
Ceylon
Chile
China
Colombia
Congo (Kinshasa)
Denmark
Dominican Republic
Ecuador
Ethiopia
France
Germany
Greece
Guatemala
India
Indonesia
Iran
Iraq
Ireland
Israel
Italy
Ivory Coast
Jamaica
Japan
Jordan
Kenya
Korea
Kuwait
Lebanon
Libya
Liechtenstein
Luxembourg

Malaysia
Mexico
Monaco
Morocco
The Netherlands
New Zealand
Nicaragua
Nigeria
Norway
Pakistan
Panama
Peru
Philippines
Portugal
Saudi Arabia
Senegal
Singapore
South Africa
Spain
Sudan
Sweden
Switzerland
Syria
Tanzania
Thailand
Trinidad and Tobago
Tunisia
Turkey
Uganda
United Arab Republic
United Kingdom
United States
Vatican City
Venezuela
Viet-Nam
Yemen Arab Republic
Yugoslavia
Zambia

Observer Delegations at INTELSAT Plenipotentiary

Afghanistan
Barbados
Bolivia
Bulgaria
Cambodia
Costa Rica
Czechoslovakia
Finland
Ghana
Hungary
International Telecommunications
Union
Liberia
Maldives Islands
Mauritania
Mauritius
Mongolia
Paraguay
Peoples Democratic Republic
of Yemen
Poland
Romania
Somali Republic
United Nations
Union of Soviet Socialist
Republics
Uruguay
Yugoslavia

USAGE OF INTELSAT SYSTEM
(As of January 1971)

	<u>Percent of Total Use</u>	<u>Present Investment Quota*</u>
1. United States.....	47.80	52.61
2. United Kingdom.....	9.65	7.24
3. Japan.....	4.86	1.72
4. Canada.....	3.26	3.23
5. Italy.....	2.94	1.89
6. Germany.....	2.91	5.26
7. Australia.....	2.57	2.37
8. France.....	2.39	5.26
9. Argentina.....	1.81	1.40
10. Spain.....	1.79	.94
11. Brazil.....	1.67	1.40
12. Philippines.....	1.56	.48
13. Switzerland.....	1.22	1.72
14. Chile.....	1.03	.28
15. Thailand.....	1.03	.09
16. Peru.....	.99	.49
17. Belgium.....	.94	.94
18. China.....	.94	.08
19. Panama.....	.83	.03
20. Colombia.....	.78	.53
21. Greece.....	.73	.09
22. Denmark.....	.57	.34
23. Mexico.....	.57	1.45
24. Dominican Republic.....	.55	.04
25. Indonesia.....	.55	.26
26. Netherlands.....	.55	.86
27. Kenya.....	.55	.04
28. Malaysia.....	.53	.23
29. Korea.....	.51	.04
30. Iran.....	.44	.24
31. Israel.....	.41	.56
32. Kuwait.....	.41	.04

*Under the definitive arrangements, investment quotas would be brought into line with use, and adjusted periodically to reflect changes in use.

	<u>Percent of Total Use</u>	<u>Present Investment Quota</u>
33. Bahrain .....	.37	.00
34. Venezuela .....	.37	.95
35. Ireland .....	.28	.30
36. Norway .....	.21	.34
37. Antigua .....	.18	.00
38. Austria .....	.18	.17
39. Trinidad & Tobago.....	.18	.04
40. Sweden .....	.16	.60
41. Morocco .....	.14	.28
42. South Africa .....	.14	.26
43. New Zealand .....	.12	.40
44. Barbados .....	.09	.00
45. Jamaica .....	.09	.05
46. Lebanon .....	.09	.07
47. Libya .....	.02	.02
48. Portugal .....	.02	.34
49. Turkey .....	.02	.49



DEPARTMENT OF STATE

Washington, D.C. 20520

7103055

3/11

March 1, 1971

TO:

The Secretary

THROUGH:

U

J

S/S

FROM:

INTELSAT - Abbott Washburn

AW

SUBJECT:

Memorandum to the President
ACTION MEMORANDUM

Underlying is a memorandum from you to the President recommending that the President come to the Department on May 18, 19 or 20 to participate in ceremonies concluding the negotiation of the INTELSAT permanent arrangements.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF TELECOMMUNICATIONS POLICY

WASHINGTON D.C. 20504

10 MAR 1971

SECRETOR

Honorable H. Allen Smith
House of Representatives
Washington, D. C. 20515

Dear Mr. Smith:

This is in reply to your letter of March 8, 1971, regarding an inquiry from one of your constituents as to the names of U.S. Delegates to the International Telecommunication Union (ITU) Conference being held in Geneva during June of this year.

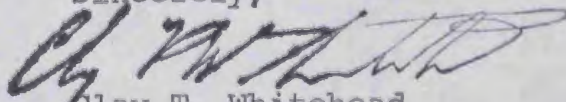
The following is suggested for inclusion in the reply to your constituent:

"The meeting being convened in Geneva is the International Telecommunication Union (ITU) World Administrative Radio Conference for Space Telecommunications. It is scheduled to open on June 7, 1971, and is expected to last for about six weeks.

"While some initial consideration has been given to the selection of delegation members, it will be about two months before the U.S. Delegation is constituted formally. Accordingly, it is recommended that you address an inquiry to the Department of State, Office of International Conferences, Washington, D.C., 20520. When the Delegation is constituted, the names of the delegates will be a matter of public information and there should be no problem in obtaining them."

If I can be of any further assistance to you on this or any other matter at any time, please do not hesitate to ask.

Sincerely,


Clay T. Whitehead

OFFICE OF TELECOMMUNICATIONS POLICY

ROUTE SLIP

TO C.T. Whitehead

ACTION	<input type="checkbox"/>
Concurrence	<input type="checkbox"/>
Signature	<input checked="" type="checkbox"/>
Comments	<input type="checkbox"/>
For reply	<input type="checkbox"/>
Information	<input type="checkbox"/>
Per conversation	<input type="checkbox"/>
Discuss with me	<input type="checkbox"/>

FROM W. Deon

DATE 3/10/71

REMARKS

1. Answer to a phone
 call query, followed by
 a letter from Congressman
 Smith's (CALIFORNIA) office.
 2. Smith's AA is a personal
 friend of Bob Raible.
 Will.

Office of

ications Policy
lip

9 MAR 1971

To

Clay T. Whitehead

George F. Mansur

Antonin Scalia

Wilfrid Dean

Steve Doyle

Walt Hinchman

Charles Joyce

William Lyons

Eva Daughtrey

Timmie White

Judy Morton

REMARKS

Congress of the United States
House of Representatives
Washington, D.C. 20515

March 8, 1971

Mr. C.T. Whitehead, Director
Office of Telecommunications Policy
Executive Offices of The President
Washington, D. C. 20504

Dear Mr. Whitehead:

Pursuant to telephone conversation between Mrs. Andersen of my office and Mr. Robert Raisch of your staff, I am quoting below a portion of a letter received from a constituent, Reverend Fred D. Acord:

"I would deeply appreciate it if you could find out for me the names of the U.S. Representatives or delegates to the International Telecommunication Union Convention to be held in Geneva in June of this year. If you do not know, could you find to whom I could write to find this information? I am writing on behalf of the International Christian Broadcasters which represents approximately 80% of all Christian religious broadcasting in the world."

It would be appreciated if you could furnish me with an appropriate reply that could be transmitted to my constituent.

Thank you very much.

Sincerely yours,

H. Allen Smith

H. ALLEN SMITH
M.C.

HAS:aa

cmg

March 10, 1971

Honorable Hastings Keith
House of Representatives
Washington, D. C. 20515

Dear Mr. Keith:

I was very pleased to have the opportunity to meet with you on Monday and appreciated both your hospitality and your willingness to spend so much time discussing communications.

As soon as we have a better picture of the areas in which we think the Congress may want to be concerned this year, we will be in touch. I am enclosing a copy of our budget and a copy of the correspondence with Senator Pastore regarding the EBS. The budget document represents our current plans for the activities we expect to be involved in.

Both Mr. Scalia and Mr. Lamb of my Office will be expecting Bob Troy to be in touch. As I indicated, we will go out of our way to keep you informed and to be of any assistance you may find helpful. I look forward to working with you and the other members of the Committee.

Sincerely,



Clay T. Whitehead

cc: Mr. Whitehead
Mr. Scalia
Dr. Lyons
Mr. Lamb

CTWhitehead:ed/jm

Cmg

The following letters have been filed in the Emergency Broadcast
Systems file -----

3/5/71 To Louis A. deRosa, Asst. to the Secretary of Defense
(Communications) re "Statements of White House
Requirements for Presidential Communications with
the General Public During Periods of National Emergency".
(dated 2/26/71)

3/5/71 - to Defense Commissioner Robert G. Wells, FCC, re above.

3/5/71 - to Senator Pastore

3/5/71 - to General Lincoln, OEP

¹⁰
3/5/71 - to Commerce

Cory
Tuesday 3/2/71

TW-Inv. Accepted

3/3/71

6:45 p. m. -----

4:50 You indicated you would plan to stop by Table 50
at the Radio and Television Correspondents Dinner
on Wednesday (3/3). Those at that table:

Vance Eckersley, Channel 6, New Bedford

Susan Schiffer

Senator Kennedy

Senator Pell

Margaret Heckler

Bob Tiernan

Tuesday 3/2/71

MEETING

3/9/71

12:15 p. m.

4:50 Mr. Whitehead will have lunch with Cong. Hastings Keith 225-3111
on Monday (3/8) in his office. (Rm. 2344 Rayburn)

Will anyone join him?

At Mr. Whitehead;s request, called Mr. Scalia and suggested he call Bob Troy, Keith's staff guy, to get acquainted. And suggest to him that if Keith plans to have any of his staff at the meeting, it might be useful if Mr. Whitehead had Mr. Scalia join.

Tuesday 3/2/71

Cong
~~MEETING~~
3/5/71
12:30 p.m.

1:30

We have scheduled the luncheon meeting for you and Mr. Hinchman to go to Senator Stevens' office -- 12:30 p.m. on Friday 3/5/71.

225-3004

1 MAR 1971

Honorable William A. Egan
Governor of Alaska
Juneau, Alaska 99801

Dear Governor Egan:

During my recent visit, we spoke briefly of the needs and opportunities for developing better communications for Alaska. I have since exchanged some correspondence with Angie Hiebert in relation to your Satellite Task Force. I have also discussed with Mr. Armig Kandorian of the Department of Commerce the results of the planning assistance previously provided to Alaska.

It occurs to me that the time may be right for a mutual reexamination of Alaska's communication needs in relation to Federal policies and assistance programs. These should be compatible for Alaska to develop its communications services wisely.

Mr. Kandorian's forthcoming visit can be a useful first step in this process by focusing on the needs and financial abilities of Alaska with regard to developing a comprehensive communications plan. With this as background, we will be able to focus more sharply in subsequent discussions on how the Federal Government can help in such an activity.

It was good to meet you during my recent visit to Alaska. I look forward to seeing you again in the near future.

Sincerely,

Clay T. Whitehead

cc: Mr. Whitehead
Mr. Hinckman

L

WHinckman/Whitehead:jm 2/3/1/71

March 1, 1971

MEMORANDUM FOR THE RECORD

If we are serious about changing the name, it is clear that we will have to create outside pressure. There are a number of ways of accomplishing this, such as: suggestions from the Hill, perhaps Senator Baker, and suggestions from the trade press. In doing this, we should be careful to do it low key or it could be turned as a point for those questioning the broad charter in our budget presentation. Some of the arguments that could be used are: obsolete terminology; inaccurate terminology; the name delimits the brilliance and foresight of the President's initiative; the name is out of step with the 70's; it limits the recognition of the Office and makes the Office's job more difficult; and it limits the President's away.



Clay T. Whitehead

cc: Mr. Whitehead
Dr. Mansur
Mr. Scalia

CTWhitehead:red/jm

26 FEB 1971

Honorable F. Bradford Morse
House of Representatives
Washington, D. C. 20515

Dear Mr. Morse:

Thank you for your letter of February 11, 1971, bringing to my attention the representative complaint of your constituent, Mr. Michael B. Rukin, against the New England Telephone Company. Mr. Rukin's experiences, unfortunately, have been duplicated in many of our major urban areas. Problems of service impairment and an increasing and widespread dissatisfaction with service have been reported in the various news media and evidenced by the many complaints received by the Federal Communications Commission and this Office.

The telephone companies are devoting major efforts to improve service. Government at both State and Federal levels is working hard to develop plans, programs, and policies to help. For over a year the FCC has been surveying the problem in cooperation with State regulatory authorities, and a preliminary report is expected later this year.

Monthly reports on the quality of telephone service are being furnished to the FCC by the Bell System and the General Telephone and Electronics Corporation, and by six independent telephone companies as well. Companies chosen to furnish reports on selected areas or exchanges in their operating territories serve about 108 million telephones--94 million in Bell System areas and 14 million in the areas of independent companies. The FCC's Economic Studies Division has developed computer programs to analyze these monthly reports, and to summarize service trends, taking into account factors such as seasonal variations, geographic differences, and customer calling habits.

In New York, where service impairment is most aggravated, the State Public Service Commission has ordered the New York Bell Company to stop promotional advertising and all other activities designed to attract additional customers or increase telephone usage until satisfactory service is provided. In California and Florida, portions of rate increases have been withheld by State utilities commissions until satisfactory service is provided.

James J. ... "At&T
Rate Increase"

In other words, both Federal and State regulatory agencies are keenly aware of the difficulties which trouble your constituent and have begun action to remedy the situation. On the Federal level, the FCC alone has authority to act. This Office, however, which is charged with setting long-range national communications policy, is keeping abreast of developments in this field. Should the measures taken by the carriers, the FCC, and the State agencies be inadequate, we will consider the possibility of remedial legislation. We therefore appreciate the comments of all interested persons, including consumers such as Mr. Rukin. We hope you will keep us informed of any further concerns you may have and will let us know if we can be of further assistance.

Sincerely,

SIGNED

Clay T. Whitehead

XXWK

AScalia:hmy

2-24-71

cc: Mr. Whitehead - 2 ✓

Scalia Subj

" Chron

Congressional

Thursday 2/25/71

HINCHMAN/OWEN

Meeting

3/2/71

10 a.m.

9 a.m. Steve has talked with Conrad Fowler's office (215) 822-2929
and has arranged for Walt Hinchman and Bruce (local) 638-6950
Owen to meet with Mr. Fowler at 10 a.m.
on Tuesday (3/2) to discuss CATV. (Secy.: Caroline Fearn)

We will advise Congressman Coughlin's office
of the appointment.

cc: Walt Hinchman
Bruce Owen

Thursday 2/25/71

Hinchman/Owen
MEETING
3/2/71
10 a.m.

4:05 We have advised Congressman Coughlin's office that
Mr. Hinchman and Mr. Owen will be meeting
with Conrad Fowler on March 2nd at 10 a.m.

225-6111

(Talked with Sherry)

Office of Telecommunications Policy
Route Slip

24 FEB 1971

To

Clay T. Whitehead ✓

George F. Mansur

~~William F. Mansur~~

Wilfrid Dean

~~Steve Doyle~~

Walt Hinchman

Charles Joyce

William Lyons

Eva Daughtrey

Timmie White

Judy Morton

REMARKS

Talked to him today.

He will meet us

Hinchman/Joyce next week

Steve.

LAWRENCE COUGHLIN
19TH DISTRICT, PENNSYLVANIA

COMMITTEE:
JUDICIARY

Congress of the United States
House of Representatives

Washington, D.C. 20515

February 22, 1971

WASHINGTON OFFICE:
336 CANNON BUILDING
(202) 225-6111

DISTRICT OFFICE:
607 SWEDEN STREET
NORRISTOWN, PA. 19401
(215) 277-4040

Mr. Clay T. Whitehead, Director
Office of Telecommunications Policy
Executive Office of the President
Washington, D.C. 20504

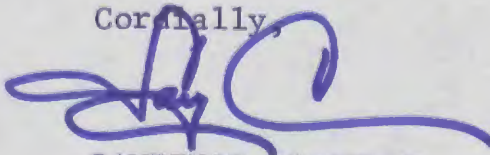
Dear Mr. Whitehead:

A constituent of mine, Mr. Conrad J. Fowler, Chairman of American Electronic Laboratories, Post Office Box 552, Lansdale, Pennsylvania 19446, has advised me of his desire to meet with you in order to discuss cable television. A member of his staff will be in touch with you within a few days in order to set up an appointment.

Knowing Mr. Fowler personally, I can attest to his fine character and his extensive knowledge in the field of CATV, and I sincerely hope that you will be able to meet with him to discuss this subject.

With all best wishes,

Cordially,



LAWRENCE COUGHLIN

LC:ers

84 FEB 1971

MEMORANDUM FOR

Mr. Richard Stubbing
Office of Management and Budget

I have received your memorandum of February 19th enclosing George Shultz's letter to Mr. Ellender and the wording regarding the establishment of OTP.

This seems to me totally inadequate in that it fails to put the establishment of this Office in the proper perspective that this Presidential initiative intended and does nothing to counter the impression that OTP is no more than a glorified OTM. I would appreciate it if the OMB could find a more favorable way of presenting this in its presentations to the Congress.

TIGNED

Clay T. Whitehead

cc: Mr. Flanigan
Mr. Whitehead

CTWhitehead:ed/jm 2/23/71

See
1-610 Budget

18 FEB 1971

Mr. R. C. Stover
MOQ 219, Dam Neck
Virginia Beach, Virginia 23461

Dear Mr. Stover:

As the President's principal adviser in telecommunications policy, I have been requested to reply to your letter of January 12.

I understand the concern you have expressed, and am pleased to be able to report that the newspaper clipping you sent was in error. President Nixon is not seeking AT&T sale of Comsat, and this Administration has not endorsed such a proposal. Following Senator Gravel's press release on this subject, I issued the enclosed press release to clarify the situation. I hope this answers your questions.

The President very much appreciates your support and the time you have taken to bring this matter to his attention.

Sincerely,

SIGNED

Clay T. Whitehead

Enclosure

cc: Mr. Whitehead
Mr. Doyle

SEDoyle/AScalia/ec/12Feb71

5
A-10

12 January 1971

R.C. Stover
MOQ 219, Dam Neck
Virginia Beach, Va. 23461

Nixon Seeks AT&T Sale Of Comsat

WASHINGTON (UPI) — The Nixon administration Thursday endorsed a proposal to force American Telephone & Telegraph Co. (AT&T) to give up all its financial interest in Communications Satellite Corp. (Comsat).

Sen. Mike Gravel, D-Alaska, has said he will introduce a bill early in the 92nd Congress that would require AT&T to sell all its Comsat stock, currently valued at \$140 million and making the giant telephone firm the largest Comsat share holder.

The legislation also would strip AT&T of its voice in the selection of three members on the board of directors of Comsat, which is a semipublic corporation set up to build communications satellites and ground transmission equipment.

The President
The White House
Washington, D.C. 20501

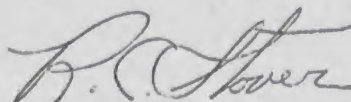
Dear Mr. President,

You probably will never see or know the contents of this letter but, because of my concern, I have decided to go to the top this time. If the above newspaper article is accurate, it strikes me as revolting and not indicative of a free enterprise system. AT&T is an enterprising, non-inflationary corporation and is a source of considerable tax revenue. Without their management and expertise, I seriously doubt that our satellite program would have been as successful. Now, after coming under fire by the FCC, AT&T must come under fire by the President and Congress. This is almost as absurd as is the game of political footsies and enduring honeymoon that exists

between the labor unions and the politicians who lack the intestinal fortitude to crack down on the organized promoters of strikes, greed, inflation and a poor balance of payments. Rather than be assaulted by Congress, AT&T should be consulted as to how to achieve balanced budgets. If AT&T or the people of this country were to manage their finances as exemplified by the government, there would not be a bank in this country from which they could receive credit or a loan. Incidentally, despite your reported optimism, I fail to see any evidence that inflation is under control or being arrested. I firmly believe that the day has already come and gone when some form of wage and price controls should have been implemented. You rationalize against resorting to wage and price controls yet there is no reluctance to intervene with AT&T or admonish the steel companies when they are forced to raise their prices in order to afford the high cost of labor and curtail dwindling profits.

In closing, I wish you success on your welfare reform plans. In certain salient respects, the present program can be compared to that of Social Security, i.e., both programs are federally sponsored, neither program can pay for itself, both have inequities, and they serve as incentives not to work or to save for a rainy day.

Respectfully yours,



R.C. STOVER

Federal funds

Wed., Feb. 17, 1971

Help for home folks

SMITHVILLE, Tenn. (AP) — Rep. Joe L. Evins, a country boy who grew up to control pursestrings holding more than \$20 billion in federal funds, hasn't forgotten where he comes from. Neither has the U.S. government.

An Associated Press study shows federal dollars are flowing into Evins' middle Tennessee district at a rate that would nearly double the government's non-defense outlays if applied to the nation as a whole.

Evins' case illustrates an accepted fact of political life: Chairmen of appropriations subcommittees are in a better position than most congressmen to help the folks back home.

As a Democrat with 24 years seniority, Evins last year headed two appropriations subcommittees handling funds for 37 federal agencies and offices. And, records show, non-defense government outlays in his dis-

trict in fiscal 1969 totaled \$527 million. By comparison, average non-defense outlays per congressional district that year were \$313 million.

"Joe really takes care of his district," said Cookeville, Tenn., City Atty. Wes Flatt Jr., who managed Evins' campaign last fall when he was re-elected with 83 per cent of the vote. "I don't know where we would be without him."

Of his constituents, Evins said: "They are a great people and they deserve all the help and assistance that's going to them."

Evins' hometown of Smithville, population 2,997, belongs with surrounding DeKalb County to the list of 150 locales in the country designated as Model Cities—an entree to special consideration when federal funds are being awarded.

Cookeville, 30 miles away and also in Evins' district, is another

Model City. Its population is 14,270.

The Model City designations were made by the Department of Housing and Urban Development, one of the agencies whose appropriations are handled by an Evins' subcommittee. Another such agency, the Atomic Energy Commission, sends \$300 million annually into Evins' district, which includes the AEC's massive Oak Ridge facilities.

"I've worked hard," said Evins in an interview, "and by time and effort I have come into a position where there's opportunity for service I haven't been provincial in my work. I'm not provincial. I've worked for programs for New York and the West and all over the nation."

Evins pointed out that in his tenure as HUD appropriations chairman "HUD has never been cut back in any of its major programs."



REP. JOE EVINS

He cited his work in helping obtain congressional approval of President Johnson's rent-supplement program.

ckr
Tuesday 2/16/71

4:55 FRANK URBANY:

The persons to talk with for info or background
material for the Appns. Subcommittees:

Jack Calkins	(For Congressmen)	Li. 4-3010
Executive Director		
Congressional Committee		

Lee Nunn	(For Senators)	225-2351
Senatorial Committee		

2-15

OFFICE OF TELECOMMUNICATIONS POLICY
WASHINGTON

Evu -

Can you call some one at
Repulse and National Committee
that I can talk to re
background material etc
on Congressmen & senators
so that we can be more
effective in getting our
message across esp
to. appropriation
sub. committee

J.

Tuesday 2/16/71

2:55 Tom had suggested that I tell Frank Urbany if we can be of any assistance with the material he asked Frank to get, we'd be glad to help. Possibly calling Millie Bighinatti at the Republican National Committee.

February 8, 1971

To: Peter Flanigan

From: Tom Whitehead

I think this clarifies the situation regarding the Justice Department's letter on Comsat pretty well, and as far as I know, it does not cause Justice any problems.

Attachment

cc: Mr. Whitehead

CTWhitehead:jm

ATT: Letter to Sen. Pastore dated 1/26/71 + incoming

2/21

Judy-----

Guess we can make a file on

Communications in Society
(for Joe Evins' benefit)

Could you stick a note on the left hand
side of the Congressional folder (stapled in)
that there is a file of material concerning
Joe Evins in this above-named file?

Thanks.

Cong.

Wednesday 2/3/71

5:25 STEVE:

George Bell had called to talk to Tom, but I checked to see what he needed to talk with him about since Tom had been out of town and then Bell was out of town.

His secretary indicated he wanted to know how we replied to Senator William Jennings Randolph (wow!! -- not William) about Moses Shapiro. I read the letter to her and she said he may call you about it.

27 JAN 1971

Honorable Jennings Randolph
United States Senate
Committee on Public Works
Washington, D.C. 20510

Dear Senator Randolph:

Thank you for your letter of January 12 concerning the candidacy of Mr. Moses Shapiro for a position on a soon to be established National Communications Advisory Council now being developed by my office. I very much appreciate your bringing Mr. Shapiro's qualifications to my attention and you may be assured his candidacy will be given every consideration.

Sincerely,

Signed

Clay T. Whitehead

cc: Mr. Whitehead (2)
Mr. Doyle

SEDoyle/ec/26Jan71

Monday 2/1/71

2:00

STEVE

Mr. Zapple's office called to say they are releasing both their letter and ours to people upon request.

Craig
Presidential

Invitation

2/17/71

Thursday, January 28, 1971

11 a.m.

10:00 Called Hazel in Jon Rose's office to advise that we would advise against acceptance of the invitation by J. Glenn Beall, Jr. to Haldeman (dated 1/18/71) for the President to push the button at the opening of the new transmitted at WDCA - Channel 20 on February 17.

Wednesday 1/27/71

6:30 Do you want to dictate a note on this -- to make
it official?

Not nec.

Office of Telecommunications Policy
Route Slip

To

_____ Clay T. Whitehead _____

_____ George F. Mansur _____

_____ William Plummer _____

_____ Wilfrid Dean _____

_____ Steve Doyle _____

_____ Walt Hinchman _____

_____ Charles Joyce _____

_____ William Lyons _____

_____ Eva Daughtrey _____

_____ Timmie White _____

_____ Judy Morton _____

REMARKS

WDCA Ch. 20 is a commercial
station, in-being, installing a new
transmitter. I don't believe Presidential
involvement is appropriate unless there
are political reasons for it. Certainly
not a good precedent.

Definitely NOT - A

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

January 26, 1971

MEMORANDUM FOR

Peter Flanigan
✓ Tom Whitehead

FROM:

Dave Parker

RE: Inauguration of transmitter at WDCA-TV
February 17

Do you recommend the President push the button?

yes _____ no _____

other participation? _____

Thanks.

J. GLENN BEALL, JR.
MARYLAND

United States Senate

WASHINGTON, D.C. 20510

January 18, 1971

Mr. H. R. Haldeman
Assistant to the President
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mr. Haldeman:

The management at WDCA, Channel 20, has contacted me with respect to the ceremonies that are planned for the opening of their new Transmitter. Apparently the membership of the F.C.C. and a number of other dignitaries are expected on February 17 at 11:00 when they expect to hold the opening event. They are quite anxious to have the President push the button which would set this new powerful Transmitter into operation and, in fact, are willing to arrange it so that he can do this from the White House.

It is my understanding that this Transmitter is a break through in TV transmission and is a significant event within the industry. We would certainly be pleased if the President could arrange to participate in the opening ceremonies and would like to have some indication as to whether you feel this is possible.

With best regards, I am

Sincerely yours,

J. Glenn Beall, Jr.

JGB/ns

2 7 JAN 1971

Honorable Harley O. Staggers
House of Representatives
Committee on Interstate and Foreign Commerce
Room 2125, Rayburn House Office Building
Washington, D.C. 20515

Dear Mr. Staggers:

Thank you for your letter of January 4 concerning the candidacy of Mr. Moses Shapiro for a position on a soon to be established National Communications Advisory Council now being developed by my office. I very much appreciate your bringing Mr. Shapiro's qualifications to my attention and you may be assured his candidacy will be given every consideration.

Sincerely,

Signed

Clay T. Whitehead

cc: Mr. Whitehead ←
Mr. Doyle

SEDoyle/ec/26Jan71

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Congress of the United States
House of Representatives

Committee on Interstate and Foreign Commerce
Room 2125, Rayburn House Office Building
Washington, D.C. 20515

January 4, 1971

Dr. Clay Whitehead
Director
Office of Telecommunications
Executive Office Building
Washington, D. C.

Dear Dr. Whitehead:

It is my understanding you propose to appoint an industry advisory group to assist in formulating a National communications policy.

According to the information I have, Mr. Moses Shapiro, Chairman of the Board of General Instrument Corporation has been proposed to serve with your group.

I know Mr. Shapiro personally. He has appeared before our House Committee on Interstate and Foreign Commerce. Mutual friends have recommended him and it is felt he is well qualified to assist you in developing a National communications policy. Attached is a resume for your use.

Any consideration which may be extended Mr. Shapiro will be deeply appreciated.

Thanking you and with best wishes for 1971, I am

Sincerely yours,

Harley O. Staggers
HARLEY O. STAGGERS

Encl-

Moses Shapiro has been associated with General Instrument since 1955, when he became executive vice-president. He was elected president in 1960, vice-chairman in 1968 and chairman and chief executive officer in 1969.

A native New Yorker, he studied at Fordham University, and received his LL.B degree in 1932 at the Brooklyn Law School of St. Lawrence University. He was admitted to the New York bar the next year.

As one of America's leading arbitrators and mediators during the Thirties and Forties, he settled more than 3,000 labor disputes which came before the New York State Mediation Board, The American Arbitration Association, and the National War Labor Board, or were referred to him as Impartial Chairman of a number of industries.

Following World War II, Mr. Shapiro became industrial relations and business counsel to various companies, industries, and trade associations, among them the Electronic Manufacturers Association.

He joined Automatic Manufacturing Corporation of Newark, N. J., as a principal in 1953. When that privately-owned company was merged into General Instrument in 1955, he became executive vice-president of the combined company and a member of its Board of Directors.

27 JAN 1971

Honorable Jennings Randolph
United States Senate
Committee on Public Works
Washington, D.C. 20510

Dear Senator Randolph:

Thank you for your letter of January 12 concerning the candidacy of Mr. Moses Shapiro for a position on a soon to be established National Communications Advisory Council now being developed by my office. I very much appreciate your bringing Mr. Shapiro's qualifications to my attention and you may be assured his candidacy will be given every consideration.

Sincerely,

Signed

Clay T. Whitehead

cc: Mr. Whitehead (2) ←
Mr. Doyle

SEDoyle/ec/26Jan71

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M. BARRY MEYER, COUNSEL

United States Senate

COMMITTEE ON PUBLIC WORKS

WASHINGTON, D.C. 20510

January 12, 1971

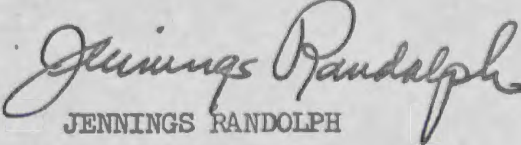
Dr. Clay Whitehead
Director, Office of Telecommunications
Policy
The White House
Washington, D.C.

Dear Dr. Whitehead:

Enclosed is a copy of my letter to The President endorsing a nominee for membership on the proposed advisory committee. I shall appreciate your consideration of Mr. Shapiro for a position on the committee.

With sincere thanks and best wishes, I am

Truly,


JENNINGS RANDOLPH

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United States Senate

COMMITTEE ON PUBLIC WORKS

WASHINGTON, D.C. 20510

RICHARD B. ROYCE, CHIEF CLERK AND STAFF DIRECTOR
J. B. HUYETT, JR., ASSISTANT CHIEF CLERK
M. DARRY MEYER, COUNSEL

January 12, 1971

The President
The White House

Dear Mr. President:

This communication refers to the recent announcement of plans to appoint a nongovernmental, executive level, advisory committee to assist the Office of Telecommunications Policy in formulating national communications policy.

I respectfully submit the name of Moses Shapiro, Chairman and Chief Executive Officer of General Instrument Corporation. As you know, General Instrument is one of the foremost manufacturers of microcircuits and other communications components, as well as the parent organization of Jerrold Electronics Corporation, the largest CATV hardware manufacturer and one of the largest CATV operators in the United States.

The standing of General Instrument Corporation in the field of electronics and communications is due in most part to the diligent efforts and vision of Mr. Shapiro. He is, I believe, one of the most knowledgeable and capable electronics industry executives in our country. I am confident that his contributions to the work of the proposed advisory committee would be meaningful and constructive. It is a privilege to express my endorsement of this distinguished business executive.

With sincere appreciation for your consideration of this request, I am

Truly,

JENNINGS RANDOLPH

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF TELECOMMUNICATIONS POLICY

WASHINGTON, D.C. 20504

DIRECTOR

January, 26, 1971

Honorable John O. Pastore
United States Senate
Washington, D. C. 20515

Dear Senator Pastore:

Thank you for your letter of January 14th. I shall try to answer in some detail the questions which it raises.

Your letter was prompted by a series of events initiated by the letter to Senator Gravel from the Antitrust Division of the Department of Justice. That letter stated that the Department would favor enactment of legislation to eliminate direct common carrier control or influence over Comsat, although pointing out that this step alone would not be likely to result in a significant increase of competition unless combined with other action. This was the response of one agency of the executive branch to a legislator's inquiry concerning one of the many possible effects of his proposed legislation -- namely, its effect upon the maintenance of healthy competition, which is the primary concern of the Antitrust Division.

It is most appropriate and desirable that the legislative branch be able to obtain from the executive branch such a narrowly focused response. I have not interpreted the OTP responsibility of coordinating the telecommunications activities of the executive branch as a commission to suppress the expression by the various executive branch agencies of their views with respect to the impact of communications matters upon their respective areas of peculiar competence. To provide another concrete illustration, I expect that the General Services Administration and the Department of Defense will continue to appear in State and Federal communications rate proceedings in their capacities as representatives of the government as consumer. Such narrowly focused expressions of view by the


various agencies may or may not agree with the conclusions of this Office; it is our function to evaluate communications policy proposals not only from the standpoint of their effectiveness in furthering individuals objectives, but also on the basis of their net desirability when all aspects of national concern are taken into account.

This distinction between my Office's statement of the Administration's position on communications matters and the expression of views by other executive agencies is, I think, generally understood. In the case of the Antitrust Division's letter to Senator Gravel, however, I felt that the press accounts had presented the Division's views concerning antitrust effects as the Administration's position concerning overall desirability. It was for this reason that I issued my clarifying statement of January 7th.

Let me now turn to your specific request that I inform the Committee of the Administration's overall policy with respect to international communications. In implying that such a policy has already been formulated, the press report of January 7th was simply erroneous. The Office of Telecommunications Policy has established as one of its priority projects the entire question of international communications -- the optimum industry structure for the future, the role of Comsat, and the economic, operational, and political implications of such matters as you refer to in your letter. As you are aware, this is a particularly complex and important field, never before comprehensively addressed by the government as a whole. In spite of severe staff and budgetary limitations, we are well into the study. We will submit recommendations for consideration by your Committee as soon as possible -- hopefully by midyear. These recommendations will seek to take account of the views of all governmental agencies concerned, all segments of the industry, and the public.

I personally appreciate the concern which your letter demonstrates, that this Office realize the high hopes which Congress had in authorizing its creation -- that it serve as the vehicle for the formulation and development of a truly broad and coordinated national communications policy. I assure you and the other members of your Committee that we are bending every effort to that end.

Sincerely,



Clay T. Whitehead

A Synoptic View of Issues Concerning
the International Telecommunication Industry

In the past 20 years, a variety of issues have been discussed relating to the structure, participants, and services of the international telecommunication industry within the United States. In hearings concerning the nominations of Messrs. Whitehead and Mansur, Senator Pastore revisited the old cry for a consistent and coherent U.S. policy in the international telecommunication field.

This paper has been prepared simply to outline some of the principal categories of issues of concern to the Congress, the industry, other agencies of government, and the public. It may be useful procedurally to categorize the issues below as: (1) legal, (2) policy, (3) economic, and (4) organizational.

Legal Issues

A variety of legal issues (purely legal issues) may be ferretted out of the general discussion of the international telecommunication industry. First among these is the fundamental question, "Do we need a consolidation and revision (up-date) of the United States laws relating to telecommunication?" This involves consideration of laws including the Kellogg Act of 1931 (cable landing licensing); the Communications Act of 1934 (establishing the FCC and a national regulatory structure); the Communications Satellite Act of 1962 (establishing Comsat and U.S. international communication satellite policy); Public Television Act of 1967 (an amendment to the 1934 Act providing for creation of the Corporation for Public Broadcasting); all of the federal regulations, Executive Orders and administrative rulings related to or issued pursuant to all this legislation; and consideration of the impact of new technology and new types of services and their requirement for new laws, e.g., domestic satellites, CATV, specialized carriers, and lasers.

A second legal issue, but one which would be produced only as a result of a policy decision, is, "Should the antitrust limitations upon common carrier mergers be eliminated?" There are, in the 1934 Act, provisions which forbid the combination of carriers to the detriment of competition. There is, however, a more recent policy, found in the Communications Satellite Act of 1962, which facilitates interlocking directorates among ostensibly competing entities. Over 150 telephone companies, including AT&T in substantial portion, own part of the stock of the Comsat Corporation. In recent years, several large carrier entities (ITT Worldcom, RCA Globcom, GT&E) have sold off sizeable blocks of Comsat stock and, thus, relinquished control of seats on the Comsat Board. AT&T has held fast to its power to elect 3 of the 15 Directors, but that position is now under attack by Senator Gravel and others.

A third essentially legal issue, which is again dependent upon certain policy premises, is, "How much regulation and what kind of regulation should be in our federal law concerning: (1) broadcasting services; (2) CATV and wired city services; (3) common carrier services; (4) satellite services; (5) safety and special services; and (6) the interaction and interdependence of various categories in the foregoing list?"

These are some of what may be termed the "legal" issues.

Policy Issues

The number of policy issues one can identify is limited only by the capability of one's imagination. Examples of some policy issues are:

(1) How much and what kind of services should the Government provide to itself and how much and what kind should it obtain from commercial sources?

(2) How diversified should ownership be for commonly used systems such as high capacity bulk trunks interconnecting major metropolitan areas, geographically separated portions of the country, or different countries?

(3) Do we want competition among joint-owner entities providing the same services, or discrete ownership of facilities; or, do we want competition among entities providing discrete services on commonly owned facilities; or, do we want no competition in some categories of service and intense competition in others; or, do we want exclusive ownership of facilities coupled with a monopoly control of services in inter-modal competition?

(4) Do we want to maintain present levels of government regulatory presence; or, stimulate more self-regulating or market-regulating mechanisms in the industry; or, eliminate governmental regulatory presence altogether?

(5) Should we look to "chosen instruments" in either ownership aspects, foreign relation aspects, or service rendering aspects of industry performance?

Again, these represent only examples of kinds of issues we could deal with as "policy issues."

Economic Issues

If long range telecommunication system and service planning is to become the product of (or substantially the product of) in-depth economic studies, with extensive consideration of market expansion, cost and pricing considerations, maximize efficiency, and so forth, then consideration should be given to the role of the

government in either: (1) conducting, (2) stimulating and encouraging, or (3) coordinating and directing economic studies evaluating the foregoing types of consideration. Some agreement would have to be reached on standardization of methods and techniques for the system analysis kind of studies which would be subject to any such an approach. Rather than considering communication services, the structure of the industry, and accounting and financing practices currently in use and expected to be used, one could project alternative ways of structuring, distributing ownership, and varying the governmental roles in order to stimulate, retard, or stabilize industry growth and service offering rates over time in the interest of achieving defined long term goals which will maximize economic efficiency, minimize user costs, and guarantee adequate capital returns to bring market money into the industry.

(An infrequently mentioned and possibly insufficiently considered element of previous interagency studies of industry organization and the Rostow Task Force Report is the impact on the labor market of various alternative structures for the industry and methods of constructing new facilities, expanding services, and maintaining the physical plant required for the rendition of services. The consideration of labor interests has been integral to almost every previous serious study of the international telecommunication industry, whether focused on composition, development, or modification.)

Organizational Issues

Under this category there are two possible subdivisions: (1) governmental organization, and (2) industrial organization.

One can consider whether or not the diversity of governmental responsibility that exists today serves the national interest from a variety of view points. For example, is the government efficiently organized? How many tax dollars are spent on purely governmental communication systems, their organization and management? How many tax dollars are spent on government supervision and regulation of private industry providing services to the government? Can these expenses to the tax payer be reduced by improved governmental organization, or by more efficient performance of existing government organizations?

In considering industry composition, we should evaluate the practicality, utility, and desirability of continuing or eliminating a monopoly role for AT&T Long Lines in international voice communications; we should evaluate the intercompany competition among the three principal record carriers providing international message and combined voice-message services; and we should consider the role of Comsat as a "chosen instrument" for international public telecommunication satellite services. In this kind of evaluative study, one could determine if one or another of these existing models provides a better basis for the rendition of all or certain segments of anticipated future services rendered by either terrestrial or space modes.

These are but some organizational questions which could be studied.

The Inevitable and Inexorable Interrelationship of Issues

With apologies for the alliteration, it should be pointed out that there is a certain inevitable and inexorable interrelationship of legal, policy, economic, and organizational implications of the structure and operation of our international telecommunication industry. It is highly questionable whether or not we can study legal issues such as those described above without reference to certain pre-set policy guidelines, and certain economic goals, and certain organizational requirements whether existing or desired. For practical reasons, it may be essential that the foregoing four categories of issues be always considered as a whole rather than as separable components in the development of a whole picture.

There is attached a copy of the 1965-66 interagency study done on "international telecommunications." While the report rendered to the Congress recommended specific legislative actions to be taken, the report did not contain proposed legislation, the enactment of which could result in implementation of the report.

It may be justifiably claimed that one of the principal reasons why prior studies done on the structure and nature of our international telecommunication industry have not been productive is that broad recommendations for action have rarely, if ever, been accompanied by specific draft legislative proposals which could be implemented without involving Committees of Congress, or an interagency group, or an industrial group, in the delicate and difficult business of drafting the implementing legislation.

Some Recommendations

Based upon the foregoing considerations, the following recommendations are offered for comment:

(1) Correspondence to Senator Pastore should be immediately prepared to "buy time" to study in greater depth all or some of the specific aspects described above.

(2) A preliminary staff study should be done identifying and reviewing the principal contract and government studies done on the international telecommunication industry since 1950. This project will take about one man month.

(3) A specific study program should be developed based upon the completion of (2) above with some decision as to the specific proposed study goals, i.e., draft legislation, or a White Paper, or a Policy Statement, or some combination of these.

- 2 -
(4) This study, to be effective, will require economic analysis, communication system operational analysis, legal work, and some technical study. An interdisciplinary team should be formed within the Office to pursue it.

(5) While the study is in process, other interested agencies and the industry should be invited to offer elements of required information or data as well as substantive commentary on alternatives under consideration. For in-house purposes, we should be prepared to devote 12 professional man months (4 people for 3 months, or 2 people for 6 months with the full time support of one secretary/research assistant) to accomplish this task.

If such manpower is devoted to the task in the near future, a useful work product should be available by the end of the calendar year.

WARREN G. MAGNISON, WASH., CHAIRMAN

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FREDERICK J. LORDAN, STAFF DIRECTOR

United States Senate

COMMITTEE ON COMMERCE

WASHINGTON, D.C. 20510

January 14, 1971

Honorable Clay T. Whitehead
Director
Office of Telecommunications Policy
Washington, D.C.

Dear Mr. Whitehead:

As you will recall, when you appeared before the Committee in July of last year I set out in considerable detail the history of the Committee's attempts to urge the interested agencies of Government to adopt an overall telecommunications policy. My reasons for doing so were twofold.

For some years now many people in Government and industry have maintained that our failure to have such a policy, particularly with regard to international telecommunications, has contributed significantly to the problems and uncertainties we face in the field of telecommunications.

Secondly, the new Office of Telecommunications Policy which you now head would, by the terms of Reorganization Plan No. 1 creating it, "be the President's principal adviser on all telecommunications policy," and "help coordinate and formulate Government policies concerning a wide range of domestic and international telecommunications issues."

As early as 1964, the Intra-Governmental Committee on International Telecommunications was formed in response to the concern of business and Government leaders about the present structure of companies forming our Nation's commercial overseas telecommunications system. The report and recommendations of that Committee were submitted to the Congress in 1966. That report stated legislation would be necessary to implement the recommendations contained therein, and specific proposals would be forthcoming. For whatever reasons, they never were.

Then, in 1967, President Johnson appointed a task force of distinguished officials to make a comprehensive study of communications policy. The report and recommendations of that Task Force were submitted to President Johnson, but Administrations changed before it was released. When it was released, we were told it was being studied.

Page Two
January 14, 1971

Most recently came Reorganization Plan No. 1 of 1970, and Executive Order 11556 implementing it. In view of the stated purposes of the Office of Telecommunications Policy, and the broad authority given the Director of that Office, it seemed to me we might be on the threshold of achieving what had eluded us for so long--an overall telecommunications policy.

I am therefore perplexed by the recent letter of the Anti-trust Division of the Department of Justice, as well as an article which appeared in the January 10 edition of The Washington Star.

In his letter, the Assistant Attorney General, Mr. McLaren, said the Department would favor enactment of legislation eliminating direct common carrier control or influence over COMSAT, and that such a step would hopefully be combined with some modification of regulatory constraints placed on COMSAT's activity by the FCC's Authorized User and Earth Station decisions. Such actions would, according to the Department's letter, "significantly enhance COMSAT's competitive potential."

In commenting on that letter in a statement issued on January 7 you stated, "The ownership and organization of U.S. communication services to and from the U.S. is one of many important policy areas for which the O.T.P. has responsibility within the Executive Branch. The Administration has formulated no specific views regarding this policy area and has no plans for the submission of legislation on this subject."

However, the article appearing in the January 10 edition of The Washington Star stated that Justice Department sources said that if the White House had strongly objected to the Department's recommendations it would not have allowed the letter to be released.

Added to these recent events is the fact that the Communications Satellite Act of 1962 requires the President to transmit to the Congress an annual report to include any recommendations for additional legislative or other action which the President may consider necessary or desirable for the attainment of the objectives of the Satellite Act. So far the Congress has received seven such annual reports including one in 1970 and not one of them has recommended a legislative modification on the subject of the Department's letter.

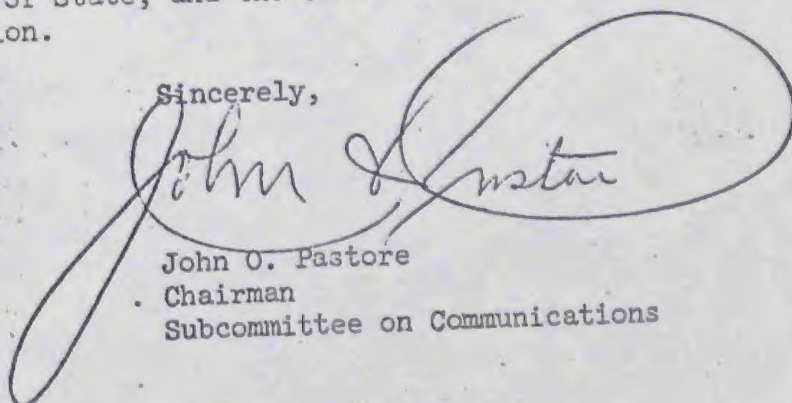
In view of the apparent conflict on this most urgent matter which can only portend further delay, I am requesting that you as chief coordinator and spokesman for the Administration on telecommunications matters inform the Committee of the Administration's

Page Three
January 14, 1971

If the United States is to maintain its leadership in the dynamic field of communications both domestically and internationally, a sound, effective overall policy with appropriate guidelines must be evolved.

For your information I have forwarded a copy of this letter to the Attorney General of the United States, the Secretary of Defense, the Secretary of State, and the Chairman of the Federal Communications Commission.

Sincerely,

A large, stylized handwritten signature in dark ink, appearing to read "John O. Pastore". The signature is written over a large, faint oval shape.

John O. Pastore
Chairman
Subcommittee on Communications

JOP:nzj

Enclosures



White House Denies Plan For Comsat

An administration official has denied reports that the White House is backing proposed legislation that would force major communications firms out of ownership and management of the Communications Satellite Corp.

In a prepared statement, Clay T. Whitehead, director of telecommunications policy within the executive office of the President, said:

"The Administration has formulated no specific views regarding this policy area and has no plans for the submission of legislation on this subject."

Whitehead's statement follows the earlier release of a Justice Department letter to Sen. Mike Gravel, D-Alaska, which recommended far-reaching legislation that would divorce American Telephone & Telegraph Co. and other communications giants from ownership and active participation in Comsat policies.

"The Justice Department letter was in response to Sen. Gravel's request for comments on specific draft legislation prepared by Sen. Gravel . . . The letter, therefore should not be interpreted as an administration endorsement of Sen. Gravel's proposal," the Whitehead statement said.

Justice Department sources said earlier that if the White House had strongly objected to the department's recommendations it would not have allowed the letter to be released to Sen. Gravel.

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

January 7, 1971

PRESS RELEASE

RECEIVED
JAN 8 1971
WASHINGTON, D.C.

Clay T. Whitehead, Director of Telecommunications Policy, when informed of a press release today by Senator Mike Gravel concerning correspondence with the Department of Justice on changes in ownership of the Communications Satellite Corporation, issued the following statement:

"The ownership and organization of U. S. communications carriers for the provision of international communications services to and from the U.S. is one of many-important policy areas for which the OTP has responsibility within the Executive Branch. The Administration has formulated no specific views regarding this policy area and has no plans for the submission of legislation on this subject.

"This is a particularly important and complex area of communications policy that goes beyond antitrust concerns alone. The OTP will take into account all pertinent considerations before deciding what, if any, policy recommendations and legislative proposals will best serve the national interests.

"The Justice Department letter was in response to Senator Gravel's request for comments on specific draft legislation prepared by Senator Gravel. While individual departments respond to queries from Members of Congress regarding particular legislative proposals in the ordinary discharge of their responsibilities, such department comments should not be interpreted as an Administration recommendation of such proposals.

"The Justice Department letter, therefore, should not be interpreted as an Administration endorsement of Senator Gravel's proposal."

C-5

Wednesday 1/27/71

10:00 MR. SCALIA:

Tom asked if you would call Don Baker and tell him that we are hand delivering a copy of the Pastore letter to him this morning.

Asked that you ascertain that there is no strong ill-will on the part of the Antitrust Division and give Baker the feeling that we're not out to be their enemy.

cmj

January 26, 1971

To: Don Baker

From: Tom Whitehead

Per our conversation.

Copy of Pastore letter

ing

Tuesday 1/26/71

2:45 After talking with Mr. Zapple, Mr. Doyle said all mail to go to Sen. Pastore should be sent to Mr. Zapple first. Otherwise, it bypasses him completely.

Cong

20 JAN 1971

Honorable Robert C. Byrd
United States Senate
Committee on Appropriations
Washington, D.C. 20510

Dear Senator Byrd:

Thank you very much for your letter of January 14 bringing to my attention the qualifications and background of Mr. Monte Shapiro for consideration as a member of a soon to be established National Communications Advisory Council. Mr. Shapiro is just the kind of candidate we are looking for to serve in this capacity and his qualifications will be given every consideration in the selection of panel members.

Sincerely,

Signed

Clay T. Whitehead

cc: Mr. Whitehead ←
Mr. Doyle

SEDoyle/ec/19Jan71

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GALE W. MCGEE, WYO.
MIKE MANSFIELD, MONT.
WILLIAM PROxmER, WIS.
RALPH YARBOROUGH, TEX.
JOSEPH M. MONTGOMERY, N. MEX.

MILTON R. YOUNG, N. DAK.
KARL E. MUNDT, S. DAK.
MARGARET CHASE SMITH, MAINE
ROMAN L. HRUSKA, NEBR.
GORDON ALLOTT, COLO.
NORRIS COTTON, N.H.
CLIFFORD P. CASE, N.J.
HIRAM L. FONG, HAWAII
J. CALHOUN BOGGS, DEL.
JAMES B. PEARSON, KANS.

THOMAS J. SCOTT, CHIEF CLERK
WM. W. WOODRUFF, COUNSEL

United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, D.C. 20510

January 4, 1971

Mr. Clay Whitehead
Director, Office of Telecommunications
Policy
The White House
Washington, D. C.

Dear Mr. Whitehead:

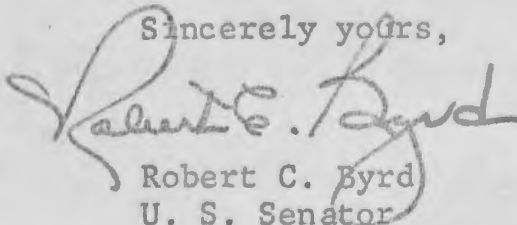
It has been brought to my attention that there are plans to establish a top-level industry advisory group to aid in the formulation of a national communications policy. Should this be true, I would like to suggest for your consideration Mr. Monte Shapiro, Chairman of the Board and Chief Executive Officer of General Instrument Corporation.

Mr. Shapiro's company is one of the foremost manufacturers of microcircuits and other communications components and military communication systems. One of its subsidiaries, Jerrold Electronics Corporation, is the largest cable television hardware manufacturer and one of the largest CATV operators in the Nation.

I would appreciate any appropriate consideration you might give this suggestion.

Thanking you for your assistance in this matter, I am

Sincerely yours,



Robert C. Byrd
U. S. Senator

RCB:odw

copy

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

January 12, 1971

OFFICE OF THE DIRECTOR

Honorable Joseph E. Karth
House of Representatives
Washington, D.C. 20515

Dear Mr. Karth:

In Mr. Whitehead's absence from the city for several days, I am taking the liberty of responding to your referral of January 4, 1971 concerning Mr. Turnquist's inquiry of December 29, 1970.

Coordination with the Federal Communications Commission (FCC) staff indicates that Mr. Turnquist is justified in complaining of abuses on the part of some users of Citizens Band Radio frequencies. The FCC is aware of these abuses and certainly takes corrective measures to the extent its very limited resources permit.

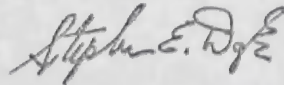
Enforcement of its Rules presents the FCC with a difficult problem. The Citizens Radio Service is one of over twenty types of Radio Services within the jurisdiction of the FCC. The number of transmitters involved runs into the millions, yet the FCC has only a very modest sized staff to cope with such volume. While radio operators are generally most cooperative and observe the applicable Rules, there are those, as Mr. Turnquist reports, that cause problems. With a monitoring staff of about only 150 people, including clerical, the resources to deal with, follow-up and prosecute violators are very limited - particularly since these same personnel must cover all types of Radio Services. For obvious reasons, priority effort is given to those Services involved with public safety, such as for fire trucks, ambulances, and other emergency operations.

Until FCC resources are built up, self-regulation among operators in a Radio Service can be helpful. Admittedly a "do it yourself" approach, but sometimes through Radio Clubs and other such

organizations effective cooperation can be achieved with a consequent decrease in abuse of the FCC Rules. As a matter of fact, representatives of the FCC frequently meet with interested Radio Clubs, providing them with information, intended to encourage compliance with and better understanding of its Rules.

If we can provide any further information relating to this matter or any other assistance at any time, please let us know.

Sincerely,

A handwritten signature in cursive script, reading "Stephen E. Doyle".

Stephen E. Doyle
Special Assistant to the
Director

Office of Telecommunications Policy
Route Slip

5 JAN 1971

To

Clay T. Whitehead

George F. Mansur

William Plummer

Wilfrid Dean

~~Steve Doyle~~

Walt Hinchman

Charles Joyce

William Lyons

Mr. Scalia

Eva Daughtrey

Timmie White

Judy Morton

REMARKS

" Draft response for SED's sig.
In Mr. Whitehead's ^{absence} ~~absence~~ from the city for
several days, I am taking the liberty
of responding to your letter of -
concerning Mr. Tunquist's signing of -"

Basic problem is lack of
resources.

Congress of the United States

House of Representatives

Washington, D.C.

January 4 1971

Director
Office of Telecommunication Policy
1800 G Street, N. W.
Washington, D. C. 20504

Sir:

The attached communication
is sent for your consideration.
Please investigate the statements
contained therein and forward me
the necessary information for re-
ply, returning the enclosed corre-
spondence with your answer.

Yours truly,

Joseph E. Karth M. C.
4th District, Minnesota

/b1

Enc: letter from Harold V. Turnquist

JAN 4 1971

December 29, 1970

Congressman Joseph E. Karth
Rayburn House office Building
Washington, D.C.

Dear Congressman Karth:

This letter is concerned with a problem of Federal jurisdiction and national scope. The Federal Communications Commission has been lax in enforcing thier own rules and regulations in the past. Now in the "Public Interest" some action must be taken. The entire FCC policy on Citizens Band Radio operation seems to encourage the illegal use of this service.

Many operators, myself included, have many hundreds of dollars invested in two-way radio equipment. These legal operators follow fairly closely the rules and regulations as stated in part 95 FCC regulations. But, it is the high powered operator, especially the person who talks state to state and cross country, who is doing the damage. The legal CB'er would like to see this interference eliminated both on the national and local level. In the past the FCC has chosen to disregard complaints of illegal operation which accounts for the situation which now exists. The Commission has now established CB channel NINE as the National Emergency channel. BIG JOKE, HA, HA, HA! I am a member of the Federally recognized Radio Emergency Associated Citizens Teams, a national public service and emergency group. We monitored channel NINE long before the FCC took this worthwhile action. The National Emergency Channel is clearer than most, but during the peak hours of traffic flow when it is most needed, the channel is virtually worthless because of "skip" and other interference from out of state. Most of this interference is illegal in origin. The CB channels were designed for personal and business communications of a necessary nature, not the worthless chitchat which many use it for. There are laws against the malicious interference which many of these illegal operators practice, but these laws are not enforced.

There is only one alternative that the CB'er has in order to escape this situation. This is to go to Business Band Radio. This is fine, but the business bands are fixed, finite, they cannot be expanded to cover every operator. In certain places, notably New York and Chicago the Business Bands are already filled to overcrowding so that necessary emergency services such as Fire, Ambulance, and sometimes even Police calls cannot get through.

cannot get through the jamup. This problem could have been avoided if the FCC had done its job. Many of these people could have operated just as effectively on the CB channels if the frequencies had been clear, and the law enforced.

Perhaps Congressional action or interest can force the FCC to take the action which it is duty bound to initiate and which they should have begun long ago. The Commission has been furnished, on numerous complaints, with call signs (whenever possible), addresses, handles (names used on the air) and other pertinent information on illegal operations. They refuse to take action on this matter. This situation is reaching tremendous proportions and soon will be beyond anyone's control. Please consider this matter now, in the "Public Interest". I will be interested in your opinion of this problem. Thank you very much for your time.



Sincerely,

Harold V. Turnquist
Harold V. Turnquist
1915 Beechwood Avenue
Saint Paul, Minnesota
55116

THE SUNDAY STAR
Washington, D. C.
January 10, 1971

White House Denies Plan For Comsat

An administration official has denied reports that the White House is backing proposed legislation that would force major communications firms out of ownership and management of the Communications Satellite Corp.

In a prepared statement, Clay T. Whitehead, director of telecommunications policy within the executive office of the President, said:

"The Administration has formulated no specific views regarding this policy area and has no plans for the submission of legislation on this subject."

Whitehead's statement follows the earlier release of a Justice Department letter to Sen. Mike Gravel, D-Alaska, which recommended far-reaching legislation that would divorce American Telephone & Telegraph Co. and other communications giants from ownership and active participation in Comsat policies.

"The Justice Department letter was in response to Sen. Gravel's request for comments on specific draft legislation prepared by Sen. Gravel . . . The letter, therefore should not be interpreted as an administration endorsement of Sen. Gravel's proposal," the Whitehead statement said.

Justice Department sources said earlier that if the White House had strongly objected to the department's recommendations it would not have allowed the letter to be released to Sen. Gravel.

Friday 1/8/71

ATM

4:00

Mr. John Morton, WUI, called to ask for a copy of the original letter from Sen. Gravel to the Justice Dept. in February. After checking with Mr. Doyle, I told him he would have to get a copy from the Senator's office.

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for
Cong
Justice
Department
ATM

Cmg

Friday 1/8/71

4:00

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Split AT&T From Comsat, Justice Asks

By STEPHEN M. AUG

Star Staff Writer

The Justice Department—presumably with White House backing—has called for legislation that would force American Telephone & Telegraph Co. and other major communications firms out of ownership and management of Communications Satellite Corp., it was learned today.

The department's far-reaching recommendations are expected to be opposed strongly not only by AT&T—which still owns 29 percent of Comsat stock—but also by such other giants of the communications industry as International Telephone & Telegraph Corp., Western Union, General Telephone & Electronics and RCA Global Communications Inc.

The department's recommendations also would have the effect of overturning several major Federal Communications Commission policy decisions. These include:

- The so-called "authorized user" decision under which the FCC ordered that, generally, Comsat may sell its services only to other communications firms—such as AT&T, ITT—and not directly to customers.
- The earth station ownership decision under which the FCC decided that Comsat should own only half of each earth station built, and that the communications firms should share ownership of the other half. Comsat

COMSAT

U.S. Seeking to End Ties to Major Firms

Continued From Page A-1 ing ownership and management interests over a competitor. usually is the manager of these stations, which receive and transmit signals between the satellites and terrestrial equipment such as telephone lines.

The Justice Department's recommendations are contained in a letter sent two days ago to Sen. Mike Gravel, D-Alaska, who, it was understood, planned to make them public late today.

Gravel asked some time ago that the department's antitrust division investigate the links between Comsat and the other communications firms. Justice's answer came from Assistant Atty. Gen. Richard W. McLaren, in charge of antitrust matters.

McLaren believes that the Communications Act of 1962, which set up Comsat, and later FCC decisions have resulted in activities that are contrary to long-standing antitrust law—principally those regulations that forbid a company from hav-

Gravel originally had asked the Justice Department to study AT&T ownership and its placement of company officials on the Comsat board. AT&T owns 2.9 million Comsat shares. Other communications firms own another 200,000. The second largest owner is ITT, with about 100,000 shares.

ITT and other firms have sold most of their Comsat shares. Under the 1962 act that set up the corporation, communications firms could own 50 percent of Comsat stock, and the public the remainder.

Under the original plan, there were 15 directors—six publicly elected, six from communications firms and three appointed by the President. At present, however, there are only four directors representing communications firms; three are from AT&T. The number of communications firm directors has declined as the firms have sold their Comsat stock.

Aside from selling its services to the other communications firms, Comsat competes with them. Thus there are continuing scraps at the FCC over whether international communications should be transmitted via cable—owned largely by AT&T—or by satellite.

The Justice Department believes that true competition between the competing modes of communication can be accomplished only by divorcing Comsat entirely from the other companies.

Although the Justice Department viewpoint is expressed in a letter signed by McLaren, informed observers suggested it would not have been sent had there been strenuous objections elsewhere in the administration.

AT&T purchased its 2.9 million shares of Comsat for \$58 million in 1963. At present market prices its holdings are worth about \$145 million.

Officials at AT&T had no immediate comment.

Comsat officials have maintained silence apparently because AT&T not only is a major owner and is represented on the board, but also is Comsat's biggest customer. Comsat has, however, urged the FCC to re-

THE EVENING STAR

Washington, D. C., Thursday, January 7, 1971

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

January 7, 1971

PRESS RELEASE

Clay T. Whitehead, Director of Telecommunications Policy, when informed of a press release today by Senator Mike Gravel concerning correspondence with the Department of Justice on changes in ownership of the Communications Satellite Corporation, issued the following statement:

"The ownership and organization of U. S. communications carriers for the provision of international communications services to and from the U.S. is one of many-important policy areas for which the OTP has responsibility within the Executive Branch. The Administration has formulated no specific views regarding this policy area and has no plans for the submission of legislation on this subject.

"This is a particularly important and complex area of communications policy that goes beyond antitrust concerns alone. The OTP will take into account all pertinent considerations before deciding what, if any, policy recommendations and legislative proposals will best serve the national interests.

"The Justice Department letter was in response to Senator Gravel's request for comments on specific draft legislation prepared by Senator Gravel. While individual departments respond to queries from Members of Congress regarding particular legislative proposals in the ordinary discharge of their responsibilities, such department comments should not be interpreted as an Administration recommendation of such proposals.

"The Justice Department letter, therefore, should not be interpreted as an Administration endorsement of Senator Gravel's proposal."



NEWS

from U.S. Sen. MIKE GRAVEL, ALASKA

For Release Upon Receipt

Contact: Marty Wolf
(202) 225-6665

WASHINGTON, D. C. -- The Nixon Administration has endorsed Senator Mike Gravel's (D-Alaska) contention that communications carriers should be "eliminated" from the Board of Directors of the Communications Satellite Corporation (COMSAT).

Senator Gravel today released a White House-cleared letter from Assistant U.S. Attorney General Richard W. McLaren in which the antitrust chief said, "a good case can be made for eliminating the direct carrier influence over Comsat."

The Justice Department letter was in reply to a Gravel letter of February 12, 1970, requesting the Administration's views on the Senator's proposed legislation to remove carrier representatives from COMSAT's board and forcing the carriers to divest themselves of some \$140,000,000 of Comsat's stock.

Last February 12, Senator Gravel had written McLaren that "There is little doubt that directors gain access to inside information and to intimate cost factors of any organization of whose board they serve."

The Assistant Attorney General agreed. He wrote Gravel that the Communications Satellite Act of 1962 "ignored traditional policies that restrict common ownership and control" of competitors.

(Carriers own over 35% of COMSAT stock. AT&T alone has 29%.)

Senator Gravel has been critical of Comsat's inherent weaknesses to provide needed public services at low cost and lack of aggressive management against competitors.

Criticism of Comsat's weaknesses "has been reinforced by experience," said McLaren and he went on to cite several antitrust provisions against situations similar to those wherein the carriers obviously overpower Comsat management.

In a statement on the floor of the Senate last September 10, Senator Gravel had again attacked AT&T's role in Comsat's management while AT&T was announcing its intention to lay another underwater trans-Atlantic cable in competition to satellite communications.

At that time, Senator Gravel attacked influence over "Comsat's financial life-and-death" and said the whole communications issue was not one of free competition but a game played with "a set of loaded dice."

(continued)

"Since 1962 we have learned a great deal about satellite communications that we did not know during the debates preceding enactment of the COMSAT Act," said Senator Gravel. "I believe it will be far easier now to correct mistakes of the past," he added.

Senator Gravel said his new legislation would remove the carriers from Comsat's board by January 1, 1972, and force them to divest themselves of Comsat stock by January 1, 1973.

McLaren also informed Senator Gravel that changes might be required in past positions taken by the Federal Communications Commission. Senator Gravel agreed but added that, "The FCC has taken several encouraging new steps recently on this issue." ?

Senator Gravel added, "This is a complex subject and the position taken by the Justice Department is an important benchmark as regards a serious antitrust warning and a cry for corrective legislative action."

"The whole area of social and public applications and the improvement and quantity of all services, including educational television and public broadcasting, are very much involved," he said.

On September 18, 1969, Senator Gravel had introduced a bill to break the FCC earth station policy at that time of split ownership between Comsat and the carriers. The White House position paper on telecommunications on January 23, 1970, generally supported the Senator's thesis and the legislation was allowed to die in committee. Senator Gravel felt that the FCC under a new chairman should have time to adjust to the new White House guidelines.

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cmg
January 7, 1971

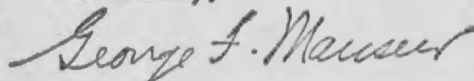
Mr. Nicholas Zapple
Counsel
Senate Commerce Committee
United States Senate
Washington, D. C. 20510

Dear Nick:

Use of satellites for air traffic control communications in the oceanic basins to replace existing marginal communications has been considered for many years. Several competing programs have been advanced by NASA, FAA, COMSAT, and private industry. The Office of Telecommunications Policy initiated an Executive Office study approximately three months ago to resolve the technical issues and institutional arrangements which have delayed program development.

The Executive Office Working Group has completed its activities and based on their findings the Office of Telecommunications Policy has prepared the attached Statement of Government Policy on Satellite Telecommunications for International Civil Aviation Operations. The Policy Statement will be made public at 2:00 PM, January 7, and we would like to make available to you this advance copy of the Policy Statement and related press release.

Sincerely,


George F. Mansur

Encls

Identical letters forwarded to:
Nick Zapple, Senate Commerce Committee
James J. Gehrig, Senate Space Committee
Frank Hammill, House Space Committee
Art Pankopf, Senate Commerce Committee
Bob Guthrie, House Commerce Committee

Chron
OTP - Gen. Cnsl.
✓ Cong.
Commerce Dept.

January 5, 1971

To: Nino Scalia

From: Tom Whitehead

In addition to the two memoranda for the staff I talked to you about, you should write a memo to the staff after you get on board regarding expenses incurred by the staff on official business. In view of the fact that we do not have any representational funds, state what is tax deductible. Set forth guidelines with respect to what kinds of entertainment the staff can properly accept from companies -- a particularly important problem for OTP since it is so heavily wrapped up in industry matters.

Jim Lynn suggested that you should meet with Sol Mosher, Congressional Liaison, Commerce Department. Lynn might have talked to Mosher about it, and you should call Lynn, or Mosher directly, to set something up. Mosher knows the Hill well and could give you some useful thoughts.

cc: Mr. Whitehead

CTWhitehead:jm

Department of Justice
Washington, D.C. 20530

JAN 5 1971

JAN 6 3 27 PM '71

OFFICE OF
SENATOR
MIKE GRAVEL

Honorable Mike Gravel
United States Senate
Washington, D. C. 20510

Dear Senator Gravel:

This is in response to your letter of February 12, 1970, requesting comments from the Antitrust Division on a proposed draft amendment to the Communications Satellite Act of 1962 as amended ("1962 Act"), 47 U.S.C. §§701-744. This draft amendment would, if enacted, eliminate direct control over the Communications Satellite Corporation ("Comsat") by the terrestrial communications common carriers ("carriers"). It would do so by (i) barring any representatives of the carriers from sitting on the Board of Directors of Comsat after January 1, 1971, and (ii) barring carriers from owning any shares of Comsat stock after January 1, 1972.

In general, we would favor enactment of legislation along these lines to eliminate direct carrier control or influence over Comsat. Such a step, combined hopefully with some modification of regulatory constraints on Comsat's activities (discussed below), would significantly enhance Comsat's competitive potential.

The 1962 Act was a compromise. It ignored traditional policies that restrict the common ownership and control of competing modes of regulated business (e.g., 49 U.S.C.A. §5(14); 49 U.S.C.A. §78; 47 U.S.C.A. §314). Instead the 1962 Act provided for extensive carrier ownership of Comsat stock and for six carrier nominees as directors of the corporation. As a result carriers controlled half the shares and more than a third of the directors. American Telephone & Telegraph Company (AT&T) alone is by far the largest Comsat stockholder, with 29 percent of the stock and 20 percent of the Board.

From the outset, this arrangement has been criticized as being inconsistent with the stated Congressional mandate "that the corporation created [i.e., Comsat] . . . be so organized and operated as to maintain and strengthen competition in the provision of communications services to the public"

(47 U.S.C.A. § 701(c)). (See, e.g., Legislation Note, The Comsat Act of 1962, 76 Harv. L. Rev. 388, 398 (1962)). This criticism has been reinforced by experience. (See, e.g., Schwarz, Comsat the Carriers, and the Earth Stations - Some Problems with "Melding Variegated Interests," 76 Yale L. J. 441 (1967); Report of the President's Task Force on Communication Policy (1968), Chap. 2, p. 15).

Moreover, the carriers' stockholding and directorship arrangements in Comsat are contrary to the normal antitrust prohibitions against anticompetitive stock acquisition and director interlocks contained in Clayton §§7, 8 (15 U.S.C. §§18, 19). The prohibition of Clayton §7 applies where minority ownership results in the probability of anticompetitive consequences, U.S. v. duPont, 353 U.S. 586, 592 (1957); and, because of the "opportunity thereby afforded to . . . compel a relaxation of the full vigor of . . . competitive effort," the prohibition applies with equal force to directors appointed by such minority owner. Hamilton Watch Co., v. Benrus Watch Co., 114 F. Supp. 307, 317 (D. Conn. 1952), aff'd 206 F. 2d 738 (2d Cir. 1953). Under §8 of the Clayton Act, interlocking directorates among competitors are per se violations. U.S. v. Sears, Roebuck & Co., 111 F. Supp. 614 (S.D. N.Y. 1953).

In these circumstances, we believe that a good case can be made for eliminating the direct carrier influence over Comsat flowing from their shareholding and directorships. This approach is consistent with the Department's original position in 1962 when the Attorney General emphasized that we "place great importance on competition because the communications industry is particularly susceptible to domination by one company -- AT&T." (Hearings on H.R. 10115 and H.R. 10138 Before the House Committee on Interstate and Foreign Commerce, 87th Cong., 2d Sess., pt. 2 at 565 (1962) (testimony of Attorney General Kennedy)). Moreover, it is consistent with the policy of this Administration of placing "more reliance on economic incentives and market mechanisms in regulated industries" so that "increased competition will eventually make it possible to let market forces assume more of the role of detailed regulation" in communications (Economic Report of the President 108-109 (1970)).

The problem is, however, only partially one of the Comsat corporate arrangements covered by the draft legislation. Regulatory decisions by the Federal Communications Commission have been at least as significant a factor in limiting Comsat's

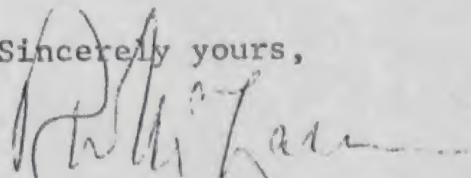
competitive potential vis-a-vis existing carriers.

Of particular significance is the FCC's Authorized User decision, 4 F.C.C. 2d 421 (1966), in which the Commission unanimously ruled that Comsat was to be only a "carriers' carrier," precluded from retailing its services direct to users (including the Government), except under "unique or exceptional circumstances" to be determined by the Commission. However, because the Commission declared that it would authorize direct Comsat service absent a reduction in the carriers' rates "fully to reflect the economies made available through the leasing of circuits in the satellite system," some potential competition remained and was reflected in some very substantial rate reductions made by the carriers.

This decision was followed the same year by the Commission's Earth Station decision further reducing Comsat's potential to compete vigorously with the carriers. 5 F.C.C. 2d 812, 816 (1966). Here the Commission decided (reversing an earlier decision, 38 F.C.C. 1104 (1965)) that Comsat had to share ownership of all earth stations with the carriers: 50 percent was to be owned by Comsat, with the balance apportioned among the other carriers on a use basis. The day-to-day management, and apparently, all equipment design and procurement of the earth stations are thus made by a joint operating committee made up of Comsat and the carriers.

To summarize, we favor generally some legislation along the lines of the proposed amendments, in order to eliminate direct carrier control or influence over Comsat. However, unless combined with at least some reversal of the FCC's decisions protecting existing carriers from satellite competition, such legislation is not likely to enhance significantly Comsat's competitive potential.

Sincerely yours,



RICHARD W. McLAREN
Assistant Attorney General
Antitrust Division