

*European  
Coop.*

Thursday 3/25/71

4:30 Dr. Mansur advises that, if Tom calls in, he should be told that the Rogers memo re post-Apollo was not taken to the President but was returned to Rogers, with the understanding that the matter required more study.

The initial reactions of Kissinger and David were negative with respect to continuing the program.

DECLASSIFIED  
E.O. 13526, Sec. 5.3(b)(3)  
ISCAP 2014-045  
By ISCAP, NARA, Date 11/13/14



Distribution List:

Mr. Whitehead  
Amb. Washburn  
Peter Flanigan  
Mr. Scalia  
Mr. Doyle  
Mr. Lamb  
Mr. Thornell  
Col. Olsson

MEMORANDUM FOR

Subject: Post Apollo

I spoke with Colonel Behr  
from the Secretary of  
participation in the Po  
our views on this mat  
Mr. Whitehead's opin  
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Colonel Behr's comm

that the



*M. Whitehead*  
~~CONFIDENTIAL~~

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

OFFICE OF THE DIRECTOR

March 25, 1971

MEMORANDUM FOR THE RECORD

Subject: Post Apollo European Cooperation (Telecon with Col Behr)

I spoke with Colonel Behr concerning disposition of the memorandum from the Secretary of State to the President regarding European participation in the Post Apollo Space Program. I briefly repeated our views on this matter to Colonel Behr and concluded by expressing Mr. Whitehead's opinion that the Executive Office should closely examine the many issues involved and that the Administration should not make a precipitous decision to support European participation.

Colonel Behr's comments were not very expansive but, nevertheless, he did state that the memorandum was being returned to Secretary Rogers with the following comments:

1. The President did not want to get "locked in" to European participation at this time.
2. That there were many issues other than INTELSAT which must be studied before a final decision is made.
3. That the Secretary of State is to continue the negotiations without establishing commitments.

I also indicated to Colonel Behr that the Post Apollo negotiations should be stretched out so that issues would not surface that would be detrimental to the INTELSAT negotiations. He agreed, but suggested this was a tactical matter to be left to the judgment of the Department of State.

*G. F. Mansur*

G. F. Mansur  
Deputy Director

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~~CONFIDENTIAL~~

DEPARTMENT OF STATE

7104181

Washington, D.C. 20520

March 23, 1971

TO: The Secretary

FROM: J - Mr. Johnson *[Signature]*

SUBJECT: Presidential Views on European Participation in the post-Apollo Program -- ACTION MEMORANDUM

On February 22, 1971 in a meeting with the President his Science Adviser, Ed David, referred informally in the course of a wider discussion to the talks which I led on February 11-12 with the Europeans on their participation in the post-Apollo program. Messrs. Flanigan and Ehrlichman were present, but not Dr. Kissinger. The report of the meeting which subsequently leaked out was that, in light of the problems which were described to him, the President took a negative view of the efforts to engage the participation of the Europeans in the post-Apollo program.

Whether accurate or not, the existence of the report of alleged Presidential disaffection is impairing our efforts to develop US positions on which we can proceed with further negotiations with the Europeans.

The attached memorandum to the President is designed to clear the air.

I recommend that you sign it or discuss the subject orally with the President.

Attachment:

*I will be glad to fill you in further on what has become a very complicated subject*

Memorandum for the President *[Signature]*

SCI:HPollack  
x21554

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7104181

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

Subject: European Participation in  
Post-Apollo Space Program

As you know, since late 1969 Dr. Paine and subsequently Dr. Low, on the staff of NASA, have been exploring with Western Europe, Canada, Japan and Australia the possibility of their substantial participation in the post-Apollo Space Transportation System Program. The Western European countries have expressed considerable interest. Consequently, there have been two political-level meetings with the European Space Conference represented by Theo Lefevre (former Belgian Prime Minister) and the delegation headed by Alex Johnson on our side. The last meeting was held on February 11 and 12 here in Washington, and we are now in the process of preparing a written statement of our views for transmittal within the next ten days or so to the European Space Conference.

The most difficult political issue that has emerged from these discussions is the European insistence that if they give up their own launcher program to participate in our post-Apollo program they require an assurance that we will launch regional telecommunication satellites of interest to them. On our side the problem is how to do so without derogating our responsibility to our other partners and to ourselves for the success of the single global INTELSAT system.

Much hard bargaining will be required before a basis for the resolution of this issue is reached

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and we do not underestimate the difficulties. We have felt that prospects for success are reasonable and plan to continue our efforts to engage European participation in the program. However, before entering the next phase of the negotiations, I have felt it prudent to check with you to ensure our efforts continue to be in accord with your views.

William P. Rogers

CONFIDENTIAL



→ MR. WHITEHEAD

Post Ag. 12



DEPARTMENT OF STATE

Washington, D.C. 20520

March 1, 1971

Tom,

Attached is the development I mentioned  
to you on the phone - "the latest wrinkle" -  
namely, to license Thor-Delta technology  
to the Europeans.

They will be pressing this notion with  
Henry Kissinger and his NSC staff. You  
said Ed David will probably be calling U.A.T.  
Will any one be doing the same with H.K.?

See you next week.

— Abbott





DEPARTMENT OF STATE

Washington, D.C. 20520

March 1, 1971

Dear Tom,

Attached are letters which I have written Alex Johnson and Bob Behr. They set forth my view of the absolute limit of where we can go with the Europeans before getting from them in return some concrete commitments to Post-Apollo.

Frutkin, Pollack and Company are now pushing the following "modifications in the U.S. position":

- 1) Blanket advance launch assurance for the CEPT-type "example" which Lefevre tabled here on February 11 and which we told him we found to be an acceptable "for instance".
- 2) Licensing the Thor-Delta technology to the Europeans for peaceful purposes, to launch from their own bases and use as they see fit consistent with their international treaty obligations (including INTELSAT). Here the argument runs that we have already done something similar with the Japanese. The difficulty is the prospect that they would use it to launch "Symphonie", giving up the CEPT-type project. Also it would require the amending by the President

The Honorable

Clay T. Whitehead, Director,  
Office of Telecommunications Policy,  
Executive Office of the President,  
Washington, D.C. 20506.





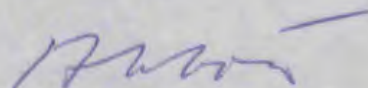
DEPARTMENT OF STATE



of NSAM 338 which prohibits proliferation abroad of technology that might endanger the global telecommunications network. NASA and Pollack apparently think they can persuade Henry Kissinger to so recommend to the President, and UAJ might be inclined to go along with this as a way out of the present dilemma. Obviously the idea would meet with formidable opposition from other elements in Government and also in State, resulting in a head-on controversy.

Neither 1. nor 2. is viable. We cannot, and should not, cede to others our responsibility for our hardware and give blanket advance launch assurance, even for a CEPT-type system. It would be flying in the face of our commitments to all the non-European countries. We must reserve the right to make a judgment after all of the 77 partner-members have had a chance to consider the proposal and express themselves in the Assembly. As to giving them the Thor-Delta technology, how could this be done with strings attached to prevent prejudicing the INTELSAT system? Clearly, there are many other policy considerations which have not yet been thought through.

Sincerely,



Abbott Washburn  
Chairman, U.S. Delegation  
INTELSAT Conference

Attachments:

1. To Alexis Johnson, February 26.
2. To Robert Behr, February 25.





DEPARTMENT OF STATE

Washington, D.C. 20520

February 25, 1971

Dear Bob,

Per our conversation and per the attached, I do not think we should go any further with the Europeans than to help them get a favorable provisional recommendation in the ICSC and later support their proposal strongly in the Board of Governors and the Assembly. This help from us should virtually assure their getting a favorable 2/3 vote in the Assembly.

Clearly, we cannot give them blanket assurance of launch. (Nothing short of this will satisfy the French and Lefevre). As the chief architects of the "single global system" -- and after two years of patient negotiation of the Article XIV language -- this would be a flagrant circumvention of our commitments. It would be so regarded by scores of other countries. It could well torpedo any hope of success at the final INTELSTAT Plenipotentiary in April/May. It would be a body blow to the viability of the INTELSTAT organization.

The one further step that we might take, as I mentioned in your office, would be to hint to the Europeans that if they fall a few votes short of 2/3 in the Assembly, we would give weight to this in our consideration of whether to launch for them despite the negative finding. In other words, if they got a substantial majority but failed to reach the 2/3, we would certainly take this into account in reaching our judgment. If this course

Colonel Robert M. Behr,  
Senior Staff Member,  
National Security Council,  
Washington, D.C. 20506.

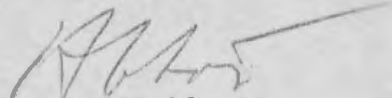


is to be followed, we ought also to imply that in the case of their failure to get a simple majority, the likelihood of our launching would be very small.

I use the words "hint" and "imply" because this is an area in which we certainly don't want to start negotiating, i.e. as to whether we would launch if they fell 5 votes short but not if 10, etc.

As I emphasized, this further step is just A. Washburn talking and does not represent a view coordinated with the other members of the U.S. INTELSAT Delegation or with anyone else.

Sincerely,



Abbott Washburn  
Chairman, U.S. Delegation  
INTELSAT Conference



February 26, 1971

Dear Alex,

During next week John Johnson and I will be in London and Bonn talking about the Plenipotentiary with John Killick and Ambassador North the heads of the U.K. and FRG delegations respectively. Herman Pollack and I discussed the trip yesterday, and we agreed:

1. That I should, if possible, avoid any discussion of the Post-Apollo negotiations.
2. That if the Germans or British raise the subject, I will say that these negotiations are being conducted by Under Secretary Johnson and that I am not competent in this area.
3. If pressed hard, I will follow the substance of Deptel 030947 of February 24 (Report of Lefevre discussions in Washington February 11-12).

Herman and I also discussed the "possible further modifications in the U.S. position" referred to on page 12 of the above dispatch. One of these possibilities is to take a European CEPT-type comsat proposal to the ICSC prior to entry-into-force of the Definitive

The Honorable

U. Alexis Johnson,

Under Secretary of State

for Political Affairs,

Department of State.



Arrangements. Per the attached memos, which I have discussed with Herman and Dick Baker, there is no way of avoiding eventual Assembly consideration even though the proposal were taken up in the ICSC. So the best course for the Europeans would be to obtain, with our help, a provisional affirmative recommendation from the ICSC. Then, at the first meeting of the Board of Governors -- which must be held within a month of entry-into-force -- (again with our help) the favorable recommendation would be revalidated and the item placed on the agenda for the first meeting of the Assembly. With this show of good faith and this background of favorable support in the ICSC and the Board, the proposal would be virtually assured of a 2/3 favorable finding in the Assembly.

Speaking purely personally and without coordination with members of the US Delegation or with anyone else, I suggested to Herman and Dick that we might consider taking a further step telling the Europeans that if the proposal falls a few votes short in the Assembly, but receives a respectable majority, we would certainly give weight to this in our decision on whether to launch despite the negative finding.

I believe that the above can be sold to the moderates, including the Germans, as a course of action that goes as far with advance launch assurance as can be reasonably expected and at the same time protects our mutual interests in a strong INTELSAT. (Nothing short of blanket launch assurance from us, in any case, will satisfy the French and Lefevre). Herman feels, however, that something more than this will be needed to "satisfy the bankers".

An indication that the moderates would go along is an oral report from Dr. Fiorio, Scientific Counselor at the



Italian Embassy, of a long luncheon meeting on last Tuesday with his counterparts from the Embassies of France, Sweden, The Netherlands, Switzerland and West Germany. (A number of these officers, like Fiorio, have participated in the INTELSAT negotiations). The subject of discussion was the Lefevre visit and INTELSAT. Dr. Fiorio said that, with the exception of the Frenchman, they agreed:

1. That Under Secretary Johnson's interpretation of Article XIV is the correct one.
2. That, in any case, the argument over interpretation is fruitless since the language calls for a finding and the Europeans could not prevent other countries from proposing a motion cast in the affirmative and thus forcing a finding; in other words, a no-finding outcome is impossible.
3. That the U.S. reluctance to give blanket advance launch-assurance is understandable and that this position is not likely to change.

Dr. Fiorio stated that, on the substance of the Post-Apollo offer, he had asserted that Europa III represented the technology of five years ago and that by the time it was operational it would be ten years behind the Americans. Therefore, Europe would be well advised to forget Europa and come into the Post-Apollo effort. Only the Frenchman and the Swiss dissented, he reported.

If the moderates will indeed accept this course of action, it would in your words, "bridge the gap" between the two programs. The French are the spoilers in both INTELSAT and Post-Apollo. We have succeeded in isolating them in the INTELSAT negotiations. I agree with Herman that the Germans are the key to whether the French can be isolated in the Post-Apollo negotiations as well.



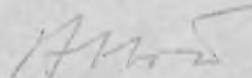
This would suggest, perhaps, some special effort at very high levels in Bonn.

NASA, meantime, is lobbying heavily on the Hill and in the EOB, using the most simplistic terms: "Why should these U.S. commercial interests be allowed to block Post-Apollo? etc." This is not constructive. COMSAT will inevitably get wind of it, and mount a counter-attack in the same quarters. A public debate now could only result in lessening the chances for bridging the gap. It would also be disruptive of the present good climate within the Conference on the eve of the INTELSAT Plenipotentiary.

I continue to believe that the gap can be bridged and that neither program need be sacrificed to the other, if we persist.

I will, of course, report to you upon returning here on March 10.

Sincerely,



Abbott Washburn  
Chairman, U.S. Delegation  
INTELSAT Conference

cc: Mr. Pollack  
Mr. Rein  
Mr. Baker



→ MR. WHITEHEAD  
DEPARTMENT OF STATE

Washington, D.C. 20520

Mar. 1, 71

Tom,

Joe Charvz took my  
suggestion and wrote  
the attached letter of  
appreciation to Alex  
Johnson.

— Abbott



Amb. Washburn *Lefevre*  
Room 1113

FYT -

From Dick Baker  
Have a good Trip!

JOSEPH V. CHARYK  
President

February 25, 1971

Dear Alex:

I wanted you to know that at the last meetings of our Board, and the appropriate Committees thereof, a rather thorough discussion took place regarding the key questions involved in the INTELSAT definitive arrangements. I am happy to say that the Board has concurred in the acceptability of the draft agreement that will be discussed shortly in a few European capitals by John Johnson and Abbott Washburn.

I am most appreciative to you for the position taken in the discussions on launch services with the Lefevre mission. This is, of course, a key factor in the acceptability of Article XIV in its present form and the viability and acceptability of the total concept, where our stakes as well as those of the total INTELSAT organization are so substantial. Our attitude, as you know, stems from the strong conviction that serious damage would accrue to the basic INTELSAT structure and objectives, as well as to Comsat, if the United States were to provide launch services for a project where the proponents were unable to obtain a finding by INTELSAT that such a program would not do significant economic harm to INTELSAT.

I am happy to have had the opportunity to discuss this whole question with you and will look forward to keeping in touch as the matter develops further.

Sincerely,

  
Joseph V. Charyk

Honorable U. Alexis Johnson  
Under Secretary (Political Affairs)  
Department of State  
Washington, D. C. 20520







DEPARTMENT OF STATE

WASHINGTON, D.C. 20520

February 25, 1971

NOTE FOR : OTP - Dr. Whitehead

Tom--

Note the FYI sentence marked on Page 12. This was added by Pollack and Company and not cleared by any of us except UAJ. A clear reference to the current efforts to upset the present policy position -- and a perfectly terrible thing to send out to the Field, telegraphing, as it does, that we are getting ready to make further concessions.

You may want to show this to Peter.

I sure hope that COMSAT doesn't get wind of such language going to Posts all over Europe.

*- Abbott*

Abbott Washburn  
Chairman, U.S. Delegation  
INTELSAT Conference

Attachment:

Circular Telegram "European  
Participation Post-Apollo Space Prog.



# Department of State

# TELEGRAM

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ORIGIN SCI-06

INFO OCT-01 EUR-20 10-13 SS-20 ACDA-19 CIAE-00 DODE-00  
PM-05 INR-08 L-04 NSAE-00 NASA-04 NSC-10 OST-01  
RSC-01 E-15 P-03 USIA-12 PRS-01 MC-02 NEA-13 AF-12  
OIC-05 NSF-04 COM-08 OTP-02 FCC-03 /192 RI

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DRAFTED BY: SCI/SAM: RFPACKARD  
APPROVED BY: J: UAJOHNSON  
EUR/RPE: MR PHILLIPS (IN DRAFT) NASA: MR FRUTKIN (IN DRAFT)  
INTELSAT: AMB WASHBURN (IN DRAFT) DOD: DR MOUNTAIN (IN DRAFT)  
IN DRAFT) E/TT: MR REIN (IN DRAFT) NSC: COL BEHR (IN DRAFT)  
L/SCI: MR MAURER (INFORMED IN DRAFT)  
NASC: MR HALE (IN DRAFT) -  
S/PC: MR GATHRIGHT (INFORMED IN DRAFT) OST: DR DREW (IN DRAFT)  
S/S: MR CURRAN OTP: MR MANSUR (IN DRAFT)

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LIMITED OFFICIAL USE STATE 030947

SUBJ: EUROPEAN PARTICIPATION IN THE POST-APOLLO  
SPACE PROGRAM - VISIT OF MINISTER LEFEBRE

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# Department of State

# TELEGRAM

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PAGE 02 STATE 030947

REF: (A) CA-5237, OCT. 9, 1970; (B) BRUSSELS 237; (C) STATE 19915; (D) STATE 26279; (E) CA-872; (F) STATE 30946

SUMMARY: THIS TELEGRAM SUMMARIZES THE DISCUSSION WITH MINISTER LEFEVRE AND OTHER REPRESENTATIVES OF THE EUROPEAN SPACE CONFERENCE (ESC) ON FEBRUARY 11-12 CONCERNING EUROPEAN PARTICIPATION IN THE DEVELOPMENT AND USE OF A MANNED SPACE TRANSPORTATION SYSTEM AND SPACE STATION; INDICATES THE PRINCIPAL CHANGES IN THE TENTATIVE US POSITION SINCE THE EARLIER DISCUSSION WITH MINISTER LEFEVRE LAST SEPTEMBER; AND REQUESTS THE ADDRESSES TO INFORM THE FOREIGN MINISTRIES OF THEIR HOST GOVERNMENTS SO AS TO ASSURE THAT THE US VIEWS EXPRESSED DURING THE DISCUSSION ARE CLEARLY AND FULLY UNDERSTOOD BY THE MEMBER COUNTRIES OF THE ESC. END SUMMARY.

1. THE SECOND DISCUSSION WITH REPRESENTATIVES OF THE EUROPEAN SPACE CONFERENCE CONCERNING EUROPEAN PARTICIPATION IN THE POST-APOLLO PROGRAM WAS HELD AT THE DEPARTMENT OF STATE ON FEBRUARY 11-12. IT CONCERNED THE POLITICAL ASPECTS OF ARRANGEMENTS AND COMMITMENTS FOR EUROPEAN PARTICIPATION IN THE DEVELOPMENT AND USE OF A SPACE TRANSPORTATION SYSTEM AND SPACE STATION. CONVENED AT THE REQUEST OF THE EUROPEAN SPACE CONFERENCE (REF. B), IT WAS A CONTINUATION OF THE DISCUSSION HELD AT THE DEPARTMENT ON SEPTEMBER 16 AND 17, 1970 (REF. A).

2. THE EUROPEAN DELEGATION, CHAIRED BY MINISTER LEFEVRE OF BELGIUM, INCLUDED THE FOLLOWING REPRESENTATIVES OF OTHER MEMBER COUNTRIES OF THE ESC: ITALY - MINISTER C. RIPAMONTI, MINISTER FOR SCIENCE AND TECHNOLOGY; FRANCE - M. J. F. DENISSE, PRESIDENT OF CENTRE NATIONAL D'ETUDES SPATIALES; GERMANY - DR. WOLF SCHMIDT-KUESTER, MINISTER COUNSELOR; UK - MR. A. W. GOODSON, HEAD, SPACE, MINISTRY OF AVIATION SUPPLY; SPAIN - GEN. LUIS DE AZCARRAGA, CHAIRMAN, NATIONAL SPACE RESEARCH COUNCIL; AND THE NETHERLANDS - MR. E. A. PLATE, GENERAL COUNSELOR, MINISTRY FOR ECONOMIC AFFAIRS.

3. THE US DELEGATION WAS HEADED BY UNDER SECRETARY OF STATE U. A. JOHNSON AND INCLUDED: DR. GEORGE LOW, ACTING ADMINISTRATOR, NASA; DR. EDWARD E. DAVID, JR., SCIENCE

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ADVISOR TO THE PRESIDENT: MR. WILLIAM A. ANDERS, EXECUTIVE SECRETARY, NATIONAL AERONAUTICS AND SPACE COUNCIL; AND DR. MAURICE J. MOUNTAIN (OBSERVER), DIRECTOR, STRATEGIC TRADE AND DISCLOSURE, DEPARTMENT OF DEFENSE.

4. ON FEBRUARY 10 MINISTER LEFEVRE VISITED UNDER SECRETARY JOHNSON IN ADVANCE OF THE DISCUSSIONS AND SUBMITTED A QUESTIONNAIRE (REF E AND F) WHICH HE REQUESTED SERVE AS THE BASIS FOR DISCUSSION IN LIEU OF THE SIX PROPOSITIONS PUT FORWARD IN HIS LETTER OF JANUARY 21 TO THE UNDER SECRETARY (REF B). THIS QUESTIONNAIRE, WHICH SERVED AS THE AGENDA FOR THE DISCUSSION, STATED EUROPEAN VIEWS AND RAISED A NUMBER OF SPECIFIC QUESTIONS UNDER FOUR HEADINGS: (1) TECHNICAL CHOICE, (2) MANAGEMENT AND FINANCIAL CONSIDERATIONS, (3) ACCESS TO INFORMATION AND INSTALLATIONS, AND (4) AVAILABILITY OF LAUNCHERS.

5. FOLLOWING THE DISCUSSION ON FEBRUARY 11-12, TECHNICAL DISCUSSIONS WERE HELD AT NASA WITH REPRESENTATIVES OF THE ESC ON FEBRUARY 16-18. THESE DISCUSSIONS CONCERNED RECENT DEVELOPMENTS IN PROGRAM PLANNING AND TECHNICAL ASPECTS OF THE SPACE TRANSPORTATION SYSTEM AND SPACE STATION AND POSSIBLE AREAS OF EUROPEAN PARTICIPATION.

6. AT THE OUTSET OF THE DISCUSSIONS AT THE DEPARTMENT ON FEBRUARY 11-12 IT WAS AGREED THAT THE DISCUSSION SHOULD BE INFORMAL AND EXPLORATORY. UNDER SECRETARY JOHNSON UNDERTOOK TO PROVIDE MINISTER LEFEVRE AFTER THE DISCUSSION A DEFINITIVE WRITTEN STATEMENT OF THE US POSITION ON THE MATTERS DISCUSSED, AS WAS DONE FOLLOWING THE DISCUSSION LAST SEPTEMBER. UNDER SECRETARY JOHNSON EMPHASIZED THAT, AS IN THE CASE OF THE SEPTEMBER DISCUSSION, OUR VIEWS NECESSARILY REMAINED PRELIMINARY; OUR ULTIMATE VIEWS TO DEPEND ON CHOICES YET TO BE MADE IN EUROPE REGARDING EUROPEAN PARTICIPATION AND ON FURTHER DEVELOPMENT OF OUR OWN PLANS FOR THE SPACE TRANSPORTATION SYSTEM AND THE SPACE STATION.

7. TECHNICAL CHOICE (SECTION I OF THE QUESTIONNAIRE)

THE US ACCEPTED THE PROPOSAL UNDER ITEM 1A. IT WAS UNDERSTOOD THAT THE JOINT EXPERT GROUP PROPOSED WOULD BE

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ON THE TECHNICAL LEVEL AND COMPOSED OF REPRESENTATIVES OF NASA AND THE ESC. IN CONNECTION WITH ITEM 1B, WE STATED THAT THE US RESERVED THE RIGHT TO UNDERTAKE PARALLEL DEVELOPMENT UP TO THE POINT OF PRODUCTION OF ELEMENTS OF THE SYSTEMS FOR WHICH THE EUROPEANS HAD UNDERTAKEN DEVELOPMENT RESPONSIBILITY, BUT THAT WE WOULD NOT UNDERTAKE PARALLEL PRODUCTION WHERE THE EUROPEAN TASKS WERE COMPLETED ON TIME AND SATISFACTORILY. HOWEVER, AS STATED IN UNDER SECRETARY JOHNSON'S LETTER OF OCTOBER 2 (REF A), THE EUROPEANS WOULD HAVE EXCLUSIVE RIGHT TO THE PRODUCTION FOR AN AGREED PERIOD OF TIME OF THOSE ELEMENTS OF THE SYSTEMS WHICH THEY HAD DEVELOPED. THE US VIEWS CONCERNING PROPRIETARY INTEREST AND PRODUCTION RIGHTS HAD BEEN CONVEYED TO MINISTER LEFEVRE IN PARAGRAPHS 22 AND 24 OF THAT LETTER.

B. MANAGEMENT AND FINANCIAL CONSIDERATIONS - SECTION I OF THE QUESTIONNAIRE:

A. CONCERNING ITEMS IIA AND IIB WE MADE IT CLEAR, AS WE HAD IN SEPTEMBER, THAT WE FEEL THAT EUROPE SHOULD BE ASSOCIATED WITH ALL ASPECTS OF THE MANAGEMENT OF THE PROGRAM; THAT THE VIEWS OF EUROPEAN REPRESENTATIVES WILL BE TAKEN FULLY INTO ACCOUNT IN THE CONDUCT OF THE PROGRAM; THAT ANY DECISIONS WHICH HAVE A MEASURABLE IMPACT UPON EUROPEAN COSTS OR UPON EUROPEAN TASKS SHOULD BE REACHED JOINTLY WITH APPROPRIATE, AGREED ARRANGEMENTS TO PURSUE OTHER ALTERNATIVES, IN THE EVENT AGREEMENT CANNOT BE REACHED. WE POINTED OUT THAT WE STRONGLY PREFER THAT EUROPEAN PARTICIPATION BE ORGANIZED ON A MULTILATERAL BASIS, I.E., THAT THE BASIC PROGRAM AND TECHNICAL ARRANGEMENTS BE BETWEEN A SINGLE US ORGANIZATION (NASA) AND A SINGLE EUROPEAN ORGANIZATION REPRESENTING THE EUROPEAN COUNTRIES WHICH CHOOSE TO PARTICIPATE. EUROPEAN COMMITMENT TO A MAJOR SYSTEM ELEMENT SUCH AS THE TUG WOULD BE CONSISTENT WITH THIS. ON THE OTHER HAND, IF EUROPEAN MANAGEMENT ENTITY BETWEEN PRIME AND SUBCONTRACTORS COULD RAISE MANY DIFFICULTIES. THE ARRANGEMENTS AMONG THE EUROPEAN PARTICIPANTS WITHIN THAT SINGLE ORGANIZATION WOULD, OF COURSE, BE FOR THE EUROPEANS TO DECIDE.

B. WITH RESPECT TO ITEMS IIC, IID AND IIE WE AGREED,

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NOTING IN CONNECTION WITH ITEM IIEI THAT THE JOINT EXPERT GROUP TO STUDY THE QUESTION OF FINANCIAL MANAGEMENT SHOULD ALSO BE ESTABLISHED BETWEEN NASA AND REPRESENTATIVES OF THE ESC, BUT WOULD BE SEPARATE FROM THE JOINT GROUP TO BE ESTABLISHED UNDER SECTION I CONCERNING TECHNICAL CHOICE TO DEAL WITH ALTERNATIVE TECHNICAL AREAS FOR EUROPEAN PARTICIPATION.

## 9. ACCESS TO INFORMATION AND INSTALLATIONS (SECTION III OF THE QUESTIONNAIRE)

A. MINISTER LEFEVRE STRESSED THE IMPORTANCE TO EUROPE OF TOTAL ACCESS TO DETAILED TECHNICAL DATA (TO THE LEVEL OF PRODUCTION KNOW-HOW) ACROSS THE FULL SPECTRUM OF TASKS IN THE DEVELOPMENT OF THE SPACE TRANSPORTATION SYSTEM AND SPACE STATION, INCLUDING ALL DETAILED TECHNICAL DATA DEVELOPED BY THE US IN PERFORMING DEVELOPMENT TASKS NOT UNDERTAKEN BY EUROPE. HE PROPOSED THAT THE LATTER BE AVAILABLE TO EUROPE ON A COMMERCIAL BASIS, WITH PROVISION FOR ADEQUATE SAFEGUARDS FOR US SECURITY AND PROPRIETARY INTERESTS, BUT WITH NO RESTRICTIONS OTHER THAN THOSE OF A COMMERCIAL NATURE. HE INQUIRED WHETHER THE US WOULD OBJECT TO THE SHARING OF THIS TECHNICAL DATA AMONG PARTICIPATING EUROPEAN PARTNERS.

B. WHILE WE INDICATED THAT WE WOULD GIVE MIN. LEFEVRE'S PROPOSAL FURTHER SERIOUS CONSIDERATION, WE REITERATED THE VIEWS ON ACCESS TO TECHNOLOGY AND FACILITIES WHICH WERE CONVEYED IN PARAGRAPH 21 OF UNDER SECRETARY JOHNSON'S OCTOBER LETTER TO MINISTER LEFEVRE (REF A), NOTING THAT OUR OFFER OF "GENERAL ACCESS" TO TECHNOLOGY ACROSS THE ENTIRE PROGRAM, ALTHOUGH NOT TO THE LEVEL OF PRODUCTION KNOW-HOW, WOULD CONSTITUTE A CONSIDERABLE TRANSFER OF TECHNOLOGICAL INFORMATION AND IS SUBSTANTIALLY RESPONSIVE TO EUROPEAN DESIRES. WE POINTED OUT THAT, IN VIEW OF THE APPARENT MEASURE OF EUROPEAN INVESTMENT AND PARTICIPATION RELATIVE TO OUR OWN, OUR PROPOSALS WITH RESPECT TO DETAILED ACCESS SEEM REALISTIC AND EQUITABLE. WE STATED THAT THE SHARING OF TECHNOLOGY MADE AVAILABLE UNDER THIS FORMULA AMONG PARTICIPATING EUROPEAN PARTNERS WOULD BE A MATTER FOR THE EUROPEANS TO ARRANGE AMONG THEMSELVES.

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C. IT BECAME CLEAR DURING THE DISCUSSION THAT THE WIDE RANGE OF TECHNOLOGY WHICH WE WOULD MAKE AVAILABLE THROUGH QUOTE GENERAL ACCESS UNQUOTE WAS NOT WELL UNDERSTOOD BY THE EUROPEANS AND WE INDICATED THAT OUR DEFINITION OF QUOTE GENERAL ACCESS UNQUOTE WOULD BE FURTHER CLARIFIED.

10. AVAILABILITY OF LAUNCHERS: (SECTION IV OF THE QUESTIONNAIRE)

A. IN REF. C. UNDER SECRETARY JOHNSON HAD NOTED THAT AN IMPORTANT PART OF THE DISCUSSIONS LAST SEPTEMBER HAD CENTERED ON THE AVAILABILITY OF US LAUNCH SERVICES, BOTH BEFORE AND AFTER THE DEVELOPMENT OF THE NEW SPACE TRANSPORTATION SYSTEM AND THAT WE HAD AFFIRMED OUR WILLINGNESS TO ASSURE LAUNCH SERVICES, ON A REIMBURSABLE BASIS, QUOTE FOR ANY PEACEFUL PURPOSE CONSISTENT WITH RELEVANT INTERNATIONAL AGREEMENTS. UNQUOTE AS APPLIED TO THE LAUNCHING OF TELECOMMUNICATION SATELLITES WITHIN THE MEANING OF ARTICLE XIV OF THE DEFINITIVE ARRANGEMENTS FOR INTELSAT, WE HAD OFFERED AN ASSURANCE OF LAUNCH SERVICES FOR THOSE WHO PARTICIPATE SUBSTANTIALLY IN THE POST-APOLLO PROGRAM QUOTE IN THOSE CASES WHERE NO NEGATIVE FINDING IS MADE BY THE APPROPRIATE INTELSAT ORGAN, REGARDLESS OF THE POSITION TAKEN BY THE US IN THE VOTE. UNQUOTE. HE AFFIRMED THAT THIS ASSURANCE REMAINS UNCHANGED. HE POINTED OUT THAT THE ACCEPTED INTERPRETATION OF ARTICLE XIV IS SOMEWHAT DIFFERENT FROM THAT WHICH WAS DISCUSSED DURING THE SEPTEMBER MEETING. WE NOW UNDERSTAND THAT THE INTERPRETATION WHICH WAS IMPLICIT IN THE INTELSAT NEGOTIATIONS, AND IS SUPPORTED BY THE US, IS THAT THE FAILURE OF A POSITIVE RECOMMENDATION TO ACHIEVE A 2/3 VOTE AUTOMATICALLY CONSTITUTES A NEGATIVE FINDING.

B. AT THE OUTSET OF THE DISCUSSION OF THIS SECTION OF THE QUESTIONNAIRE UNDER SECRETARY JOHNSON SUGGESTED THAT IN THIS SITUATION IT MAY BE MORE USEFUL TO TURN FROM FURTHER THEORETICAL DISCUSSION OF THE INTERPRETATION OF ARTICLE XIV TO CLARIFICATION OF THE POSITION WHICH THE US WOULD TAKE ON THE PRACTICAL QUESTIONS OF EUROPEAN TELECOMMUNICATIONS SATELLITE PROPOSALS, SEPARATE FROM INTELSAT, WHICH MAY BECOME SUBJECT TO CONSIDERATION UNDER ARTICLE XIV. TO THIS END HE PROPOSED THAT THE

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EUROPEAN SPACE CONFERENCE DESCRIBE TO THE US THE INTERNATIONAL PUBLIC TELECOMMUNICATIONS SATELLITE SYSTEMS FOR WHICH THE EUROPEAN SPACE CONFERENCE MAY WISH TO OBTAIN US LAUNCHING SERVICES IN THE PERIOD PRIOR TO COMING ON LINE OF THE NEW SPACE TRANSPORTATION SYSTEM. THE US WOULD THEN UNDERTAKE TO DETERMINE, WITH REASONABLE DISPATCH, THE POSITION IT WOULD TAKE IN THE INTELSAT ASSEMBLY WERE SUCH SPECIFIC PROPOSALS TO BE PUT FORWARD.

C. MINISTER LEFEVRE THEN PRESENTED AN EXAMPLE OF A POSSIBLE OPERATIONAL SYSTEM OF EUROPEAN COMMUNICATION SATELLITES UNQUOTE (REF) AND REQUESTED US VIEWS AS TO THE ECONOMIC COMPATIBILITY OF SUCH A SYSTEM WITH THE INTELSAT GLOBAL SYSTEM. UNDER SECRETARY JOHNSON RESPONDED THAT THE US FELT THAT THERE ARE AT LEAST FOUR POSSIBLE SYSTEMS CONFIGURATIONS WHICH MIGHT NOT CAUSE SIGNIFICANT ECONOMIC HARM TO INTELSAT, THESE BEING IN ASCENDING ORDER OF HARM:

(III) A SYSTEM WHICH WOULD PROVIDE TELEVISION CHANNELS ONLY FOR USE BY CEPT COUNTRIES.

(III) A SYSTEM WHICH WOULD PROVIDE TELEVISION CHANNELS FOR USE BY THE CEPT COUNTRIES AND NORTH AFRICAN COUNTRIES, LEBANON AND ISRAEL.

(IIII) A SYSTEM WHICH PROVIDES VOICE, RECORD, DATA AND TELEVISION SERVICES WITHIN THE CEPT COUNTRIES.

(IV) A SYSTEM WHICH PROVIDES VOICE, RECORD, DATA AND TELEVISION SERVICES WITHIN THE CEPT COUNTRIES AND TELEVISION TO NORTH AFRICAN COUNTRIES, LEBANON AND ISRAEL.

D. TURNING TO THE EXAMPLE PRESENTED BY MINISTER LEFEVRE, WHICH WE UNDERSTOOD TO BE AN ESRD PLAN STILL UNDER DISCUSSION WITH THE EUROPEAN PTT'S, UNDER SECRETARY JOHNSON NOTED THAT UPON PRELIMINARY EXAMINATION IT APPEARED SIMILAR TO CONFIGURATION D ABOVE AND THAT, IF A PROPOSAL OF THIS SORT (INCLUDING GEOGRAPHICAL COVERAGE AND TYPES OF SERVICES AS OUTLINED) THIS EXAMPLE WERE SUBMITTED TO OUR CONSIDERATION WE WOULD SUPPORT A RESOLU-

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TION IN INTELSAT FOR A FINDING THAT SUCH A SATELLITE WOULD NOT CAUSE SIGNIFICANT ECONOMIC HARM TO THE INTELSAT GLOBAL SYSTEM.

E. THERE WAS ALSO DISCUSSION OF HOW TO REACH A TIMELY DECISION WITH RESPECT TO US LAUNCH SERVICES FOR A EUROPEAN COMMUNICATIONS SATELLITE SYSTEM SEPARATE FROM THE INTELSAT GLOBAL SYSTEM DURING THE PERIOD PRIOR TO THE COMING INTO FORCE OF THE DEFINITIVE ARRANGEMENTS.

F. CONCERNING ITEM IVA:

(I) WE NOTED THAT SUBSTANTIAL PARTICIPANTS IN THE DEVELOPMENT OF THE SPACE TRANSPORTATION SYSTEM WOULD OBVIOUSLY HAVE PRIORITY CONSIDERATION FOR ITS USE, ON EITHER A COOPERATIVE OR REIMBURSABLE BASIS, FOR ANY PEACEFUL PURPOSE CONSISTENT WITH RELEVANT INTERNATIONAL AGREEMENTS SUCH AS THE OUTER SPACE TREATY AND INTELSAT AGREEMENT. PRESUMABLY EUROPEAN USE WOULD BE IN EITHER OF TWO MODES, I.E.: (A) TO PLACE EUROPEAN PAYLOADS IN A US TRANSPORTATION SYSTEM FOR LAUNCH FROM US LAUNCH SITES, OR (B) TO ACQUIRE A SEPARATE TRANSPORTATION SYSTEM FOR EUROPEAN USE AND LAUNCH FROM NON-AMERICAN LAUNCH SITES.

(II) IN THE FIRST OF THESE MODES (THE LAUNCHING OF A EUROPEAN PAYLOAD BY A US TRANSPORTATION SYSTEM FROM A US LAUNCH SITE) SPACE WILL BE MADE AVAILABLE FOR EUROPEAN PAYLOADS FOR THE PURPOSES DESCRIBED ABOVE. THE US COULD NOT, HOWEVER, ABROGATE ITS RESPONSIBILITIES AS TO THE USE OF US LAUNCHES AND COULD NOT, THEREFORE, ASSURE IN ADVANCE THE LAUNCHING OF PAYLOADS WHICH IT FELT MIGHT BE CONTRARY TO ITS INTERNATIONAL OBLIGATIONS, E.G., INTERNATIONAL COMMUNICATIONS SATELLITE SYSTEMS, SEPARATE FROM INTELSAT, IN THE FACE OF A NEGATIVE FINDING BY INTELSAT.

(III) IN THE SECOND OF THESE MODES (THE LAUNCHING OF EUROPEAN PAYLOADS BY A EUROPEAN-ACQUIRED TRANSPORTATION SYSTEM FROM NON-AMERICAN LAUNCH SITES) THE SPACE TRANSPORTATION SYSTEM WOULD BE AVAILABLE FOR PURCHASE BY THE EUROPEAN PARTICIPANTS IN ITS DEVELOPMENT, AND FOR THEIR USE FOR ANY PEACEFUL PURPOSES CONSISTENT WITH

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RELEVANT INTERNATIONAL AGREEMENTS. IN THIS MODE THE US WOULD OBVIOUSLY NOT BE INVOLVED IN A DECISION TO LAUNCH SEPARATE COMMUNICATION SATELLITE SYSTEMS. IT IS AS YET TOO EARLY TO BE ABLE TO CONSIDER THE PARTICULAR ARRANGEMENTS AND CIRCUMSTANCES OF SALE. IN THIS MODE, WE WOULD WISH TO BE ASSURED THAT THE SYSTEM WOULD NOT BE MADE AVAILABLE FOR USE BY THIRD PARTIES WITHOUT PRIOR CONSULTATION WITH THE US.

G. CONCERNING ITEM IVB WE REFERRED TO THE POSITION TAKEN IN SUBPARAGRAPHS A-E ABOVE AND TO OUR VIEW, PREVIOUSLY CONVEYED IN PARAGRAPH 11 OF UNDER SECRETARY JOHNSON'S LETTER OF OCTOBER 2 THAT THE US LAUNCH ASSURANCES WOULD APPLY IN THOSE CASES WHERE NO NEGATIVE FINDING IS MADE BY INTELSAT, REGARDLESS OF THE POSITION TAKEN BY THE US IN THE VOTE BY THE INTELSAT ASSEMBLY. THE US CANNOT, HOWEVER, OBLIGATE ITSELF IN ADVANCE TO ASSURE LAUNCH SERVICES IN THE FACE OF A NEGATIVE FINDING BY INTELSAT.

H. IN CONNECTION WITH ITEMS IVCI AND 2 WE REITERATED THE VIEW COVERED IN PARAGRAPH 9 OF UNDER SECRETARY JOHNSON'S OCTOBER 2 LETTER THAT WE WOULD BE PREPARED TO SELL APPROPRIATE US LAUNCH VEHICLES FROM OUR FAMILY OF AVAILABLE EXPENDABLE VEHICLES FOR USE BY THE EUROPEAN COUNTRIES IN LAUNCHING THEIR PAYLOADS FROM LAUNCH SITES AVAILABLE TO THE EUROPEANS. WE COULD NOT, HOWEVER, ABROGATE OUR RESPONSIBILITIES AS TO THE USE OF US LAUNCH VEHICLES, AND MUST NECESSARILY CONSIDER THAT THE SAME CONDITIONS WOULD APPLY AS FOR LAUNCH SERVICES.

I. IN CONNECTION WITH ITEM IVC3 WE REAFFIRMED OUR WILLINGNESS, SUBJECT TO SATISFACTORY COMMERCIAL ARRANGEMENTS, TO LICENSE THE PRODUCTION IN EUROPE OF AN APPROPRIATE US EXPENDABLE LAUNCH VEHICLE. THIS WOULD NOT REQUIRE "SUBSTANTIAL" PARTICIPATION, BUT WOULD OTHERWISE BE SUBJECT TO THE SAME CONDITIONS AS STIPULATED FOR THE PROVISION OF LAUNCH SERVICES AND THE SALE OF LAUNCH VEHICLES.

J. IN RESPONSE TO ITEM IVD WE NOTED THAT, IN THE ABSENCE OF SUBSTANTIAL PARTICIPATION IN THE DEVELOPMENT OF

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THE SPACE TRANSPORTATION SYSTEM WE COULD NOT OFFER ADVANCE ASSURANCES AS TO LAUNCH SERVICES, BUT RATHER WOULD CONSIDER EACH REQUEST ON A CASE-BY-CASE BASIS.

K. ITEM IVE WAS NOT DISCUSSED EXPLICITLY.

L. AS A BASIS FOR FURTHER CONSIDERATION OF THE AVAILABILITY OF LAUNCHERS MINISTER LEFEVRE PRESENTED A LIST OF "EXAMPLES OF POSSIBLE EUROPEAN SATELLITE MISSIONS FOR PEACEFUL PURPOSES" (REF E) WHICH WAS NOT DEALT WITH IN ANY DETAIL DURING THIS DISCUSSION.

11. IN HIS CLOSING REMARKS UNDER SECRETARY JOHNSON RE-EMPHASIZED THE CHALLENGE INHERENT IN THE POST-APOLLO PROGRAM AND THE SINCERITY OF OUR INTEREST IN ATTRACTING THE COOPERATION OF THE EUROPEANS IN THE DEVELOPMENT OF SPACE DURING THE COMING DECADE. HE ENUMERATED THE PRINCIPAL RESPECTS IN WHICH OUR PROPOSALS ARE DESIGNED TO MEET THE DESIRES OF EUROPE IN POST-APOLLO COOPERATION AS EXPRESSED BY MINISTER LEFEVRE DURING THIS DISCUSSION AND IN SEPTEMBER (REF D).

12. MINISTER LEFEVRE STATED THAT THE ESC DELEGATION WAS BITTERLY DISAPPOINTED IN THE POSITIONS TAKEN BY THE US, PARTICULARLY OUR UNWILLINGNESS TO PROVIDE CATEGORICAL ASSURANCE OF THE AVAILABILITY OF US LAUNCHERS FOR EUROPEAN SPACE PROJECTS. HE DID NOT REGARD OUR WILLINGNESS TO REVIEW EUROPEAN COMMUNICATION SATELLITE PROPOSALS IN ADVANCE AND TO INDICATE WHETHER WE WOULD SUPPORT THEM IN INTELSAT AS AN ADEQUATE RESPONSE TO HIS STATEMENT OF EUROPEAN REQUIREMENTS. HE INDICATED HE WOULD WRITE TO UNDER SECRETARY JOHNSON WITHIN A FEW DAYS RESTATING, ON THE BASIS OF THIS DISCUSSION, THE VIEWS AND CONSIDERATIONS ON WHICH THE ESC WOULD NOW LIKE TO RECEIVE AN AUTHORITATIVE WRITTEN STATEMENT OF THE US POSITION. UNDER SECRETARY JOHNSON REITERATED THAT HE WOULD WRITE TO MINISTER LEFEVRE CONVEYING AN AUTHORITATIVE STATEMENT OF THE US POSITION IN THE LIGHT OF THIS DISCUSSION.

13. THE DISCUSSION WAS THUS FOCUSED ALMOST ENTIRELY ON THE SAME THREE PRINCIPAL SUBJECTS WHICH PREOCCUPIED

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THE DISCUSSION IN SEPTEMBER AND HAD BEEN DEALT WITH IN UNDER SECRETARY JOHNSON'S LETTER OF MINISTER LEFEVRE OF OCTOBER 2, I.E., AVAILABILITY OF LAUNCH SERVICES AND LAUNCH VEHICLES; DECISION-MAKING AND MANAGEMENT; AND ACCESS TO INFORMATION AND FACILITIES. ON THOSE MATTERS, THE TENTATIVE POSITION CONVEYED IN UNDER SECRETARY JOHNSON'S OCTOBER LETTER WAS MODIFIED IN FOUR PRINCIPAL RESPECTS, ALL DESIGNED TO MEET EUROPEAN VIEWS AND PREFERENCES WHEREVER REASONABLE AND POSSIBLE:

A. OUR WILLINGNESS TO CONSIDER NOW PROSPECTIVE EUROPEAN COMMUNICATION SATELLITE SYSTEMS SEPARATE FROM INTELSAT AND TO INDICATE IN ADVANCE WHETHER THE US WOULD BE READY TO SUPPORT THEM IN INTELSAT (SEE PARA 10-B ABOVE).

B. A PRELIMINARY FORECAST OF POSSIBLE CONFIGURATIONS OF EUROPEAN REGIONAL COMMUNICATION SATELLITE SYSTEMS WHICH, IN OUR VIEW, MIGHT NOT BE INCOMPATIBLE WITH THE INTELSAT GLOBAL SYSTEM, INCLUDING THE EXAMPLE PRESENTED BY MINISTER LEFEVRE DURING THE DISCUSSION (SEE PARAGRAPHS 10 C AND D ABOVE).

C. AN UNDERTAKING TO EXPLORE FURTHER THE PROCEDURES UNDER WHICH THESE ACTIONS MIGHT BE TAKEN LOOKING TOWARD AN EARLY DECISION WITH RESPECT TO THE AVAILABILITY OF US LAUNCH SERVICES (SEE PARAGRAPH 10-E ABOVE).

D. AN UNDERTAKING THAT WHEN THE SPACE TRANSPORTATION SYSTEM BECOMES OPERATIONAL THE US WOULD NOT ONLY ASSURE PREFERENTIAL AVAILABILITY ABOARD A US-ACQUIRED SPACE TRANSPORTATION SYSTEM FOR EUROPEAN PAYLOADS UNDER THE CONDITIONS PREVIOUSLY STIPULATED FOR US LAUNCH SERVICES, BUT ALSO AN ASSURANCE THAT THE EUROPEANS MIGHT ACQUIRE A SPACE TRANSPORTATION SYSTEM FOR USE AT THEIR OWN LAUNCH SITES FOR THE LAUNCHING OF EUROPEAN PAYLOADS FOR PEACEFUL PURPOSES CONSISTENT WITH THEIR INTERPRETATION OF THEIR INTERNATIONAL OBLIGATIONS. THUS THE US ACCEPTED THE PRINCIPLE OF AN INDEPENDENT, EUROPEAN-CONTROLLED LAUNCH CAPABILITY (SEE PARAGRAPH 10-F ABOVE).

14. CONTRARY TO THE REACTIONS IN EUROPE SINCE THE DISCUSSION, THESE MODIFICATIONS IN OUR EARLIER POSITION

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CONSTITUTE A MAJOR STEP FORWARD AND A SIGNIFICANT CONCESSION BY THE US TO EUROPEAN INTEREST IN A SEPARATE REGIONAL COMMUNICATIONS SATELLITE SYSTEM AND EUROPEAN INSISTENCE UPON GUARANTEED AVAILABILITY OF LAUNCHERS. MODIFICATIONS A - C ABOVE ATTEMPT TO OFFER A PRACTICAL SOLUTION TO THESE PROBLEMS AND TO ESTABLISH PROCEDURES WHICH WOULD PROVIDE PRACTICABLE ASSURANCE THAT IF THE EUROPEANS PARTICIPATE SUBSTANTIALLY IN THE POST-APOLLO PROGRAM, THEY COULD MEET THEIR STATED REQUIREMENTS FOR LAUNCH SERVICES WITHOUT HAVING TO DEVELOP THEIR OWN FULL LAUNCH CAPABILITY (EUROPA III). WE BELIEVE THIS TO BE A REASONABLE AND FORTHCOMING POSTURE, PARTICULARLY IN THE ABSENCE OF ANY CLEAR INDICATION OF THE LIKELY MEASURE OF EUROPEAN PARTICIPATION IN THE POST-APOLLO PROGRAM. THIS TELEGRAM SUMMARIZES THE VIEWS EXPRESSED DURING THE DISCUSSIONS. FYI WE ARE CONSIDERING THE POSSIBILITY OF SOME FURTHER MODIFICATIONS IN OUR POSITION BEFORE UNDER SECRETARY JOHNSON CONFIRMS OUR AUTHORITATIVE VIEWS BY LETTER TO MINISTER LEFEVRE. END FYI.

15. WHILE WE DO NOT WANT TO APPEAR TO BE PRESSURING EUROPE TO PARTICIPATE IN OUR POST-APOLLO PROGRAM, (WE HAVE MADE AN OFFER FOR EUROPEAN PARTICIPATION AND IT IS ENTIRELY UP TO EUROPE WHETHER THEY DESIRE TO PARTICIPATE), WE DO THINK IT IMPORTANT TO DO WHAT WE CAN TO CORRECT THE DISTORTIONS AND MISUNDERSTANDINGS OF THE USG POSITION WHICH APPEAR TO BE GAINING CURRENCY IN EUROPE. THUS, IT IS SUGGESTED THAT EMBASSIES TAKE ADVANTAGE OF APPROPRIATE OPPORTUNITIES TO DISCUSS THIS MATTER WITH CONCERNED OFFICIALS IN FOREIGN OFFICES, SCIENCE MINISTRIES AND COMMUNICATIONS MINISTRIES AND, DRAWING ON PARAGRAPHS 6 - 14 ABOVE (PARTICULARLY PARAS 10, 13 AND 14), SEEK TO CORRECT MISUNDERSTANDINGS AND TO EMPHASIZE THE POSITIVE ASPECTS OF THE US PROPOSAL. WE DO NOT THINK THAT ANY "PIECES OF PAPER" SHOULD BE LEFT AT THIS TIME, PENDING UNDER SECRETARY JOHNSON'S WRITTEN REPLY TO MINISTER LEFEVRE'S FORTHCOMING LETTER. ROGERS

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AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY STOCKHOLM  
INFO USMISSION GENEVA

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REF: CA-872, STATE 030947

1. CABLE DESCRIBING THE RECENT VISIT OF ESC PRESIDENT TO WASHINGTON AND PROVIDING GUIDANCE TO POSTS, NOW IN PREPARATION, WILL REFER EXTENSIVELY TO A QUESTIONNAIRE WHICH LEFEVRE DISTRIBUTED TO PARTICIPANTS OF THE MEETING. TEXT OF THIS QUESTIONNAIRE FOLLOWS:

QUESTIONNAIRE  
SUBMITTED BY MINISTER T. LEFEVRE TO THE  
UNDER SECRETARY OF STATE U. ALEXIS JOHNSON

1. TECHNICAL CHOICE

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A. THE EUROPEANS CONSIDER THAT THEIR PARTICIPATION IN THE POST-APOLLO PROGRAMME MUST BE CONCEIVED AS A PART OF AN ENTERPRISE WHICH IS FUNDAMENTALLY USEFUL TO THE U.S. AS WELL AS TO THE EUROPEANS THEMSELVES, WHILE SATISFYING CERTAIN CONSIDERATIONS SPECIFIC TO THE EUROPEANS. THEY BELIEVE THAT IDENTIFICATION OF THE EUROPEAN PART MUST BE CARRIED OUT IN VIEW OF THE EUROPEAN DESIRE TO ASSUME THE RESPONSIBILITY OF THE EXECUTION OF AN IMPORTANT ELEMENT OF TYS SYSTEM, POSSIBLY TO BE COMPLEMENTED BY THE PARTICIPATION IN CERTAIN OTHER ELEMENTS IN ORDER TO ENHANCE THE TECHNOLOGICAL KNOW-HOW OF THE EUROPEAN COUNTRIES.

IN THIS SPIRIT, CAN THE U.S. AGREE THAT A JOINT EXPERT GROUP ANALYSES THE RIGHTFULNESS OF OUR PRESENT UNDERSTANDING OF THE PROBLEM, AND DEFINE ONE OR SEVERAL ALTERNATIVES OF WHAT THE EUROPEAN PARTICIPATION COULD BE? THE GROUP FINDINGS WOULD THEN BE SUBMITTED TO THE COMPETENT EUROPEAN AUTHORITIES FOR A PRELIMINARY CHOICE, LEADING TO A FINAL JOINT DECISION WITH THE U.S. AUTHORITIES.

B. IT MUST BE UNDERSTOOD THAT EUROPE SHALL BE, IN THE LONG RUN, THE NORMAL SUPPLY SOURCE FOR THE PARTS WHICH IT HAS DEVELOPED, WHATEVER THEIR USES. IN OTHER WORDS, ARE THE U.S. READY TO COMMIT THEMSELVES NOT TO UNDERTAKE A PARALLEL DEVELOPMENT OF THE PART THE RESPONSIBILITY OF WHICH WOULD HAVE BEEN GIVEN TO THE EUROPEANS?

II. WHILST REALIZING THE DIFFERENCE OF MAGNITUDE BETWEEN THE U.S. EFFORT AND THE EUROPEAN EFFORT, WE WISH THAT THE MANAGEMENT SPIRIT BE ONE OF PARTNERSHIP OR OF A JOINT VENTURE.

B. THE INTERVENTION OF EUROPEAN REPRESENTATIVES SHOULD THEREFORE BE ACCEPTED AT THE DIFFERENT LEVELS OF THE DECISION-MAKING SYSTEM, IN THE PROGRAMME DEFINITION PHASE FIRST, THEN DURING THE DEVELOPMENT PHASE, AND, LATER, FOR THE OPERATIONAL PHASE.

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C. AS FAR AS THE FUNDING IS CONCERNED, IT WOULD BE DEALT WITH ACCORDING TO THE PRINCIPLE OF "NON EXCHANGE OF FUNDS".

D. THE TWO ABOVE-MENTIONED PRINCIPLES IMPLY THAT SPECIAL PROCEDURES MUST BE EVOLVED IN ORDER TO SOLVE THE PARTICULAR PROBLEMS ARISING FROM THE SUBCONTRACT CASES.

E. DO THE U.S. AGREE THAT, AS SOON AS A EUROPEAN PARTICIPATION IS DEFINED IN ITS BROAD LINES, THE QUESTION OF THE MANAGEMENT (IN PARTICULAR FINANCIAL MANAGEMENT) BE STUDIED IN THIS SPIRIT AT THE EXPERT LEVEL BY A JOINT GROUP.

III. ACCESS TO THE INFORMATIONS AND TO THE INSTALLATIONS

IF THE DETAILED ACCESS TO THE INFORMATION AND TO THE INSTALLATIONS WAS SUBJECT TO THE CONDITIONS MENTIONED IN THE LETTER OF MR. JOHNSON, DATED FEBRUARY 2, 1970, THE EUROPEAN COUNTRIES WOULD NATURALLY BE LED TO SCATTER THEIR PARTICIPATION TO THE PROGRAMME IN ORDER TO ATTAIN ACCESS TO TECHNOLOGY IN AS MANY SECTORS AS POSSIBLE WHICH WOULD BE CONTRADICTORY TO THE OBJECTIVES THAT THE EUROPEANS WISH TO TAKE AS THEIR GUIDELINES IN THE SELECTION.

IN ORDER TO AVOID SUCH A FRAGMENTATION, AND ALLOW FOR A WIDE DISSEMINATION OF THE TECHNOLOGICAL ENHANCEMENT HOPED FOR BY THE EUROPEAN COUNTRIES, WOULD THE U.S. BE INCLINED TO ACCEPT THAT ALL EUROPEAN COUNTRIES PARTICIPATING IN THE PROGRAMME ENJOY THE DETAILED ACCESS TO THE INFORMATION AND INSTALLATIONS RESULTING FROM THE WHOLE PROGRAMME, AS WELL AS THEIR FULL USE, WITH NO OTHER RESTRICTION THAN THOSE OF A COMMERCIAL NATURE?

IN CASE OF A POSITIVE ANSWER, ARE THE U.S. READY TO HAVE THIS PROBLEM STUDIED, ONCE MORE PRECISE PROPOSALS RELATIVE TO THE EUROPEAN PARTICIPATION HAVE TAKEN SHAPE AT THE TECHNICAL LEVEL?

IV. AVAILABILITY OF LAUNCHERS

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A. AS THE U.S./EUROPE COLLABORATION SHOULD BE ESTABLISHED ON A PARTNERSHIP BASIS, ARE THE U.S. READY TO CONSIDER THAT:

1. THE TWO PARTNERS SHOULD HAVE THE UNRESTRICTED USE OF THE WHOLE SYSTEM DEVELOPED JOINTLY, FOR ALL PEACEFUL PURPOSES WHICH THEY MAY HAVE ON THEIR RESPECTIVE SIDES.

2. THE INTERNATIONAL RESPONSIBILITY FOR THE USE OF THE SYSTEM, WITHIN THE LIMITS OF THE INTERNATIONAL AGREEMENTS SUBSCRIBED TO BY EITHER SIDES, WOULD BE BORNE BY EITHER PARTNER AS FAR AS ITS INDIVIDUAL ACTIVITIES ARE CONCERNED.

B. AS REGARDS THE AVAILABILITY OF LAUNCHERS, THE EUROPEAN POSITION IS THAT THIS QUESTION SHOULD BE REMOVED FROM THE PROBLEM ARISING FROM THE INTERPRETATION OF THE DRAFT INTELSAT AGREEMENT. THIS WOULD PROBABLY HAVE THE ADVANTAGE TO FACILITATE THE ACCEPTANCE OF THE ARTICLE XIV OF THIS DRAFT.

C. DOES THE U.S. GOVERNMENT AGREE TO UNDERSTAND THAT THE CONSIDERATIONS DEVELOPED IN A AND B ABOVE SHOULD BE APPLIED, NOT ONLY TO THE POST-APOLLO PROGRAMME SPACE TRANSPORTATION SYSTEM, BUT ALSO TO CONVENTIONAL LAUNCHERS THAT WOULD:

1. BE PURCHASED BY EUROPE FROM THE U.S. TO BE LAUNCHED FROM THE U.S. TERRITORY?

2. BE PURCHASED BY EUROPE FROM THE U.S. TO BE LAUNCHED FROM OUTSIDE THE U.S. TERRITORY?

3. BE BUILT IN EUROPE UNDER U.S. LICENSE?

D. THE INDICATIONS GIVEN IN MR. JOHNSON'S LETTER DATED OCTOBER 2, 1970, BELONG TO THE CONTEXT OF A SUBSTANTIAL EUROPEAN PARTICIPATION TO THE POST-APOLLO

PROGRAMME DEVELOPMENT. COULD THE U.S. ALSO INDICATE

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WHAT THE CONTIDIONS OF LAUNCHER AVAILABILITY WOULD BE:

1. IN THE CASE WHERE THE EUROPEAN POST-APOLLO PROGRAMME PARTICIPATION WOULD NOT MATERIALIZE AT ALL, OR AT LEAST NOT WITH MAGNITUDE EXPECTED?
  2. FOR THE INDIVIDUAL NEEDS OF EUROPEAN COUNTRIES, MEMBERS OF ESC BUT NOT PARTICIPATING TO THE COLLABORATION?
  3. ARE THE U.S. READY TO ESTABLISH THE UTILIZATION PROCEDURES FOR THE SPACE TRANSPORTATION MEANS DEVELOPED JOINTLY, ON THE BASIS OF A COOPERATIVE AGREEMENT IN WHICH THE POSITION OF THE TWO PARTNERS WOULD BE, IF NOT QUANTITATIVELY, AT LEAST QUALITATIVELY EQUAL?
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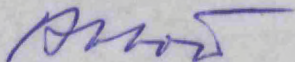
Washington, D.C. 20520

February 25, 1971

NOTE FOR : OTP - Dr. Whitehead

Tom--

Please mention to Peter when you see him Friday afternoon that UAJ may be calling him about this.



Abbott Washburn  
Chairman, U.S. Delegation  
INTELSAT Conference

Attachment:

Memo to President from  
Under Secretary Irwin (draft)

THE UNDER SECRETARY OF STATE  
WASHINGTON

5

MEMORANDUM FOR THE PRESIDENT

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 eleven 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 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 consistent 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."

In addition, it would give a lift to the American people to hear from their Chief Executive that 77 nations have been able to agree on something of such constructive value for the future.

John N. Irwin

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 2/23/71  
U - Mr. Williams

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



January 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 the largest international conference 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 expenditures 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 for next April/May. 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.

January 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  
Maldiv Islands  
Mauritania  
Mauritius  
Mongolia  
Paraguay  
Peoples Democratic Republic  
of Yemen  
Poland  
Romania  
Somali Republic  
United Nations  
Union of Soviet Socialist  
Republics  
Uruguay  
Yugoslavia

January 1971

USAGE OF INTELSAT SYSTEM

|                             | <u>Percent of<br/>Total Use</u> | <u>Present<br/>Investment<br/>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                                      |

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



|                       | <u>Percent of<br/>Total Use</u> | <u>Present<br/>Investment<br/>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                                     |
|                       | <u>100%</u>                     | <u>100%</u>                             |



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2/24/71

Mr. Doyle

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INFO OCT-01 EUR-20 IO-13 L-04 SCI-06 PM-05 FCC-03 OTP-02

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INTELSAT - AMB. WASHBURN  
EUR/RPE - MR. PHILLIPS  
IO - MR. ALLEN

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SUBJECT: INTELSAT NEGOTIATIONS.

AMBASSADOR ABBOTT WASHBURN (CHAIRMAN, USDEL) AND JOHN JOHNSON, COMSAT CORPORATION, VISITING EUROPE FOR INFORMAL TALKS WITH FOREIGN GOVERNMENT OFFICIALS ON INTELSAT DEFINITIVE ARRANGEMENTS. EMB OFFICERS SHOULD PARTICIPATE THESE MEETINGS.

SCHEDULE AND ARRANGEMENTS AS FOLLOWS:

1. WASHBURN ARRIVES LONDON TW 704 MARCH 2 AT 0800.  
PLEASE MEET AND MAKE HOTEL RESERVATION AT CONNAUGHT  
(IF NOT AVAILABLE, WESTBURY). JOHNSON ARRIVING MARCH 2

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**TELEGRAM**

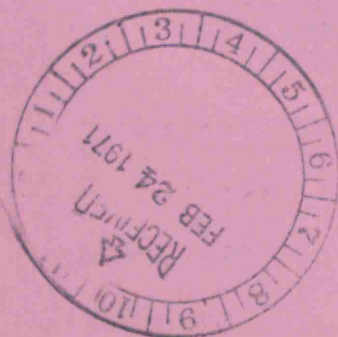
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PAGE 02 STATE 030899

AND WILL BE AT CONNAUGHT. MEETINGS WITH KILICK MARCH 3 AND 4 ALREADY ARRANGED THROUGH UK EMB.

2. WASHBURN AND JOHNSON ARRIVING BONN MARCH 5 LH 057 AT 1150. PLEASE MEET. JOHNSON HAS RESERVATION AT KONIGSHOF AND EMB SHOULD MAKE RESERVATION THERE FOR WASHBURN. MEETINGS WITH FONOFF MARCH 5 AND 8 ARRANGED THROUGH GERMAN EMBASSY. WASHBURN DEPARTING BONN MARCH 9 TO RETURN US.

3. JOHNSON AND SYDNEY MELLEN, COMSAT GENEVA, WILL BE IN MADRID FEBRUARY 27 - MARCH 2; ROME MARCH 9 - 11; AND PARIS MARCH 11 - 13. MELLEN WILL BE IN TOUCH DIRECTLY WITH EMBASSIES TO ARRANGE NECESSARY APPOINTMENTS WITH FONOFF REPRESENTATIVES CONCERNED INTEL SAT NEGOTIATIONS. ROGERS



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*Mr. Whitehead*  
*European cooperation*

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

OFFICE OF THE DIRECTOR

February 23, 1971

MEMORANDUM TO

Colonel Robert Behr  
National Security Council

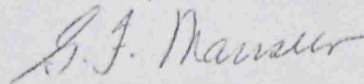
There are two issues that must be kept distinct in considering what the U.S. posture should be in continuing discussions with the Europeans on space shuttle cooperation.

1. Does a limited partnership agreement such as has been proposed really advance U.S. interests generally or the interests the President has in mind in encouraging international space cooperation? The Director feels strongly that the economic, commercial, and international political costs of the plan now under discussion far outweigh the short-term political benefits associated with the announcement of a "cooperative" deal. And, our experience with INTELSAT suggests that we buy far more bickering than constructive cooperation in deals of this kind.

2. Can, or should the U.S. change its position taken in the INTELSAT Conference as to what constitutes a negative INTELSAT finding in order to provide firmer launch commitments to the Europeans with regard to communication satellites? The U.S. cannot avoid the fact that any launches under the proposed plan would be U.S., not European, launches. The U.S. position on how a negative finding is reached in INTELSAT is a clear statement of U.S. policy. To renege now would irreparably damage U.S. negotiations in that forum; would overthrow much of the cooperative spirit of INTELSAT (which involves 77 large and small nations) in favor of possible cooperation with a few large European nations; and would suggest to large and small countries alike that the U.S. needs European participation so badly that we will agree to most anything.



In view of these considerations, OTP feels that a serious review should be made of this entire subject over the next few months, with appropriate involvement of NSC, OMB, OST, OTP, DoS, NASA, and the new International Economic Council. To take the issue to the President in its present form would be unwise and unfair to him.

A handwritten signature in dark ink, appearing to read "G. F. Mansur". The signature is written in a cursive style with a prominent initial "G".

G. F. Mansur  
Deputy

Office of Telecommunications Policy  
Route Slip

To

23 FEB 1971

Clay T. Whitenead ✓

~~George F. Mansur~~ ✓

~~William F. Mansur~~

Wilfrid Dean

~~Steve Doyle~~ ✓

Walt Hinchman

Charles Joyce

William Lyons

Eva Daughtrey

Timmie White

Judy Morton

REMARKS





# Department of State

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*Post Guallo*

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E.O. 12958, Sec. 3.4

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ACTION SCI-06

*Dept. of State Review*  
By S. Warren Date 5/26/2010

INFO OCT-01 EUR-20 IO-13 SS-20 ACDA-19 CIAE-00 DODE-00  
PM-05 INR-08 L-04 NSAE-00 NASA-04 NSC-10 OST-01  
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AMEMBASSY ROME  
AMEMBASSY THE HAGUE  
USMISSION GENEVA

~~CONFIDENTIAL~~ BONN 2045

SUBJECT: GERMAN REACTIONS TO POST-APOLLO MEETING

REF: A) STATE 26279  
B) BONN 1420

1. SUMMARY. GERMAN OFFICIALS WERE SURPRISED AND SHOCKED BY WHAT THEY UNIVERSALLY DESCRIBED AS THE "HARD LINE" TAKEN BY THE US DURING DISCUSSIONS WITH THE SECOND LEFEVERE DELEGATION. THEY EXPRESSED FEAR THAT IT WILL BE IMPOSSIBLE FOR EUROPE TO PARTICIPATE IN THE POST-APOLLO PROGRAM AND DISMAY THAT EUROPE WILL FIND IT NECESSARY TO DEVELOP AND INDEPENDENT LAUNCHER CAPACITY WHICH WOULD BE WASTEFUL AND ALSO A DIVISIVE ELEMENT IN US-EUROPEAN COOPERATION. A SENIOR FOREIGN OFFICE OFFICIAL GAVE EMBASSY OFFICERS AN OFFICIAL EXPRESSION OF FRG "FEARS AND ANXIETIES" ABOUT CONSEQUENCES OF PRESENT US POSITION. THE GERMAN FONOFF INTEL SAT ACTION OFFICER EXPRESSED REGRET AT WHAT HE INTERPRETS AS USG WELSHING ON ITS COMPROMISE AGREEMENT

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## Department of State

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IN ARTICLE 14 TO A EUROPEAN REGIONAL SATELLITE AND MENTIONED EUROPEAN DETERMINATION TO LAUNCH SUCH A SATELLITE WITH OR WITHOUT US HELP. END SUMMARY.

2. THE INITIAL REACTION OF GERMAN OFFICIALS TO THE RESULTS OF THE SECOND LEFEVRE MISSION TO US IS BEST DESCRIBED AS "STUNNED SURPRISE." DURING INFORMAL DISCUSSIONS AND AT SOCIAL EVENTS IN THE FIRST FEW DAYS AFTER RETURN OF GERMAN DELEGATES, THEY AND THEIR COLLEAGUES VIGOROUSLY EXPRESSED THEIR SHOCK AT WHAT THEY TERMED THE "HARD LINE" TAKEN BY US DURING DISCUSSIONS. THEY DOUBTED THAT US WAS SINCERELY INTERESTED IN POST-APOLLO COOPERATION WITH EUROPE AND BELIEVED THAT, UNLESS THE US CHANGED ITS POSITION ABOUT GUARANTEES OF LAUNCHING SERVICES FOR EUROPEAN SATELLITES, IT WOULD BE IMPOSSIBLE FOR EUROPE TO PARTICIPATE IN THE POST-APOLLO PROGRAM. SEVERAL REMARKED THAT THE US WAS FORCING EUROPE TO DEVELOP THE EUROPA III LAUNCHER, A FACT THAT FRG EXPERTS VIEWED WITH DISMAY.

3. IT IS CLEAR THE FRG OFFICIALS MOST INVOLVED IN POST-APOLLO DISCUSSIONS AND IN THE INTELSAT NEGOTIATIONS BELIEVE THAT THE US HAS ESSENTIALLY REVERSED ITS POSITION ON THE RELATIONSHIP BETWEEN LAUNCHING SERVICE GUARANTEES AND THE INTELSAT SYSTEM. ONE OFFICIAL EMPHASIZED THAT THE US POSITION STATED IN THE OCTOBER 2 LETTER FROM UNDER SECRETARY JOHNSON, I.E. THAT A TWO-THIRDS NEGATIVE VOTE BY INTELSAT MIGHT BLOCK THE LAUNCHING OF A EUROPEAN SATELLITE, HAD BEEN UNSATISFACTORY. THE NEW US INTERPRETATION OF ARTICLE XIV OF THE INTELSAT DRAFT AGREEMENT THAT AN ABSTENTION FROM A FAVORABLE DECISION OR A NEGATIVE VOTE BY ONE-THIRD PLUS ONE COULD BLOCK A LAUNCH WAS "INTOLERABLE." ANOTHER OFFICIAL, WHO HAD PARTICIPATED ACTIVELY IN THE NEGOTIATION OF THE PRESENT INTELSAT DRAFT AGREEMENT, REVIEWED THE HISTORY OF THE DEBATE WHICH HAD FINALLY PRODUCED THE PRESENT DRAFT OF ARTICLE XIV. IN HIS VIEW, ARTICLE XIV REPRESENTS A COMPROMISE WHICH ESTABLISHED THE ACCEPTABILITY OF A REGIONAL SATELLITE COMMUNICATIONS SYSTEM AND ENSURED THAT IT COULD BE LAUNCHED, IF THE SPONSORS CHOSE, EVEN AFTER A NEGATIVE ADVISORY DECISION BY INTELSAT. THE PRESENT US POSITION ON POST-APOLLO, HE CHARGED, IS A DELIBERATE EFFORT TO REVERSE THIS CAREFULLY NEGOTIATED COMPROMISE.

4. FRG OFFICIALS APPEARED PLEASED BY THE RESULTS OF THEIR DISCUSSIONS ABOUT EUROPE'S SHARE IN POST-APOLLO MANAGEMENT AND ABOUT ACCESS TO TECHNOLOGY. WE DID NOT EXPLORE THIS REACTION IN

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DETAIL, PENDING THE RETURN OF THE GERMAN DELEGATES TO THE TECHNICAL MEETINGS.

5. GERMAN PRESS COVERAGE INCLUDES ARTICLES DATED BRUSSELS ABOUT LEFEVRE PRESS CONFERENCE WHICH HIGHLIGHT US REFUSAL TO GUARANTEE LAUNCHER ROCKETS FOR EUROPEAN COMMUNICATIONS SATELLITES, DESCRIBE NEGOTIATIONS AS "FRUSTRATED," AND MENTION CONSEQUENT NEED FOR EUROPE TO DEVELOP ITS OWN LAUNCHER ROCKETS. SOME LOCAL COMMENT IS BITTERLY CRITICAL. DIE WELT (HAMBURG, RIGHT-CENTER AND PRO-US) MENTIONS "A DARING ATLANTIC PROJECT BURST LIKE A SOAP BUBBLE," A "DISCOURAGED" DELEGATION, A PECULIAR REVERSAL OF THE US POSITION AND "VANISHED HOPES OF AN ATLANTIC TECHNOLOGY" BECAUSE DOMINANT US VIEWS IN INTELSAT WANT NO REGIONAL COMPETITION. OTHER COMMENT IS MORE RESTRAINED BUT CONSENSUS OF PRESS COMMENT IS NEGATIVE.

6. ON FEBRUARY 19, DR. ROBERT, DEPUTY ASSISTANT SECRETARY FOR INTERNATIONAL ECONOMIC AND SCIENTIFIC QUESTIONS, FOREIGN OFFICE, RAISED THE QUESTION OFFICIALLY WITH THE EMBASSY'S COUNSELOR FOR ECONOMIC AND COMMERCIAL AFFAIRS AND THE SCIENTIFIC ATTACHE. IN A DISPASSIONATE AND COLDLY FORMAL MANNER HE OUTLINED THE "FEARS AND ANXIETIES" OF THE FRG ABOUT THE CONSEQUENCES OF THE POSITION TAKEN BY THE US DURING THE DISCUSSIONS WITH THE SECOND LEFEVRE DELEGATION. THIS MISSION HAD NOT REPEAT NOT BE SUCCESSFUL. PROBLEMS WOULD NOW ARISE WHICH SHOULD BE AVOIDED. "CERTAIN PARTIES" (UNAMED) WOULD TAKE ADVANTAGE OF THE SITUATION FOR THEIR OWN PURPOSES. EUROPE WOULD NOW BE REQUIRED TO DEVELOP AND INDEPENDENT LAUNCHER CAPABILITY. THE FRG WOULD REGRET THIS VERY MUCH. IT WOULD BE UNECONOMIC USE OF FUNDS AND RESOURCES. IT WAS HARMFUL FROM THE VIEWPOINT OF OVERALL TECHNOLOGICAL DEVELOPMENT. FINALLY, FROM THE VIEWPOINT OF THE FOREIGN OFFICE, IT WOULD NOT REPEAT NOT LEAD TO INCREASED COOPERATION BETWEEN THE US AND EUROPE BUT WOULD, CONVERSELY, LEAD TO DIVERGENT PROGRAMS. NEITHER THE US NOR THE FRG WOULD WANT THIS TO HAPPEN.

7. ROBERT REPORTED THAT THE FRG HAD ASKED FOREIGN MINISTER SCHEEL TO DISCUSS THIS QUESTION WITH ASSISTANT SECRETARY HILLENBRAND. THEY HAD NOT YET RECEIVED A REPORT OF THE CONVERSATION. ROBERT EMPHASIZED THAT HIS REMARKS WERE NOT INTENDED AS CRITICISM. HOWEVER, IT WAS NECESSARY FOR THE US SIDE TO GIVE EUROPE THE MINIMUM GUARANTEES OF LAUNCHER AVAILABILITY WHICH WOULD BE REQUIRED IN ORDER TO GET PUBLIC SUPPORT FOR THE VERY SIGNIFICANT

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# Department of State

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FUNDS REQUIRED FOR PARTICIPATION IN THE POST-APOLLO PROGRAM.  
IF THE US DID NOT DO SO, IT WOULD BE IMPOSSIBLE TO STOP DEVELOPMENT  
OF AN INDEPENDENT EUROPEAN LAUNCHER.

8. IN A BRIEF DISCUSSION FOLLOWING THESE FORMAL REMARKS, OTHER  
FOREIGN OFFICE OFFICIALS (RANDERMANN AND VON KYAW) MADE THE  
FOLLOWING POINTS. IF EUROPE IS FORCED TO DEVELOP THE EUROPA III  
LAUNCHER, EUROPE WILL BE IN A POSITION TO LAUNCH A EUROPEAN  
COMMUNICATIONS SATELLITE WITH OR WITHOUT US ASSISTANCE OR  
INTELSAT APPROVAL. CONSEQUENTLY THE US MIGHT AS WELL GUARANTEE  
LAUNCHING SERVICES NOW, PARTICULARLY SINCE THE US HAS ALREADY  
AGREED AS PART OF INTELSAT NEGOTIATIONS THAT REGIONAL  
COMMUNICATION SATELLITES ARE ACCEPTABLE. THE PRESENT US  
POSITION ON THE POST-APOLLO PROGRAM MIGHT CAUSE TROUBLE DURING  
INTELSAT PLENARY MEETING. EMBASSY ASKED WHETHER EUROPE WAS  
PREPARED TO PROVIDE DETAILED SPECIFICATIONS FOR THE COMMUNICATIONS  
SATELLITES DESIRED. RANDERMANN EXPLAINED THAT THE LEFEVERE  
DELEGATION HAD GIVEN UNDER SECRETARY JOHNSON A LIST OF SPACE  
SATELLITE PROJECTS INCLUDING A REGIONAL EUROPEAN SATELLITE.  
JOHNSON HAD IMPLIED THAT HE SAW NO PROBLEMS AND THAT THE US  
MIGHT SUPPORT THESE PROJECTS IN INTELSAT. HE DID NOT REPEAT  
NOT HOWEVER GIVE A GUARANTEE THAT US WOULD LAUNCH ALL OF THEM.

9. EMBASSY WOULD APPRECIATE A REPORT ABOUT THE DISCUSSION  
BETWEEN FRG FOREIGN MINISTER SCHEEL AND ASSISTANT SECRETARY  
HILLENBRAND ABOUT THE POST-APOLLO PROGRAM.  
RUSH



~~CONFIDENTIAL~~



*LeJeune*

Feb. 19, 1971

To: George

From: Tom

I would like to discuss  
this with you at an  
appropriate point before  
Bert does.

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

February 19, 1971

MEMORANDUM FOR THE RECORD

Subject:     USG Discussions with Minister Lefevre of the European  
              Space Conference

A series of formal discussions were conducted at the Department of State on February 11 and 12, 1971 between representatives of the USG and a delegation of Europeans. These meetings, held at the request of Minister Lefevre, were a continuation of discussions held in September for the purpose of examining possible European participation in the Post-APOLLO Program.

A list of attendees is attached as Tab A. Dr. George Mansur attended the Thursday, February 11, session and Col. Tom Olsson attended the final session held on Friday (PM), February 12.

INITIAL SESSION

Ambassador Johnson opened the conference with a brief welcoming statement. Minister Lefevre then discussed the several matters which they believed were important to their participation in the Post-APOLLO Program. Specifically the considerations are:

1.     Production--The Europeans want assurances that they would continue to produce the sub-systems selected by them following the development phase, and that the U.S. will not second source the sub-systems on a production basis.
2.     Management and financial considerations--The Europeans, of course, favor a "partnership or joint venture", but are sufficiently realistic to accept something less than a full partnership role. Financial arrangements would be on a non-exchange-of-funds basis.
3.     Access to information--Minister Lefevre indicated that they had a strong interest in gaining access to all of the technology which would result from the space shuttle, and implied that if there was a U.S. restriction on access to technical information that the Europeans would be led to technically scatter their participation in order to gain access in as many sectors as possible.



4. Availability of launchers -- The Europeans proposed that the U.S. guarantee that the Europeans should have unrestricted use of the space shuttle system, and that they were opposed to a restriction on conventional launchers in the interim period.

Ambassador Johnson responded to each of these questions in turn. The essence of his remarks were:

1. That the U.S. would guarantee production responsibility for the sub-systems which the Europeans developed.

2. That the Europeans would manage the development and production of their selected sub-systems, and that funding on a non-exchange-of-funds basis is acceptable to the U.S.

3. That the Europeans would have access to "general" information concerning the whole program and detailed access to information necessary for the development of their selected sub-systems, and

4. That the U.S. would offer to sell the space shuttle to the Europeans for launch from European sites on an unrestricted use basis and that use of conventional launchers in the interim period would be subject only to other international agreements, i. e., INTELSAT.

Following this exchange of remarks, NASA gave a briefing on the space shuttle program and described several sub-systems in which the Europeans might have an interest.

The afternoon session did not produce any substantive change in the respective U.S. and European positions, and at the end of the day Minister Lefevre suggested that two small working groups be convened to:

1. Review the acceptability of a list of satellite projects proposed by the Europeans, and

2. Attempt to define a draft agreement relative to U.S. guarantees for launch services.

The first group was headed by Tom Nelson and the second group by Herman Pollock.

## FINAL SESSION

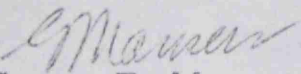
Mr. Herman Pollock reviewed the results of the morning session held to examine questions of the provision of launch services by the USG. He indicated although no agreements were reached, the meeting was beneficial to both parties in obtaining a better understanding of the respective viewpoints.

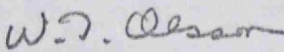
Minister Lefevre expressed disappointment in the results of the meeting. He indicated the USG position on guaranteed launch support appears to have moved backward and therefore the US answer is unsatisfactory. He said the USG position would be evaluated by the Europeans at the next ESC meeting in a month or two and they would develop a European position in light of the USG position. He closed by indicating that the technical discussion to be held during the week of February 16-19 at NASA should proceed.

Secretary Johnson read a formal closing statement to the assembled group (see attached Tab B). The final business of the meeting was the adoption of a Draft Joint Communique to be provided to the press (see attached Tab C).

The action generated in the morning session to discuss acceptability of launching proposed European communication satellites was not treated, however, a paper prepared by the US is attached as Tab D.

Pending Action--The outlook is very uncertain. Meanwhile, Minister Lefevre indicated he would send a letter to Mr. Johnson outlining current European views on the situation. Documentation on the results of the meeting are being prepared by the Department of State.

  
George F. Mansur, Jr.

  
W. T. Olsson

### Attachments

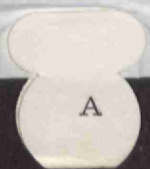
- Tab A - List of Participants
- Tab B - Under Secretary Johnson's Closing Remarks
- Tab C - Draft Joint Communique
- Tab D - Statement of U.S. Position

### Distribution:

Clay T. Whitehead  
Steve Doyle  
William N. Lyons

George F. Mansur  
Jack Thornell





TENTATIVE

LIST OF PARTICIPANTS

US Participants

US Principals

U. Alexis Johnson, Under Secretary for Political Affairs  
Department of State

Dr. George M. Low, Acting Administrator,  
National Aeronautics and Space Administration

Dr. Edward E. David, Jr., Science Advisor to the President

Mr. William A. Anders, Executive Secretary,  
National Aeronautics and Space Council

Dr. Maurice J. Mountain, Director, Strategic Trade  
and Disclosure, Department of Defense

US Advisors

National Security Council     Col. Robert Behr,  
Senior Staff Member

State (SCI)     Mr. Herman Pollack, Director  
International Scientific and  
Technological Affairs

State (SCI)     Mr. Robert Packard, Director  
Office of Space, Atmospheric  
and Marine Science Affairs

State (E)     Mr. Bertram W. Rein, Deputy  
Assistant Secretary, Trans-  
portation and Telecommunications

State (E)     Mr. Thomas E. Nelson, Director,  
Office of Telecommunications

State (EUR)     Mr. George S. Springsteen,  
Deputy Assistant Secretary

State (EUR)     Mr. Abraham Katz, Director  
Office of OECD, European Com-  
munity and Atlantic Political-  
Economic Affairs



State (EUR)

Mr. James D. Phillips, Officer  
in Charge, European Energy  
and Technology

State (S/PC)

Mr. Wreatham Gathright, Member

NASA

Mr. Dale D. Myers, Associate  
Administrator, Office of Manned  
Space Flight

NASA

Mr. Charles W. Mathews, Deputy  
Associate Administrator, Office  
of Manned Space Flight

NASA

Mr. Arnold W. Frutkin, Assistant  
Administrator, Office of Inter-  
national Affairs

NASA

Mr. Donald R. Morris, Deputy  
Administrator, Office of  
International Affairs

NASA

Mr. William Cohen, Director of  
Programs and Plans, Office of  
International Affairs

NASA

Mr. Robert E. Bernier, NASA  
European Representative

Office of Science  
and Technology

Dr. Russell Drew, Technical  
Assistant

Office of Tele-  
communications Policy

National Aeronautics  
and Space Council

Mr. Russell Hale, Deputy for  
Administration and Policy

National Aeronautics  
and Space Council

Dr. David Elliott,  
Science Adviser

Department of Defense

Mr. Howard Barfield, Assistant  
Director of Defense Research  
and Engineering Space Technology

Department of Defense

Lt. Col. Leroy S. Paul,  
International Security Affairs

National Oceanic and  
Atmospheric Administration

Mr. Nels E. Johnson, Director,  
International Affairs

State (L/SCI)

Mr. Ely Maurer



## European Participants

### Principals

|                             |   |
|-----------------------------|---|
| Honorable Théo Lefèvre      | Chairman of the European Space Conference.                                    |
| Minister C. Ripamonti       | Minister for Science and Technology, Italy                                    |
| Professor J. F. Denisse     | President of Centre National d'Etudes Spatiales, France                       |
| Dr. Wolf J. Schmidt-Kuester | Counselor, Ministry for Science and Technology, Federal Republic of Germany   |
| Mr. A. W. Goodson           | Head, Space, Ministry of Aviation Supply, Great Britain                       |
| Mr. F. J. Vallauré          | Director General for International Technical Affairs, Foreign Ministry, Spain |
| Mr. E. A. Plate             | General Counselor, Ministry for Economic Affairs, Netherlands                 |

### ESC Advisors

|     |   |
|-----|---|
| ESC | Ambassador R. di Carrobbio<br>Secretary General, ESC                |
| ESC | Professor G. Puppi,<br>Chairman, ESRO Council                       |
| ESC | Mr. Jean-Pierre Causse - Deputy<br>Secretary General, ELDO          |
| ESC | Mr. J. A. Dinkespiler, Director<br>of Programs and Planning, ESRO   |
| ESC | Dr. Michel Bourelly, Executive<br>Secretary for European Delegation |

Belgium

Foreign Ministry

Mr. Bouha, Minister Plenipotentiary, Ministry of Foreign Affairs

Inter-Ministerial Committee

Dr. Jacques Spaey, Chairman

Ministry of Science and Technology

Miss Dehoux, Director

National Science Policy Council

Dr. J. Van Eesbeek

Embassy

Dr. L. Groven  
Scientific Counselor

France

Foreign Ministry

Mr. Gilles de Boisgelin  
Minister Plenipotentiary  
Counselor of Foreign Office  
and Chief of the Quai d'Orsay's  
Space Affairs

Ministry for Industrial  
and Scientific Development

Mr. Romain Zaleski  
Engineer in Chief of Mines  
and Technical Counselor

Federal Republic of Germany

Foreign Office

Dr. Wandermann

Embassy

Mr. Volker Knoerich  
First Secretary



Great Britain

Embassy

Mr. W. H. Stephens, Minister,  
Defense Research and Development

Embassy

Mr. Lawrence J. Middleton  
First Secretary

Italy

Professor M. Trella

Space Commission of CNR

Counselor Renzo Falaschi  
Professor Giuseppe Colombo,  
Member  
Dr. F. Fiorio  
Scientific Counselor

Embassy

Netherlands

Spain

National Space Research  
Council

General Luis de Azcarraga  
Chairman





CLOSING REMARKS BY UNDER SECRETARY JOHNSON

February 12, 1971

Mr. President, before this meeting concludes I would like to reiterate a few points which our side feels to be of particular importance. First of all, I would like to emphasize once again the sincerity of the interest of my Government in attracting the cooperation of the European nations in the development of space during the coming decades. We on the U.S. side feel that the proposals we have made in these discussions, and which we will confirm by letter in the near future, go very far indeed in meeting the desires of Europe in the post-Apollo cooperation as expressed by your delegation:

1. Under our proposals, Europe would have access to significant technological information across the entire program, and total access to all information required for work which Europe undertakes in the program.
2. Under our proposals, Europe would be associated with the management of all aspects of the program; those aspects which impinge directly on European costs would be subject to joint decisions.

3. Our proposals would satisfy the principle of an independent, European-controlled launch capability using the jointly developed post-Apollo hardware, should Europe wish to avail itself of the opportunity to purchase this hardware for use at its own facilities.

4. Our proposals would establish procedures under which it should be possible for the Europeans to meet their stated requirements for European payloads, both during the interim period and during the period when the new space transportation system becomes available, even without Europe availing itself of the opportunity to acquire an independent capability.

We would not, however, wish it to appear that we felt that post-Apollo cooperation must be determined on the merits of the above points alone. The basic and overriding aspect of the post-Apollo program is and will remain the opportunity it offers for the United States and Europe to participate together in a technological experience which promises, in its magnitude and its revolutionary impact on the entire field of space transportation, to dwarf even the

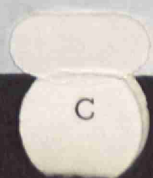


achievements of the Apollo program and the Europa program combined. It is this experience which we are really discussing here, and it is this experience which we, on the U.S. side, would very much like to share with you from Europe. We remain most hopeful that we shall succeed in arriving at a means for resolving the details of the arrangements for such an exciting and revolutionary undertaking.

I would like to express the hope that the technical talks which are due to start next Tuesday at NASA will help to clarify the substance of possible cooperation and to arrive at a modus operandi satisfactory to the purposes of this effort. We should also be thinking together about the timetable for decisions which will need to be made during the coming months. It would be desirable for us to have reached conditional agreement on the division of technical tasks by early in the coming summer, and that we should have arrived at a satisfactory solution of the political and managerial problems by late summer or early autumn.

Finally, I would like to thank you, Mr. President, and your colleagues from seven nations, for having come to Washington in the middle of winter to explore with us these very important matters. I will, of course, be sending you a letter summarizing our thoughts and our definitive positions based on the questions you have raised and I trust you will not hesitate to get in touch with me immediately if there are further problems which you and your colleagues find in need of clarification.





Draft Joint Communiqué

February 12, 1971

Ambassador U. Alexis Johnson, Under Secretary of State for Political Affairs, has met with Minister Theo Lefevre, President of the European Space Conference, for continued discussion of possible arrangements for cooperation between Europe and the US in the post-Apollo space program, in particular the development and use of an advanced space transportation system and space station. This meeting took place at the Department of State on February 11 and 12, 1971. They had met once before on September 16 and 17, 1970 for an initial discussion of such arrangements.

Minister Lefevre was accompanied by: Minister C. Ripamonti, Minister for Science and Technology, Italy; Professor J. F. Denisse, President of Centre National d'Etudes Spatiales, France; Dr. Wolf J. Schmidt-Kuester, Ministry Counselor, Federal Republic of Germany;

General Luis de Azcarraga, Chairman, National Space Research Council, Spain; and Mr. E. A. Plate, General Counselor, Ministry for Economic Affairs, The Netherlands.



Under Secretary Johnson was accompanied by Dr. George Low, Acting Administrator of NASA; Dr. Edward David, Science Adviser to the President; and Mr. William Anders, Executive Secretary of the National Aeronautics and Space Council.

During this discussion Under Secretary Johnson and Minister Lefevre explored further various aspects of possible cooperative arrangements in response to a number of questions raised by the European Space Conference such as: the continued availability of US launch vehicles to the member countries of the European Space Conference for their own space programs during the period before a space transportation system becomes operational; management and financial arrangements and the development of technology related to these new systems.

*Now For* Mr. A. Goodson, Head, Space, Ministry of Aviation

Supply, Great Britain, participated in the discussions on the availability of U.S. launch vehicles and attended the discussion of possible arrangements for cooperation in the post-Apollo Space program as an observer.

*This exchange of views etc.*

Technical representatives of the European Space Conference will meet next week with representatives of the National Aeronautics and Space Administration to discuss technical aspects of this possible cooperation.



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After considering the Example of a possible operational system of European communications and having had the benefit of discussions with Messrs. Causse of ELDO and Dinkespiller of ESRO, the United States, on the basis of its present knowledge, would not discourage the Europeans from proceeding to further define their program. The example visualizes both television and telephony in the intra-European (CEPT) area with an extension of television only to the North African and Middle East countries as specified in the Appendix to the example provided on February 11, 1971. Subject to review when a definitive program is outlined and assuming geographic coverage and types of services as outlined above, the United States would be prepared to support a resolution in INTELSAT looking toward a finding that such a satellite would not cause significant economic harm to the INTELSAT system. If such a finding were made, the United States would be prepared to enter into an agreement to provide launch services.

On the other hand, the United States could not give any encouragement to an expanded proposal which, for example, would encompass the addition of telephony for the North African and Middle East countries in addition to such services to the European CEPT members.

Drafted by: E/TD - Mr. Nelson  
E/TD - Mr. Freeman  
EUR/RPE - Mr. Dodd

FCC - Mr. Ende  
OTP - Col. Olsson

2/12/71



Thursday 2/18/71

5:30

STEVE

Dr. Mansur would like you to take appropriate action re the following in connection with the LeFevre meetings:

1. Dr. Mansur is to be seated on the back row in contrast to being at the table with Anders and the others. This is not appropriate. Could you straighten similar things out with State Department?
2. Nor are we listed as one of the principal participants. We are listed under "other."

OFFICE OF TELECOMMUNICATIONS POLICY  
WASHINGTON

February 18, 1971

To: George  
From: Tom

You should have this for your input to Col. Behr. However, in talking with Behr make sure he understands that we're willing to cooperate in preparing their paper but we should like to reserve the right to attach a note to the President, if appropriate.

---

OTP paper is being prepared.  
Will review it with  
Tom on Tuesday.

gm.





DEPARTMENT OF STATE

Washington, D.C. 20520

*George*  
*FYI*  
*Drew*  
*T*

February 18, 1971

MEMORANDUM FOR THE RECORD

SUBJECT : U.S. Policy Position with Lefevre

George Mansur reports that there was a meeting Friday afternoon, February 12, in the OST offices in the EOB, sparked by Russell Drew and NASA types, with Colonel Behr of the NSC staff present, on the question of the relative important to U.S. national interests of INTELSAT and Post-Apollo.

Drew and NASA are pushing to have the matter taken to the President for a reversal of the U.S. position taken by U. Alexis Johnson with Minister Lefevre last week on the question of advance launch assurance for a European comsat.

George thinks that Colonel Behr continues to support the present policy, but he nevertheless has agreed to coordinate the views of those concerned. He has requested papers from the various agencies, due in his office by next Tuesday. In its paper, OTP will oppose any reversal of policy and argue against going to higher level (although they think we would win if it went to the President.)

After he has received the papers and done his analysis, Colonel Behr will take no further action before checking with the Department of State.

Comment:

The present position was reached after two months of coordination within the Executive Branch. UAJ, both in writing and orally, has clearly enunciated the U.S. policy. To cave in now would make him and the U.S. look ridiculous. It would also

convince the

Europeans that we want their Post-Apollo cooperation so badly that we will agree to anything.

We are on the very verge of an INTELSAT Agreement after two years of the most agonizing effort. If a deal is made between the U.S. and the industrialized European nations flouting Article XIV, the LDCs will be up-in-arms, the Plenipotentiary could easily spend days or weeks on this, and the success of the Conference would be placed in serious question.

Lefevre's petulant reaction should not be read as the reaction of the moderate Europeans. It is the reaction of the French and the Belgians. Lefevre's remarks to the press were inaccurate and unfair. We need to gather the thoughtful reactions of the moderate Europeans.

We have told the Europeans (though not yet in writing) that in principle we can accept, and will support in INTELSAT, a Bondi-type proposal. The ball is now in their court to come up with a specific, firm proposal.

Suppose we were to reverse the policy and give them carte blanche assurance. Suppose they come up with a Symphonie-type proposal which gets 27 votes in the INTELSAT Assembly (1/3 plus one), with the U.S. among those opposing on grounds that it would do significant economic harm to the global system. Would the U.S. launch it? I think not, regardless of the advance assurance. It would be spitting in the eye of 49 other countries, all of them fellow partners in INTELSAT.

It makes little sense to put INTELSAT on an importance-scale and balance it against Post-Apollo. INTELSAT is a going operation with 77 countries already involved and others waiting to join. Post-Apollo is still only a hope, involving a group of countries in Europe which



thus far have not even been able to agree among themselves on their space goals. Should we jeopardize the continued progress of INTELSAT, getting nothing in return except a promise from the Europeans to keep talking? They want sweeping commitments from us, before so much as a hint of commitments on their part.

John Pastore has seen McConnell's letter to Flanigan. Nick Zapple asked Asher, Johnny Johnson and me about this yesterday. He specifically queried us on the Lefevre situation. If there is any reversal of this policy, you can be sure there will be an uproar on the Hill. I, for one, would not care to be the one to try to justify to the Senate Commerce Committee a cave-in of U.S. policy on this question.

A.W.

Abbott Washburn  
Chairman, U.S. Delegation  
INTELSAT Conference

Office of Telecommunications Policy  
Route Slip

23 FEB 1971

To

Clay T. Whitenead ✓

George F. Mansur ✓ *has seen*

~~William Plummer~~

Wilfrid Dean

~~Steve Doyle~~

Walt Hinchman

Charles Joyce

William Lyons

Eva Daughtrey

Timmie White

Judy Morton

REMARKS





DEPARTMENT OF STATE

Washington, D.C. 20520

630  
T. Whitehead  
FYI

February 18, 1971

Dear Pete,

This is just to report that we are now in good shape on the five substantive points Joe McConnell raised in the memorandum he sent you under date of October 27, 1970. On the most important of these -- the question of advance assurance to the Europeans that we will launch a regional communications satellite for them -- Alex Johnson made it very clear to Minister Lefevre when he and his European group were here last week that the U.S. will give advance assurance only in the case of a proposed regional system that goes through the INTELSAT procedures and receives a favorable finding. Accordingly, the COMSAT top echelon is relaxed, and we have a unified U.S. Delegation.

Drafting work on the texts of the INTELSAT "definitive arrangements" was completed in December. The major issues have been settled through negotiation. Prospects are favorable that the next Plenipotentiary Meeting of the 77 member countries -- scheduled to open April 14, 1971, for four-and-a-half weeks -- will culminate in agreement. (The French still continue their incessant spoiling tactics, but they are now pretty well isolated.)

The Honorable

Peter M. Flanigan,

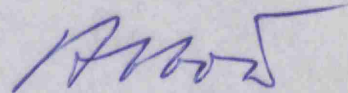
Assistant to the President,  
The White House.

Dr. Kissinger's office, the Seventh Floor here, and Tom Whitehead are agreed in principle to the President's participating in the initialing ceremony here in the International Conference Room at the State Department when the agreement is reached in May. According to our best estimate, this should take place on a date between May 15 and May 21. With the observer delegations, including the Soviet Union, there will be approximately 100 nations in attendance.

Jack Irwin's office has in preparation a memorandum to the President inviting him to do this, which should go over to the White House shortly.

A little later on, at a time convenient to you, it might be useful for Tom and me to come over and review where we stand looking to the Plenipotentiary.

Warm regards,

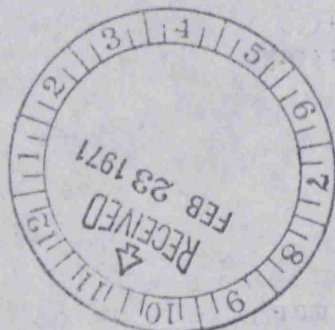


Abbott Washburn  
Chairman, U.S. Delegation  
INTELSAT Conference

REC'D 11:00 AM '71  
RECEIVED



RECEIVED  
FEB 20 9 37 AM '71



*[Handwritten signature]*

*[Faint, mostly illegible text, possibly bleed-through from the reverse side of the page]*

*European*  
*Cory*

2/10/71

To: Dr. David

From: Tom Whitehead

FYI as discussed.

2/6/71 memo to Flanigan re NASA



*Post Apollo*

Monday 2/8/71

4:00 Col. Olsson said the staff is preparing a talking paper to give to Alexis Johnson . They wanted you to check the attached backup paper. The clipped pages are those Tom Nelson wanted marked for your special attention.

They will be checking it with you tomorrow morning.

*Post Apollo*

February 8, 1971

Second Discussion with Representatives of  
the European Space Conference concerning  
European Participation in the post-APOLLO Program

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Attachments:

- Tab A - List of participants in the February 11 discussions.
- Tab B - Minister Lefevre's letter to Under Secretary Johnson dated January 21, 1971.
- Tab C - Under Secretary Johnson's letter to Minister Lefevre dated October 2, 1970.
- Tab D - Position paper dated September 11, 1970.
- Tab E - "The European Program for Application Satellites" presented to EUROSPACE by Prof. Bondi
- Tab F - Analysis of the Bondi proposal.

INTRODUCTION

Minister Lefevre, Chairman of the European Space Conference (ESC), has requested a second meeting with Under Secretary Johnson concerning the political, financial and other implications of eventual European participation in the post-Apollo space program. It will be a follow-up to the discussions held in mid-September, 1970. This meeting will be held at the Department of State commencing at 11:00 on Thursday, February 11.

Minister Lefevre expects to be accompanied by representatives of the Federal Republic of Germany, France, the UK, Italy, Belgium, the Netherlands, Spain and Switzerland. A list of the US and European participants in this discussion is at Tab A.

In a letter of January 21, 1971 to Under Secretary Johnson Minister Lefevre has identified six propositions which the European delegation would like to discuss at this meeting (Tab B). In addition, because the application of Article XIV of the Definitive Arrangements for INTELSAT is generally understood differently<sup>by</sup> the delegations to the INTELSAT Conference than



was assumed during the September discussions with Minister Lefevre, we will wish <sup>at the outset</sup> to discuss the possibility of examining prospective European proposals for regional commercial communication satellite systems separate from the INTELSAT global system in order to indicate in advance whether the US would be willing to support these proposals within the INTELSAT from the view point of their economic compatibility with the global system.

We should also be prepared to deal with two other matters which might emerge during the discussions, i.e.:

(1) what we would consider to be "substantial" participation as a prerequisite to launch service assurance, in the event that only one or a few European countries decide to participate in the post-Apollo program under bilateral or limited multi-lateral arrangements with the US and (2) the possibility of establishing differential arrangements for launch service fees which would favor those who participate in the post-Apollo program.

This discussion at the political level will be followed by technical discussions at NASA concerning current program plans, schedules and costs for the space transportation system and space station. During these technical discussions NASA will

up-date the program information provided in paragraph 25-27 of Under Secretary Johnson's letter to Minister Lefevre of October 2, 1970 (Tab C).

The general considerations, objectives, principles, assurances and proposals as to cooperative arrangements which were established in the position paper of September 11, 1970 remain valid for this discussion (Tab D). Our purpose in this discussion should be to be as responsive to Minister Lefevre's additional propositions as would be consistent with that position.

As was the case during the September discussions, the views we express during this discussion will necessarily be preliminary, subject to modification in the light of choices yet to be made in Europe as to the measure<sup>o</sup> and character of European participation and to further development in our own planning for the space transportation system and space station. It would be well to conduct these discussions informally; to avoid<sup>a</sup>/formal joint record of the discussions; and to confirm the views we express on all important matters by a subsequent letter to Minister Lefevre, as was done following the September discussions.



The application of Article XIV of the Definitive Arrangements for INTELSAT and advance consideration of prospective European regional commercial communication satellite projects

Position --

1. Recall that an important part of the discussions last September centered on the availability of US launch services, both before and after the development of the new space transportation system. The US position on this point was summarized in Under Secretary Johnson's letter of October 2, where we affirmed our willingness to assure launch services, on a reimbursable basis, "for any peaceful purpose consistent with relevant international agreements." As applied to the launching of telecommunication satellites within the meaning of Article XIV of the Definitive Arrangements for INTELSAT, we offered an assurance of launch services for those who participate substantially in the post-Apollo program "in those cases where no negative finding is made by the appropriate INTELSAT organ, regardless of the position taken by the US in the vote."
2. Affirm that this assurance remains unchanged.

3. Note, however, that the accepted interpretation of Article XIV is somewhat different from that which was discussed during the September meeting. We now understand that the interpretation which was implicit in the INTELSAT negotiations, and is supported by the US, is that the failure of a positive recommendation to achieve a 2/3 vote automatically constitutes a negative finding.
4. Suggest that in this situation it may be more useful from the European point of view to turn from further theoretical discussion of the interpretation of Article XIV to clarification of the position which the US would take on the practical questions of European telecommunications satellite proposals, separate from INTELSAT, which may become subject to consideration under Article XIV.
5. To this end, suggest that the European Space Conference describe to the US the international public telecommunications satellite systems for which the ESC may wish to obtain US launching services in the period prior to coming on line of the new space transportation



system. The US would then undertake to determine, with reasonable dispatch, the position it would take in the INTELSAT Assembly were such specific proposals to be put forward.

NOTE: The five points above were conveyed to Minister Lefevre on February 5 in State Department telegram number 019915.

6. If Minister Lefevre then presses the question whether there is any likelihood that the US would determine that it could support any such European proposals within INTELSAT, indicate that this would, of course, depend on the specific characteristics of the proposed systems. We have, however, undertaken some preliminary analysis of the acceptability of European space segment facilities separate from those of INTELSAT, in terms of the conditions established by Article XIV: In general, it appears to us that there are four possible systems configurations which might not cause significant economic harm to INTELSAT, i.e.:

- a. A system which would provide television channels only for use by CEPT\* countries. Such a system would presumably cause only minimal economic harm to INTELSAT;
- b. A system which would provide television channels for use by the CEPT countries and the North African countries, Lebanon and Israel. Such a system would presumably cause only a degree more of minimum economic harm to INTELSAT;
- c. A system which provides voice, record, data and television services within the CEPT countries. Such a system would presumably cause measurable, but not significant, economic harm to INTELSAT; and
- d. A system which provides voice, record, data and television services within the CEPT countries and television to North African countries, Lebanon and Israel. This sort of system presumably could also cause measurable, but not significant, economic harm to INTELSAT.

In the case of systems which would provide all the services suggested in c and d above to a broader geographic area, we

\* The countries belonging to CEPT (The European Committee for Post and Telecommunications) include all the countries of Western Europe, Iceland, the Vatican, Greece, Turkey, Malta, Cyprus and Yugoslavia.



could not provide even a general opinion without detailed analysis of specific proposals.

Discussion --

There has emerged an ambiguity in the application of Article XIV which arises from the apparent possibility under the terms of that Article as currently drafted that the Assembly of Parties might fail to fulfill its obligation to make a specific finding, if it were in fact unable to make any recommendation (either positive or negative) by a two-thirds vote. The interpretation of the intent of this Article held generally by the delegations to the INTELSAT Conference (including the US Delegation) is that the failure of a positive recommendation as to economic compatibility to achieve a two-thirds vote automatically constitutes a negative finding. This interpretation differs from that which was discussed during the September meeting with Minister Lefevre.

This difference in interpretation clearly has an important bearing on the effect of the US assurance of availability of US launch services in the absence of a negative finding by INTELSAT, as conveyed to Minister Lefevre in Under Secretary Johnson's letter of October 2, 1970.

In order to resolve this problem and to reconcile US interest in both a strong INTELSAT and European participation in the post-Apollo program, the US should first set out its position on Article XIV and then turn from further theoretical discussion of this issue to a specific matter which is presumably of more importance to the Europeans, i.e.: the position which the US would take on the practical questions of European telecommunications satellite proposals, separate from INTELSAT, which may become subject to consideration under Article XIV.

We would therefore suggest that the European Space Conference describe to the US any international public telecommunications satellite system for which the ESC may wish to obtain US launching services in the period prior to the coming on line of the new space transportation system. With respect to these proposals, the US would undertake to determine, with reasonable dispatch, the position it would take in the INTELSAT Assembly were such specific proposals to be put forward. It seems likely that any proposal in INTELSAT which had the support of both the European countries and the United State would obtain a two-thirds favorable vote.



Since it seems clearly to be a minimum condition for European participation in the post-Apollo program that the United States commit itself in advance to provide launch services in the event that a two-thirds favorable vote is obtained in the Assembly, regardless of the position of the US in the vote, we would also reaffirm that commitment. The US cannot commit itself in advance to provide launch services for any proposal which fails to attain a two-thirds favorable vote.

In making this suggestion and reaffirmation it would be well to point out, as was done during the discussions in September, that the interpretation of Article XIV is not a matter for negotiation within these discussions on post-Apollo space cooperation, but rather within INTELSAT.

In anticipation of the course of action described above, representatives of the FCC, the Office of Telecommunications Policy (OTP) and the State Department's Bureau of Economic Affairs have examined, with respect to the acceptability of space segment facilities separate from those of INTELSAT in terms of the conditions established in draft Article XIV of the INTELSAT Definitive Arrangements, the unofficial proposals for the establishment of a European

satellite telecommunications system which was presented by Professor H. Bondi, Director General of the European Space Research Organization (ESRO), at the European Conference in Venice in September, 1970. The Bondi presentation appears at Tab E; the analysis at Tab F.

Of the conditions specified in draft Article XIV, that of avoiding significant economic harm to INTELSAT is the most difficult to determine at this time. However, using INTELSAT traffic projections for the years 1970 to 1982 they were able to identify the following gradations in satellite system design and their relative acceptability vis-a-vis economic harm to INTELSAT. A European regional satellite system which:

1. Provides television channels only for use by CEPT countries could cause minimal economic harm to INTELSAT;
2. Provides television channels for use by the CEPT countries and the North African countries, Lebanon and Israel, could cause only a degree more of minimum economic harm to INTELSAT:
3. Provides voice, record, data and television services within the CEPT countries, could cause measurable but not significant economic harm to INTELSAT;



4. Provides voice, record, data and television services within the CEPT countries and television to North African countries, Lebanon and Israel could cause measurable but not significant economic harm to INTELSAT; and
5. Provides voice, record, data and television services between not only the CEPT countries but also with North African countries, Lebanon and Israel, would cause significant economic harm to INTELSAT and would be clearly unacceptable to the US.

The Bondi proposal corresponds roughly to configuration 4 above.

It should be borne in mind that agreement to launch a satellite for television purposes only would provide the least harmful precedent for similar launch services in other areas of the world. At the other extreme, launch services for a multi-purpose system (i.e.: television as well as voice, record and data services to Europe and the southern Mediterranean area) would provide a precedent in other areas with a much greater potential for significant harm to INTELSAT.

In view of the provision in Article XIV that the establishment of space segment facilities separate from those of INTELSAT should not only avoid significant economic harm to the global system of INTELSAT, but should also not prejudice the establishment of direct communications links through INTELSAT among all participants, it should also be borne in mind that the establishment of separate regional systems <sup>would</sup> could have an adverse effect in the case of countries which are not able to have ground stations for both the global system and a separate regional system.

full point  
CTW  
I would change this per your views  
Tom  
Lesson

The analysis described above is necessarily preliminary and general, since we do not have available in sufficient detail the characteristics of any specific, official European proposal. It would be preferable to be able to examine such a specific proposal before indicating a US position. However, if Minister Lefevre presses the question whether it is likely that the US could support any sort of European proposal, we are prepared to advise him of our preliminary conclusions as to configurations 1-4 above. We should not



at this time respond in terms of any of the prospective proposals now circulating in Europe (e.g.: the Bondi proposal or SYMPHONIE), since we have not been provided adequate, detailed information concerning them.

Minister Lefevre's first proposition  
concerning purchase of US launch vehicles  
for use at non-American launch ranges <sup>1/</sup>

Position --

1. Request clarification of the words "subject to international procedures" in Minister Lefevre's proposition.
2. Reiterate the statement made in the October letter to Minister Lefevre that we would assure the sale of appropriate US launch vehicles from our family of available expendable vehicles for use by the European countries in launching their payloads from launch sites available to the Europeans.
3. Point out that we cannot abrogate our responsibilities as to the use of US launch vehicles, and must necessarily consider that the same conditions would apply as for launch services, i.e.: (a) that the Europeans participate substantially in the post-Apollo program; (b) that their use be for peaceful purposes; (c) that their

1/"Aside from the launchings that the United States would provide from its own territory, the European countries want to be able to buy launchers from the United States that can be used from non-American launch ranges; naturally, they would pledge to use such launchers in conformity with the agreement to be concluded with the United States, although the purchase of such launchers would not be made subject to international procedures."



use be consistent with relevant international agreements such as the Outer Space Treaty and the INTELSAT Agreement; and (d) that, with respect to the launching of international communication satellite systems within the meaning of Article XIV of the Definitive Arrangements for INTELSAT, the US could not obligate itself in advance to assure the sale of launch vehicles in the face of a negative finding by INTELSAT. In the latter situation, as in the case of providing launch services from US launch sites, we would be prepared to determine in advance the position which the US would take in the INTELSAT Assembly as to the economic compatibility of such systems.

4. Point out also that, since the vehicles would be used at foreign launch sites, we would need to be consulted before their use could involve third parties.

Discussion --

We have already assured the Europeans that we would

"be prepared to sell appropriate US launch vehicles from our family of available expendable vehicles for use by the European countries in launching their payloads from launch sites available to the Europeans."

We stated that

"in this circumstance we would consider that the same arrangements would apply as for launch services" (para. 9 of Under Secretary Johnson's letter to Minister Lefevre of October 2, 1970).

It has been our policy for some time that launch vehicles up through a specified level (SCOUT, THOR-DELTA, ATLAS) can be purchased for launchings outside the US. We would wish to handle this in such a way as to exercise vehicle-by-vehicle control so as to assure their use for the purposes stipulated and to avoid an inventory build-up of vehicles abroad. In this case, as in the case of providing launch services from our own launch sites, we would not waive our responsibilities and interests with regard to the use of the vehicles simply because they are to be used abroad. Thus, if Minister Lefevre's stipulation "that the purchase of such launchers would not be made subject to international procedures" means that by purchasing launch vehicles the Europeans would expect to be relieved of the use-conditions which we attach to the provision of launch services, we could not agree to that stipulation. The definition of "appropriate" vehicles is a technical matter to be worked out with NASA and through our export control procedures.



Minister Lefevre's second proposition  
concerning the production in Europe  
of US launch vehicles 2/

Position --

1. Ascertain whether this proposition is limited to launch vehicle technology or whether a broader range of technology may be involved.
2. Reaffirm our willingness, subject to satisfactory commercial arrangements, to license the production in Europe of an appropriate US expendable launch vehicle, but under the same conditions as stipulated for the provision of launch services and the sale of launch vehicles.
3. Note that, from our point of view such an arrangement need not be a part of the government-to-government agreement for European participation in the post-Apollo program, but that we would be willing to include it, if the Europeans wished to do so.

Discussion --

We have previously stated that we would

2/ "Access, on a commercial basis, to American manufacturing licenses, with a view to peaceful uses, should be included in the cooperation agreement."

"consider such a proposal as a matter separate from that of European participation in the post-Apollo program. Such a question would have to be judged on its own merits and in terms of a specific proposal.... Such a proposal would be largely a commercial matter and, since it would not involve new technology, would not be of interest to the US as a cooperative project" (para 10 of Under Secretary Johnson's letter to Minister Lefevre of October 2, 1970).

The US has previously agreed to license foreign governments to produce US launch vehicles or sub-systems, e.g.: under the US/Japan Space Cooperation Agreement of 1969 and the US/UK agreement of 1955. Those agreements related to THOR and ATLAS technology. They were made without regard to cooperation in joint projects, but involved important non-commercial considerations for the US as well as commercial gains. On a similar basis, comparable arrangements could be available to other Western allies. We should therefore reaffirm the availability of technology for launch systems up to an agreed level to be determined on technical and security grounds and through export control procedures.

From the US point of view there is no apparent reason for tying such a matter to a cooperative agreement on post-Apollo participation, nor is there any reason to avoid including it in the government-to-government agreement concerning post-Apollo participation if the Europeans wish



to do so. This need not be conditioned on substantial European participation in the development of the space transportation system, but, in view of the value of space production technology, the licensing of production abroad should be predicated on important non-commercial benefits for the US as well as commercial gain.

In this case, as in the case of European purchase of US launch vehicles or the provision of launch services, we would be obliged to attach the same use-conditions concerning peaceful purposes, compliance with relevant international agreements such as the Outer Space Treaty and INTELSAT Agreement, and third-party access. These conditions would include a stipulation that the vehicles not be used to launch communications satellites separate from INTELSAT in the face of a negative finding by INTELSAT without agreement by the US. In this latter situation we would also be prepared to determine in advance the position which the US would take in the INTELSAT Assembly as to the economic compatibility of such systems.

Minister Lefevre's third proposition  
concerning access to technology  
within the post-Apollo program 3/

Position --

1. Inquire as to the precise meaning of "within the framework of the cooperation projects" and "other such projects" in Minister Lefevre's proposition.
2. Reiterate the position which we took during the September discussions (see the excerpts below from paragraphs 21-24 of Under Secretary Johnson's October letter).
3. Point out that our offer of general technical access to the entire program is responsive to Minister Lefevre's proposition.

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3/ "In the technical field, Europe would like to have access -- for peaceful uses -- to the entire technology developed under the post-Apollo program and not merely to what is needed for the performance of tasks entrusted to Europe.

"The use of such information for commercial purposes would be authorized only within the framework of the cooperation projects. The right to use them on other than such projects could be the subject of conventional trade agreements according to the customary rules."



4. Note that our proposals as to detailed technical access (to the level of commercial know-how) seem to us a realistic and equitable consequence of the apparent measure of European investment and participation relative to our own. We are not in a position to make a different proposal.

Discussion --

In Under Secretary Johnson's letter to Minister Lefevre of October 2, 1970 (para 21-24) we stated that:

"One of our major objectives in suggesting collaboration in the post-Apollo program has been to make optimum use of the resources and skills of both Europe and the US, including the application of existing technological capabilities and the generation of new technology. To this end we feel, not only that each participating party must have detailed access to technical data and facilities which they would need to accomplish their specific tasks under the agreed collaboration but should also have general access to all technology and facilities in the overall development of the program.

(a) By detailed access we mean access to design, development and production data to the level of commercial know-how.

(b) By general access we mean access through visitation and published or publishable documentation, but not including detailed access as defined above.

"In both cases access to technical data and facilities should be pursuant to terms of a government-to-government agreement providing assurance that these technical data would not be transferred to countries not participating in the agreement. Data which might be sensitive in terms of national security considerations should be exchanged, but handled within agreed security safeguards. Proprietary rights to inventions, innovations, technical data and copyright should be protected, but provision should be made for their sale or exchange among participants in the development of these systems on the basis of non-exclusive royalty-free licenses when desirable for furthering the agreed collaborative program. Arrangements for use of such proprietary rights for purposes outside the agreed program should be made according to normal commercial practices...."

"The arrangements suggested above should assure both an exchange of technical information adequate to a general understanding of the overall program by all participating countries and an exchange of detailed information (i.e.: to the level of commercial know-how) commensurate with the measure and character of their participation. They would not assure that all participating countries would have full access to, and unrestricted use of, all technology generated in the total program. Rather, each participant in the collaboration would acquire detailed information to the measure of his contribution and of his needs to fulfill the tasks which he undertakes. Each participant would benefit in terms of development of technological know-how to the extent of his investment and participation, and would thus set for himself the extent of his acquisition of commercial know-how.... Each (participant) would provide detailed information relevant to, and needed for, the tasks of the other. Proprietary interest and production rights, premised on the successful completion of development tasks and established for some reasonable period of time to be agreed, would provide commercial protection through commitments by the parties to acquire items from the designated developer for the full period agreed."



Minister Lefevre's proposition appears to overlook the distinction, made in Under Secretary Johnson's letter, between general technical access to the program and detailed access to the level of commercial know-how. It is not possible, in the real world of commercial competition, congressional overview, and US industrial self-interest, to provide Europe full access to the commercial know-how developed in the post-Apollo program in return for a 10% contribution to that program. Consequently, we have advanced this distinction, offering generalized technical access to the total program, but providing access to the level of commercial know-how only where it is required for the project and on a reciprocal basis.

It is not entirely clear what is intended by the distinction made in Minister Lefevre's proposition between the use of technological information for commercial purposes "within the framework of the cooperation projects" and its use "on other than such projects". Our view is that commercial know-how provided by the US would be authorized only for the completion of the European commitment to the post-Apollo program. Its use outside of that program would be subject to conventional commercial agreements.

Minister Lefevre's fourth proposition  
concerning use of the space transportation system 4/

Position --

1. Notethat participants in the development of the space transportation system would obviosuly have priority consideration for its use for peaceful purposes on either a cooperative or reimbursable basis, consistent with relevant international obligations such as the Outer Space Treaty and INTELSAT Agreement.
2. Point out that, since the system will not have been developed exclusively by the US, we would not expect to place a specific US limitation as to its use for launching communication satellites separate from the INTELSAT system, so long as our partners met the requirements of the INTELSAT Agreement at that time.
3. If Minister Lefevre inquires whether the space transportation system would be available for purchase by the European participants in its development, indicate that we agree in principle that it should, but that it is as yet too early to be able to consider

the particular arrangements and circumstances for sale.  
4/ "Moreover, it would be essential to stipulate that the new transportation systems to be developed jointly would be made available, without restriction, to each partner for peaceful uses."



In this case, we would need to be assured that the system would not be made available for use by third parties without the prior agreement of the US.

Discussion --

During the mid-September discussions we offered assurance of reimbursable launch services by means of the new space transportation system for those who participate substantially in its development. To this assurance we attached the same conditions as for the provision of launch services prior to the space transportation system becoming operational, i.e.:

"On the assumption that European participation would be substantial, the US would, as part of an international agreement governing such participation, be prepared to assure on a reimbursable basis launch services by means of the new Space Transportation System in the conduct of European space programs for any peaceful purpose consistent with relevant international agreements" (para 2 of Under Secretary Johnson's October letter).

These conditions

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included a limitation as to launching communications satellite systems separate from INTELSAT in the face of a negative finding by INTELSAT. In addition we stated that

"wherever there is a basis for European use of the Space Transportation System or Space Station, we would expect Europe to take part in mission planning and experimental programs in generous proportion to their use" (para 18 of Under Secretary Johnson's October letter).

We did not, however, indicate whether the space transportation system would be available for sale.

Minister Lefevre's proposition suggests that the space transportation system should be available to those who participated in its development without any use-conditions, including possibly European purchase of an operational system for their own use.

Even though the Europeans may have been "junior partners" in the development of the system, the system will in fact be essentially US-developed by virtue of our far greater investment and development effort. In this respect there does not seem to be an adequate basis to forego the general conditions which we attach to foreign use of our existing inventory of totally US-developed systems. It may be that the general circumstances (political, economic, security) which obtain six to ten years from now, when the system has been developed, will warrant some relaxation of these general conditions. We are hardly in a position to do so at this time.



In view, however, of the significant investment which the Europeans may have made to participate "substantially" in the development of the system, and particularly if they have set aside the further development of their own launch capability (EUROPA-III) in order to participate substantially, we could not reasonably sustain a specific US override on their use of the system to launch communication systems separate from INTELSAT so long as they meet the requirements of the INTELSAT Agreement at that time. Thus our use-conditions should include peaceful uses, compliance with international obligations such as the Outer Space Treaty and INTELSAT Agreement and third-party access, but we should withdraw the US-imposed limitation as to their use of the space transportation system for launching communications satellite systems separate from INTELSAT.

We agree in principle that the space transportation system would be available for sale to the European participants in its development, under the conditions described above. Since it is too early to define the particular arrangements and circumstances for sale, we would best not raise this matter ourselves, but deal with it only if Minister Lefevre raises it.

As a practical matter the more likely questions as to use of the space transportation system will be in the area of space-available and priority considerations. Certainly, we will offer priority consideration for space available within the vehicle to those who shared in its development. Certainly, we will want to preserve a basis for cooperative (non-reimbursable) use of such space and will want to reserve the right to impose reasonable charges for its use in the absence of a basis for cooperative interest. The large volume of the space transportation system suggests that it should not be difficult to do this. Partners in the development of the system should find it possible to purchase space within the vehicle on a priority basis at minimal charges for projects of their own which are technically compatible with other tasks being undertaken by us in the same launching. We would not impose a condition of non-competition.



Minister Lefevre's fifth proposition  
concerning "partnership"  
in both political and technical aspects 5/

Position --

1. Note that the instruments of cooperation (the political and technical agreements) will, of course, be negotiated jointly.
2. Make clear that the likely level of European participation relative to our own leaves no alternative but to consider the post-Apollo program as essentially a US program in which Europe may or may not decide to participate. Thus, final management decisions will be in US hands, except as they directly impact the tasks and costs of European participants, in which case decisions would be joint. We will welcome European association with all aspects of the management of the program, and the views of European representatives will be taken fully into account in the conduct of the program. Thus, the arrangements

5/ "The terms and conditions for both political and technical cooperation should also be fixed on the basis of a "partnership."

should be along the lines described in Under Secretary Johnson's letter to Minister Lefevre last October (see below).

3. Reiterate that, as stated last September, we strongly prefer that European participation be organized on a multilateral basis, i.e.: that the basic program and technical arrangements be between a single US organization (NASA) and a single European organization representing the European countries which choose to participate. While bilateral arrangements would be possible, we would wish to defer consideration of arrangements with individual European countries, or separate combinations of countries, until we have determined whether satisfactory European-wide multilateral arrangements are possible. The arrangements among the European participants within that single organization would, of course, be for the Europeans to decide.



Discussion --

The arrangement concerning decision-making and management which we proposed during the September discussions were as follows (see paras 16-17, 19-20 of Under Secretary Johnson's letter to Minister Lefevre of October 2, 1970):

"We consider that the European role in decision-making and management should relate to, and be commensurate with, the measure and character of European participation. Although we would not expect to set any minimum level for European participation, we seek substantial participation, and intend that the arrangements for collaboration should assure consultation in the development of the Space Transportation System and Space Station wherever of significant, mutual concern to both parties.

"Europe should be associated with the major decision-making bodies concerned with the overall planning and management of the development of either, or both of, these systems, depending on whether Europe decides to participate in the development of one, or both, of them. There should be an extensive role for Europe in the management of those aspects of these systems in which European contractors will be involved, either directly under European governments or working as sub-contractors to American prime contractors in integrated programs. Clearly, any decisions which affect European participation directly must be made jointly.

Thus, there could be a substantial role for Europe in decision-making and management. If, as seems likely, the U.S. input to the development of these systems and the U.S. use of these systems when developed will be significantly greater than the European input and use, overall responsibility for management of the post-Apollo program would necessarily rest with the U.S. .... We feel that Europe must be a partner in reaching any decisions which have a measurable impact upon European costs or upon European tasks in discharging their commitments to the program. Joint decision-making in these instances should not be permitted to have the effect of a unilateral veto in the case of normal over-runs which are experienced by contractors and sub-contractors on either side. There must, however, be provision for agreement by both parties in cases where changes in specifications would create different requirements than those to which they committed themselves in the initial agreement. In these latter cases there would have to be some appropriate arrangements to pursue other alternatives in the event agreement cannot be reached."

The very marked asymmetry in the partnership and the very advanced stage of US planning leave no alternative but to regard the post-Apollo program as a US program, not as a joint program. The Europeans should be left with no doubt that they are, in fact, being offered an option to participate in a US program. Management of the program must be in US hands with NASA making all final decisions; the sole exception being those decisions which directly impact the costs of participants, in which case the decisions should be joint. However, the "terms and conditions for both political and



technical cooperation" would be fixed jointly in the government-to-government agreement for their participation. In that sense, the modalities would be determined jointly. We have already offered them full "association" with the program management so that they may be fully informed and benefit to the maximum extent.

During the discussions in September we stated that multilateral arrangements between the US and the members of the European Space Conference (ESC) who choose to participate in the post-Apollo program are much to be preferred over bilateral arrangements between the US and individual European countries, but that bilateral arrangements would be possible. In view of the developments within the ESC since September, it would be well to reiterate this preference during these discussions.

Minister Lefevre's sixth proposition  
concerning limits on financial commitments 6/

Position--

1. Note that we recognize that this is a serious and difficult matter for both the Europeans and ourselves; that the initial financial estimates and commitments must be clearly understood on both sides; that during the development program any decisions which impact European tasks or European costs should be made jointly and fully agreed; and that there must be equitable arrangements to deal with the burden of cost escalations.
2. Note also that we feel that, wherever it is not possible to reach agreement on these matters during the development program, there must be previously-agreed arrangements under which the participants may pursue alternatives.
3. Suggest that the position on this matter contained in Under Secretary Johnson's October letter provides a reasonable basis to agree on the principles which

6/ "Lastly, there should be a clearer definition of the limits of the financial commitments under which participation by European countries could be organized."



should apply.

4. Suggest that the actual dollar figures, the detailed provisions as to alternatives, and such matters as changes in specifications, default, penalties, etc. should be worked out in the technical and program discussions with NASA.

Discussion --

It is not clear what limits the Europeans will wish to place upon their financial commitments. The Europeans would obviously wish to limit their commitments in some way, as would the US. However, the nature of advanced development carries with it uncertainties as to ultimate costs which are not amenable to easy definition or limitation. The problem is more one of realism than of principle. In principle each side would commit itself to perform certain tasks for the post-Apollo program; would have estimated its costs for those tasks as well as it might; and would hope to come out close to those estimates. In reality, it occasionally happens that a contractor or subcontractor underestimates his costs and finds himself in such serious trouble that he must in fact default. It is this kind of situation that we must

anticipate and face in negotiating an agreement. We should make clear to the Europeans that we recognize the problem and agree that it must be faced in the negotiation of an agreement.

As noted in response to the fifth proposition above, we have already made it clear to the Europeans that they should have an equal voice

"in reaching any decisions which have a measurable impact upon European costs or upon European tasks in discharging their commitments to the program. Joint decision-making in these instances should not be permitted to have the effect of a unilateral veto in the case of normal over-runs . . . . There must, however, be provision for agreement by both parties in cases where changes in specifications would create different requirements than those to which they committed themselves in the initial agreement. In these latter cases there would have to be appropriate arrangements to pursue other alternatives in the event agreement cannot be reached" (para 20 of Under Secretary Johnson's October letter).

At the political level such arrangements appear to set a reasonable basis for establishing financial limits. They appear also to safeguard the Europeans and ourselves against inequitable burdens arising from cost escalations. The actual dollar costs and specific arrangements as to penalties, default, alternatives, etc. should be dealt with during the technical and program discussions with NASA.



The meaning of "substantial" participation in the event that only one or a few of the European countries choose to participate in the post-Apollo program under bilateral, or limited multilateral arrangements with the US --

This is not a matter which should be raised with the Europeans during this discussion. If Minister Lefevre raises it, we should indicate that in order for the Europeans to acquire advance assurance as to launch services on the purchase of launch vehicles we feel that their aggregate participation should amount to at least 10% of the resources required for the development of the space transportation system. There does not appear to be any reasonable basis for altering our concept of substantial participation as described in Under Secretary Johnson's October letter.

The possibility of establishing arrangements for launch service fees which would favor those who participate substantially in the development of the space transportation system--

This is not a matter which should be raised during this discussion. If, however, the Europeans inquire as to the possibilities of a favorable differential, all we can say now is that we have the matter under consideration. NASA would like to be able to establish a formula for such a differential. This is, however, not a simple matter in view of

*and policy*  
the legal complexities involved in establishing the basis for launch service reimbursement.

\* \* \* \* \*

The positions described above would involve changes in the tentative positions set forth in Under Secretary Johnson's letter of October 2 in the following respects:

1. A change in paragraph 12 concerning advance consideration of prospective European regional commercial communication satellite systems.
2. A change in paragraph 10 with respect to advance agreement concerning the production in Europe of standard American launch vehicles.
3. An additional statement concerning European use of, and possible purchase of, the space transportation system when operational.
4. Further elaboration of paragraph 3 so as to make clear that our concept of "substantial" participation applies no matter how many European countries choose to participate in the post-Apollo program.
5. Further elaboration of paragraph 7 so as to allow for the possibility of differential arrangements for launch service fees.



*International  
copy in  
file*

February 8, 1971

To: Jon Rose

From: Tom Whitehead

Here is the NASA memo. I will have a shorter memo on the private sector area Tuesday or Wednesday before I come over to meet with Pete.

Attachment

cc: Mr. Whitehead

CTWhitehead:jm

8 FEB 1971

MEMORANDUM FOR MR. PETER FLANIGAN

This Administration has never really faced up to where we are going in Space. NASA, with some help from the Vice President, made a try in 1969 to get the President committed to an "ever-onward-and-upward" post-Apollo program with continued budget growth into the \$6-10 billion range. We were successful in holding that off at least temporarily, but we have not developed any theme or consistency in policy. As a result, NASA is both drifting and lobbying for bigger things -- without being forced to focus realistically on what it ought to be doing. They are playing the President's vaguely defined desire for international cooperation for all it's worth, and no one is effectively forcing them to put their cooperative schemes in any perspective of whether they are good or not so good, what are their side effects, and are they worth the candle. For the last two years, we have cut the NASA budget, but they manage each year to get a "compromise" of a few hundred million on their shuttle and space station plans. Is the President really going to ignore a billion or so of sunk costs and industry expectations when he gets hit for the really big money in a year or two?

I will try to be constructive by sketching out a few thoughts on the subject that might suggest what we should do about all this.

NASA is -- or should be -- making a transition from rapid razzle-dazzle growth and glamor to organizational maturity and more stable operations for the long term. Such a transition requires wise and agile management at the top if it is to be achieved successfully. NASA has not had that. (Tom Paine may have had the ability, but he lacked the inclination -- preferring to aim for continued growth.) They have a tremendous overhead structure, far too large for any reasonable size space program, that will have to be reduced. There will be internal morale problems of obvious kinds. The bright young experts attracted by the Apollo adventure are leaving or becoming middle-aged bureaucrats with vested interests and narrow perspectives. (Remember when atomic power was a young glamor technology? Look at AEC now and you see what NASA could easily become.)



There needs to be a sense of direction, both publicly and within NASA. The President's statement on the seventies in space laid the groundwork, but no one is following up. What do we expect of a space program? We need to define a balance of science, technology development, applications, defense, international prestige and the like; but someone will have to do that in a way that really controls the program rather than vice-versa. In particular, we need a new balance of manned and unmanned space activity, for that one dimension has big implications for everything else. We need a more sensible balance of overhead expenditures and money for actual hardware and operations; the aerospace industry could be getting a lot more business than they are, I suspect, with the same overall NASA budget if we could get into all that overhead.

NASA is aggressively pursuing European funding for their post-Apollo program. It superficially sounds like the "cooperation" the President wants, but is this what the President would really want if we really thought it through? We have not yet decided what we want our post-Apollo program to be or how fast it will go, but if NASA successfully gets a European commitment of \$1 billion, the President and the Congress will have been locked into NASA's grand plans because the political cost of reneging would be too high. I assume the President wants space cooperation as a way of building good will and reducing international tensions. But it does not follow that all joint ventures will have that effect. INTELSAT, for example, is a fully cooperative space venture and less political than the post-Apollo effort now envisaged would be, but most would agree it has been more of a headache than a joy and has created new tensions and contentions rather than good will and constructive working relationships. Finally, the U.S. trade advantage in the future will increasingly depend on our technological know-how. The kind of cooperation now being talked up will have the effect of giving away our space launch, space operations, and related know-how at 10 cents on the dollar. It does seem to me that taking space operations out of the political realm and putting it more nearly in the commercial area would diminish international bickering and give U.S. high technology industries the advantages and opportunities they deserve; this may or may not prove fully feasible, but the point is, no one in this Administration is seriously trying to find out.



The key thing missing, I think, is management attention to these issues. We need a new Administrator who will turn down NASA's empire-building fervor and turn his attention to (1) sensible straightening away of internal management and (2) working with OMB and White House to show us what broad but concrete alternatives the President has that meet all his various objectives. In short, we need someone who will work with us rather than against us, and will seek progress toward the President's stated goals, and will shape the program to reflect credit on the President rather than embarrassment. We need a generalist who can understand dedicated technical experts rather than the opposite. But we also need someone in the Executive Office who has the time, inclination, and authority to coordinate policy aspects. Separate handling of political, budget, technical, and international aspects of NASA planning here means that we have no effective control over the course of events because all these aspects are interrelated.

We really ought to decide if we mean to muddle through on space policy for the rest of the President's term in office or want to get serious about it.

Clay T. Whitehead

cc: Mr. Whitehead

CTWhitehead:jm 2/6/71



Office of Telecommunications Policy  
Route Slip

26 JAN 1971

To

~~Clay T. Whitehead~~ ✓

~~George F. Manour~~ ✓

A. Scalia

Wilfrid Dean

~~Steve Doyle~~ ✓

Walt Hinchman

Charles Joyce

William Lyons

~~Jack Thorne II~~ ✓

Eva Daughtrey ✓

Timmie White

Judy Morton

REMARKS



DEPARTMENT OF STATE

Washington, D.C. 20520

Jan. 22, '71

Tom:

This answer to Joe C.

by W.A.J. is O.K.

— Abbott





UNDER SECRETARY OF STATE  
FOR POLITICAL AFFAIRS  
WASHINGTON

*Jun. 21, 1971*

*(Handed by UAT to  
Joe Charyk in a draft.)*

Dear Joe:

As I indicated when we spoke over the telephone on January 13, I am writing in response to your letter of December 29, 1970 outlining Comsat's concerns regarding the provision of U.S. launch service to other countries seeking to launch regional communications satellites. You mentioned specifically the discussions which we have had with the European Space Conference regarding possible European participation in the U.S. post-Apollo space program.

As I am sure you know, the conversations which we conducted with the Europeans were pursuant to an instruction from the President to the Department of State and NASA to do all possible to obtain substantial international, and particularly Western European, financial and other material participation in the post-Apollo space program. If such participation could be obtained it would result in substantial financial, technological and political benefits to the U.S. Government.

The authoritative U.S. Government position with respect to European participation in the post-Apollo space program is that contained in my letter of October 2, 1970 to Theo Lefevre, Chairman of the European Space Council, the text of which is contained in State Department message CA-5237 of October 9, a copy of which I am forwarding with this letter in the event you had not previously seen the full text. As that letter states,

The Honorable  
Joseph V. Charyk,  
President,  
Communications Satellite Corporation,  
950 L'Enfant Plaza, S.W.,  
Washington, D.C.



the views set forth therein are preliminary and, in the case of the U.S. assurance of reimbursable launch services, entirely subject to a substantial European participation in the post-Apollo program on mutually agreeable conditions and terms.

Prior to and during the conversations with the ESC delegation, it was quite clear that a major consideration in a European decision to participate in a post-Apollo program was whether Europe could devote the resources now devoted to developing an independent launch capability to this purpose or whether such participation would be additive to their present launch program and thus require substantial additional resources. From the standpoint of over-all U.S. policy interests, as well as from the standpoint of doing the maximum to encourage European participation in the post-Apollo program, the former was the obviously preferred choice. I felt that such a choice would also clearly be in the interest of Comsat and INTELSAT.

If Europe were to abandon its effort to develop an independent launch capability, it was obviously and clearly interested in the availability of U.S. launches, both before and after the development of the new space transportation system, and much of the discussion, as well as my letter to Minister Lefevre, revolved around this point. In this regard, the portions of the letter pertinent to the interests of Comsat and INTELSAT are paragraphs 2, 4, and 11. Paragraph 2 states that launch services would be made available "for any peaceful purpose consistent with relevant international agreements." Paragraph 4 states that by "consistent with relevant international agreements" it is meant the "obligations of the U.S. and European countries as contained in such agreements as ... the INTELSAT agreement." Paragraph 11 states that in terms of draft Article XIV of the INTELSAT agreement as it was then proposed, the United States assurance "would apply in those cases where no negative finding is made by the appropriate INTELSAT organ, regardless of the position taken by the U.S. in the vote",



and that where there was a "negative finding by the appropriate INTELSAT organ" the U.S. could not obligate itself in advance to assure launch services.

During the informal and oral discussion which led up to these statements I made it specifically clear that I was not authorized, nor was I in any way purporting to interpret, modify or in any way negotiate on the language or meaning of Article XIV, as that was a matter solely to be handled within the framework of the INTELSAT negotiations. Minister Lefevre entirely concurred with this position.

Thus my discussion with Minister Lefevre of possible contingencies that could arise under Article XIV was entirely hypothetical. The hypothetical situation most discussed by us was that of a negative finding as to the economic compatibility of a regional communications satellite system based on a two-thirds vote of the Assembly. This followed from the language of draft Article XIV, which stipulates that "the Assembly of Parties ... shall express, in the form of recommendations, its findings." Thus the discussion of U.S. assurances of launch services was predicated on specific findings by INTELSAT, under the assumption that the absence of a specific recommendation by the Assembly of Parties would not constitute a finding, either positive or negative. I note from your letter of December 29, 1970, that this is also Comsat's view of the range of possible outcomes under the present wording of Article XIV.

However, there is an ambiguity in the wording of Article XIV which arises from the apparent possibility under the terms of that Article as currently drafted that the Assembly of Parties might fail to fulfill its obligation to make a specific finding if it were in fact unable to make any recommendation, either positive or negative, by a two-thirds vote. On the other hand, the interpretation of the intent of this Article held by important delegations to the INTELSAT Conference (including the U.S. Delegation) is that the failure of a positive recommendation to achieve a two-thirds vote automatically constitutes a negative finding. This



difference in interpretation clearly has an important bearing on the preliminary assurances of U.S. action in this contingency (that of a negative finding by the Assembly) as conveyed to Minister Lefevre and the ESC in my letter.

I believe that the resolution of this ambiguity in the wording of Article XIV is a matter for clarification within the framework of the INTELSAT negotiations and that the language of the INTELSAT definitive arrangements or the legislative history accompanying those arrangements should be clearly drawn so as to eliminate any possible ambiguity.

In an effort to resolve this problem and to reconcile the U.S. Government interests in the maintenance of a strong INTELSAT arrangement and in securing European cooperation in the post-Apollo program, I would propose now to proceed on the following course of action, which I hope will be satisfactory to you as well as to the other concerned parties:

A. The U.S. will support the U.S. INTELSAT Delegation's interpretation of Article XIV--namely--Article XIV requires the proponent(s) of a regional system to bear the burden of persuading two-thirds of the Assembly that the proposal will not cause significant economic harm to INTELSAT and will not prejudice the establishment of direct links to the global system: Failure to meet this requirement will be considered a negative finding.

B. The U.S. at an appropriate and early date, will inform the ESC of the U.S. position on Article XIV. Recognizing that this interpretation of Article XIV limits the launch commitment in my letter of October 2, 1970, and recognizing the need to enable the Europeans to make early decisions on participation in the post-Apollo program (possibly before the INTELSAT definitive arrangements have been brought into effect), the U.S. would propose to invite the Europeans now to identify the regional telecommunications satellites for which the ESC may wish to obtain U.S. launching services in the period prior to the



coming into effect of the new space transportation system (e.g., over the next decade), so that the U.S. could in turn provide an advance indication of our position on the suitability of these proposals under the criteria of INTELSAT Article XIV.

With respect to the period after the new space transportation system becomes operational, the ESC would be informed that the provision of U.S. launching services would continue to be governed by the principles set forth in my October 2, 1970, letter to Lefevre and in the discussions contemplated by the present proposal.


C. To implement this strategy vis-a-vis the Europeans, the U.S. would inform ESC that the U.S. Government has had the opportunity to review the meaning of Article XIV in depth and has also given further consideration to the question of the availability of launcher services pending the development of post-Apollo hardware. The U.S. would then set out its position on Article XIV and emphasize that it would help clarify the importance of the U.S. commitment to move the discussion to more specific grounds. We would therefore suggest that the European Space Conference prepare and submit to the U.S. a description of the international telecommunications satellites for which the ESC may wish to obtain U.S. launching services in the period prior to the coming on line of the new space transportation system. With respect to these proposals, the U.S. would undertake to determine, with reasonable dispatch, the position it would take in the INTELSAT Assembly were such specific proposals to be put forward. There would be every likelihood that any proposal in INTELSAT which had the support of both the European countries and the United States would obtain a two-thirds favorable vote. In accordance with the terms of the original Lefevre letter (paragraphs 2 and 11), the U.S. would be committed to provide launch services for any proposal which avoided a negative finding in the INTELSAT Assembly by thus attaining a two-thirds favorable vote. Also in accordance with the terms of the October 2 letter, the U.S. could not commit itself in advance to providing launch services for a proposal which failed to attain this margin of support.



I hope you will find this information helpful.

Sincerely,

U. Alexis Johnson







UNDER SECRETARY OF STATE  
FOR POLITICAL AFFAIRS  
WASHINGTON

*Stone*  
*FYI*  
*Let # detected*

Dear Joe:

As I indicated when we spoke over the telephone on January 13, I am writing in response to your letter of December 29, 1970 outlining Comsat's concerns regarding the provision of U.S. launch service to other countries seeking to launch regional communications satellites. You mentioned specifically the discussions which we have had with the European Space Conference regarding possible European participation in the U.S. post-Apollo space program.

As I am sure you know, the conversations which we conducted with the Europeans were pursuant to an instruction from the President to the Department of State and NASA to do all possible to obtain substantial international, and particularly Western European, financial and other material participation in the post-Apollo space program. If such participation could be obtained it would result in substantial financial, technological and political benefits to the U.S. Government.

The authoritative U.S. Government position with respect to European participation in the post-Apollo space program is that contained in my letter of October 2, 1970 to Theo Lefevre, Chairman of the European Space Council, the text of which is contained in State Department message CA-5237 of October 9, a copy of which I am forwarding with this letter in the event you had not previously seen the full text. As that letter states,

The Honorable

Joseph V. Charyk,  
President,

Communications Satellite Corporation,  
950 L'Enfant Plaza, S.W.,  
Washington, D.C.

the views set forth therein are preliminary and, in the case of the U.S. assurance of reimbursable launch services, entirely subject to a substantial European participation in the post-Apollo program on mutually agreeable conditions and terms.

Prior to and during the conversations with the ESC delegation, it was quite clear that a major consideration in a European decision to participate in a post-Apollo program was whether Europe could devote the resources now devoted to developing an independent launch capability to this purpose or whether such participation would be additive to their present launch program and thus require substantial additional resources. From the standpoint of over-all U.S. policy interests, as well as from the standpoint of doing the maximum to encourage European participation in the post-Apollo program, the former was the obviously preferred choice. I felt that such a choice would also clearly be in the interest of Comsat and INTELSAT.

If Europe were to abandon its effort to develop an independent launch capability, it was obviously and clearly interested in the availability of U.S. launches, both before and after the development of the new space transportation system, and much of the discussion, as well as my letter to Minister Lefevre, revolved around this point. In this regard, the portions of the letter pertinent to the interests of Comsat and INTELSAT are paragraphs 2, 4, and 11. Paragraph 2 states that launch services would be made available "for any peaceful purpose consistent with relevant international agreements." Paragraph 4 states that by "consistent with relevant international agreements" it is meant the "obligations of the U.S. and European countries as contained in such agreements as ... the INTELSAT agreement." Paragraph 11 states that in terms of draft Article XIV of the INTELSAT agreement as it was then proposed, the United States assurance "would apply in those cases where no negative finding is made by the appropriate INTELSAT organ, regardless of the position taken by the U.S. in the vote",



and that where there was a "negative finding by the appropriate INTELSAT organ" the U.S. could not obligate itself in advance to assure launch services.

During the informal and oral discussion which led up to these statements I made it specifically clear that I was not authorized, nor was I in any way purporting to interpret, modify or in any way negotiate on the language or meaning of Article XIV, as that was a matter solely to be handled within the framework of the INTELSAT negotiations. Minister Lefevre entirely concurred with this position.

Thus my discussion with Minister Lefevre of possible contingencies that could arise under Article XIV was entirely hypothetical. The hypothetical situation most discussed by us was that of a negative finding as to the economic compatibility of a regional communications satellite system based on a two-thirds vote of the Assembly. This followed from the language of draft Article XIV, which stipulates that "the Assembly of Parties ... shall express, in the form of recommendations, its findings." Thus the discussion of U.S. assurances of launch services was predicated on specific findings by INTELSAT, under the assumption that the absence of a specific recommendation by the Assembly of Parties would not constitute a finding, either positive or negative. I note from your letter of December 29, 1970, that this is also Comsat's view of the range of possible outcomes under the present wording of Article XIV.

However, there is <sup>an</sup> ambiguity in the wording of Article XIV which arises from the apparent possibility under the terms of that Article as currently drafted that the Assembly of Parties might fail to fulfill its obligation to make a specific finding if it were in fact unable to make any recommendation, either positive or negative, by a two-thirds vote. On the other hand, the interpretation of the intent of this Article held by important delegations to the INTELSAT Conference (including the U.S. Delegation)

is that the failure of a positive recommendation to achieve a two-thirds vote automatically constitutes a negative finding. This difference in interpretation clearly has an important bearing on the preliminary assurances of U.S. action in this contingency (that of a negative finding by the Assembly) as conveyed to Minister Lefevre and the ESC in my letter.

I believe that the resolution of this ambiguity in the wording of Article XIV is a matter for clarification within the framework of the INTELSAT negotiations and that the language of the INTELSAT definitive arrangements should be clearly drawn so as to eliminate any possible ambiguity.

In an effort to resolve this problem and to reconcile the U.S. Government interests in the maintenance of a strong INTELSAT arrangement and in securing European cooperation in the post-Apollo program, I would propose now to proceed on the following course of action, which I hope will be satisfactory to you as well as to the other concerned parties:

A. The U.S. will support the U.S. INTELSAT Delegation's interpretation of Article XIV--namely--Article XIV requires the proponent(s) of a regional system to bear the burden of persuading two-thirds of the Assembly that the proposal will not cause significant economic harm to INTELSAT and will not prejudice the establishment of direct links to the global system: Failure to meet this requirement will be considered a negative finding.

B. The U.S., at an appropriate and early date, will inform the Europeans of the U.S. position on Article XIV. Recognizing that this interpretation of Article XIV limits the launch commitment in <sup>my letter of October 2, 1970</sup> the Lefevre letter and recognizing the need to enable the Europeans to make early decisions on participation in the post-Apollo program (possibly before the INTELSAT definitive



arrangements have been brought into effect), the U.S. would propose to invite the Europeans now to identify the regional telecommunications satellites for which the ESC may wish to obtain U.S. launching services in the period prior to the coming into effect of the new space transportation system (e.g., over the next decade), so that the U.S. could in turn provide an advance indication of our position on the suitability of these proposals under the criteria of INTELSAT Article XIV.

With respect to the period after the new space transportation system becomes operational, the ESC would be informed that the provision of U.S. launching services would continue to be governed by the principles set forth in my October 2, 1970, letter to Lefevre and in the discussions contemplated by the present proposal.

C. To implement this strategy vis-a-vis the Europeans, the U.S. would inform ESC that the U.S. Government has had the opportunity to review the meaning of Article XIV in depth and has also given further consideration to the question of the availability of launcher services pending the development of post-Apollo hardware. The U.S. would then set out its position on Article XIV and emphasize that it would help clarify the importance of the U.S. commitment to move the discussion to more specific grounds. We would therefore suggest that the European Space Conference prepare and submit to the U.S. a description of the international telecommunications satellites for which the ESC may wish to obtain U.S. launching services in the period prior to the coming on line of the new space transportation system. With respect to these proposals, the U.S. would undertake to determine, with reasonable dispatch, the position it would take in the INTELSAT Assembly were such specific proposals to be put forward. If it became necessary in the course of these further discussions with the ESC, we would indicate to the Europeans that, for those projects the U.S. would support, the U.S. in addition would also commit itself to provide launch services subject only to qualification in the event there were opposition by two-thirds of the Assembly. In the latter case the U.S. would reserve its position. In accordance with the terms of the original Lefevre letter (paragraphs 2 and 11), it would remain

understood that the U.S. would be committed to provide launch services for any proposal which avoided a negative finding in the INTELSAT Assembly by attaining a two-thirds favorable vote.

I hope that you will find this information helpful.

Sincerely,

U. Alexis Johnson



*Post Apollo*

*for  
11/27/70  
intg*

MEMORANDUM FOR

Honorable Edward David  
Director  
Office of Science and Technology

I expect to meet with U. Alexis Johnson at the State Department on Friday, November 27 to discuss with him the USG position on launch assurances to the West Europeans for their space programs. You will recall that several weeks ago U. Alexis sent a letter to Minister LeFevre in France in which we wrapped launch assistance and Post Apollo cooperation into one bundle.

Comsat is very upset at this point because officials there contend that the letter to LeFevre gives the Europeans too much in the way of commitment to launch. They feel this was a particularly bad time to make such sweeping promises in light of our current negotiating posture in the INTELSAT conference on definitive arrangements for the global satellite system.

The immediate question I will discuss with U. Alexis is -- just how far are we committed? There is a division of opinion at State. Some (Pollock in particular) claim that we have promised the Europeans to launch anything they want, even communication satellites, provided that in the Comsat cases the Assembly of INTELSAT has not made a finding that such a satellite would adversely affect INTELSAT. That is, only a "negative" finding by INTELSAT on a proposed satellite would release us from our obligation to provide a launch. Others insist (Bert Rein, Amb. Washburn) that we are obliged to launch only when INTELSAT makes a "positive" finding, i. e. that a proposed satellite would not adversely affect the INTELSAT system. Assume for the sake of argument that two-thirds of the INTELSAT Assembly cannot agree on whether a proposed satellite would or would not adversely affect INTELSAT. In such a case, Pollock insists we are bound to launch and have told the Europeans that, Rein and Washburn claim we are not bound to launch and would only consider such a launch on its own merits.



My position is that we are not bound to launch under the U. Alexis letter unless there is a positive Assembly finding. Absent a two-thirds majority agreement in the INTEL SAT Assembly we should decide each launch request on its merits. I do not think anyone agreed that we are bound in every case save the one in which INTEL SAT finds that a potential adverse impact exists in a specific communication satellite program. If possible, I would like to mention your concurrence in this view.

Clay T. Whitehead

SDOYLE:bks





DEPARTMENT OF STATE

Washington, D.C. 20520

January 19, 1971

MEMORANDUM FOR C.T.W.

Tom:

Over the past fortnight, with much laborious effort, we succeeded in getting the launch-assurance controversy narrowed down to the points set forth in the attached memo to UAJ dated 1/11/71. With reluctance Herman Pollack (with Arnold Frutkin screaming in the wings) agreed that UAJ should clarify for Lefevre our interpretation of Article XIV--namely--that anything less than 2/3 is automatically a negative finding. UAJ would then request of Lefevre that the Europeans submit specific regional satcom projects for our consideration, promising that we would give them our position on these proposals "with reasonable dispatch". On projects we can support, we would go all-out to help them roll up the necessary 2/3--with very good likelihood of success resulting from our joint efforts (51 votes needed out of the 77 total).

As you can see from the memo, Herman goes along with this only on condition that advance launch commitments be given to the Europeans for projects we can support. In his words:

"For those projects the U.S. would support, the U.S., in addition to support in the Assembly, would commit itself to provide launch services subject only to qualification in the event there was opposition by 2/3 of the Assembly. In the latter case the U.S. would reserve its position."

He argues that unless we make the Europeans this commitment, they will be "greatly distressed" and will give up any further consideration of post-Apollo participation.

The contention of OTP,E/TT, FCC, and our INTELSAT Delegation is that the U.S. would be talking out of both sides of its mouth if in the Conference we say Article XIV means 2/3 for endorsement and at the same time tell a select group of INTELSAT partners that we will launch projects which get 1/3 plus one. This would be sure to leak out. It could prejudice the success of the Conference, and undermine the future working of Article XIV in years to come. The LDC's

and other small users would regard this as a "deal" between the Americans and the big European users to go ahead with a project even though it might receive as few as 27 "yes" votes in the face of 50 "no" votes, even though it would raise their costs, even though a substantial majority of the Assembly thought it would do "significant economic harm" to INTELSAT. (We also question whether commitments for satcoms are all that central to Europe's decision to participate in post-Apollo. They may be critical in the view of the French, but not to the other countries. And we doubt whether the French, in any case, will really be satisfied with anything short of total launch assurance from us.)

However, UAJ, upon receipt and study of the memo, agreed with Herman that if he is to take this line with Lefevre, he must also commit us to launch or else the post-Apollo jig is up. He will, he says, regard this as a fall-back position, and will do his best to avoid coming to it. But he is convinced that he will have to do so, if post-Apollo is not to be forfeited. He will seek your approval to proceed in this fashion.

At this point you could say you are pleased at the progress in narrowing the gap with the USG on this problem, that you believe it is right to clarify Article XIV when the Europeans return to Washington, and that you also think it wise to invite them to submit specific proposals. You could add that, in your opinion, the resolution of this problem will turn on what these specific projects are and how we react to them rather more than on any other factor. If they come up with something reasonably confined to Western Europe and if we decide we can support it, it is almost certain that through our joint efforts we will be able to get the 2/3 approval in the Assembly (51 votes). It is an absolute certainty that we would be able to get a majority of the Assembly (39 votes).

As to guaranteeing now that we will launch any project we and they can agree on that gets 1/3 plus one in the Assembly (27 votes), you are troubled by this--you are troubled by the equivocal position it puts us in, and by the risk of



damage to the Conference and to INTELSAT itself. You wonder whether this is necessary, and whether we couldn't find some other way out. Also, you doubt whether it could be sold to the FCC, COMSAT and to Senator Pastore.

Very likely UAJ will then invite you to suggest "another way". You might take the following line: "If Lefevre says 'we must know now whether you will launch a project we both agree on,' you might reply 'we can tell you now off-the-record that we will in all probability launch a project that gets a simple majority in the Assembly. We do not think it in either of our interests, in the long run, to launch a project which the majority of the members oppose, nor is it really necessary to worry about this point, since through our combined efforts we can always secure 1/2 plus one in the Assembly (39 votes)'"

To this UAJ will say that in his opinion this is not good enough, the Europeans will feel we have walked the cat back, and we will be throwing away any possibility of their \$1 billion contribution to post-Apollo.

You could reply: "Granting that it is a question of judgment as to whether their \$1 billion rides on this one factor (which I am inclined to doubt except perhaps in the minds of the French), one must bear in mind that INTELSAT is a going concern. It involves commitments with 76 nations, and an investment by our citizens (via COMSAT) presently worth over \$1/4 billion. In addition, we are on the verge of a new Agreement after two years of hard work. Ought we to put all this on one tray of the scale and weigh against it, on the other tray, the mere hope, not even a promise, of European participation in post-Apollo? Before going any further than saying that in all probability we will launch a project that gets a simple majority, ought we not to ask something of them in terms of their commitment--with perhaps an initial \$100 million earnest-money. Otherwise we are just giving without getting anything in return--except continuation of the discussion. Is this, one wonders, a good way to negotiate with hard traders like the Europeans? If we don't go the third mile, will they go home mad? I doubt it. The French

will be unhappy, but they will be unhappy anyway. The others will react: "All right, let's concentrate on specific projects. If we can agree with the Americans on a project, it is certain to get a majority in the Assembly and we have their gentleman's agreement that they will launch it."

UAJ might say, "But aren't we still equivocating in the Conference if we agree to launch a proposal that doesn't get 2/3?"

"I don't think so," you might reply, "because a majority has a recognized quality of sanction to it, the finding is legally non-binding, and we will have simply told the Europeans that in all probability we would launch a project that realized a majority. If confronted by the LDC's in the Plenary with the accusation that we had made a firm deal behind the scenes with the Europeans, we could properly deny it."

- *Approved*





## DEPARTMENT OF STATE

Washington, D.C. 20520

January 11, 1971

MEMORANDUM

TO : U - Under Secretary Johnson

FROM : INTELSAT - Ambassador Washburn  
SCI - Herman Pollack  
E/TT - Bert Rein

SUBJECT : INTELSAT Article XIV and Post-Apollo  
Launch Commitments

We have explored the possibility of validating the strong interpretation of Article XIV of the INTELSAT permanent agreement held by the U.S. and other important INTELSAT delegations while minimizing risks to the post-Apollo program by offering the Europeans definite U.S. views on the compatibility of proposed European projects with INTELSAT. We are in agreement that this strategy is worth pursuing and we agree on all its elements except whether the U.S. should express its views only in the form of assurances of support in the INTELSAT Assembly or, additionally, in the form of launch commitments. (SCI's agreement is contingent on the latter, i.e., it believes that anything less than a launch commitment would not, in European eyes, offset U.S. assertion of the Delegation view on the operation of Article XIV.) Given a decision on that issue and your concurrence with the general position outlined below, the following points will serve as guidance for dealing with ComSat, the FCC and the Europeans.

Proposed Strategy

A. The U.S. will support the U.S. INTELSAT Delegation's interpretation of Article XIV--namely-- Article XIV requires the proponent(s) of a regional system to bear the burden of persuading 2/3 of the Assembly that the proposal will not cause significant economic harm to INTELSAT and will not prejudice the establishment of direct links to the global system: Failure to meet this requirement will be considered a negative finding.\* Since the language

\*(Since INTELSAT members are not legally bound to adhere to the finding of the Assembly and an INTELSAT affirmative finding thus constitutes an endorsement of rather than permission for a regional project, it is logical that the proponent be required to convince a substantial majority of the members.)

of Article XIV as currently drafted might not clearly reflect this interpretation, it would be proper, in the April/May Plenary, to clarify the legislative history so as to eliminate any possible ambiguity.

B. The U.S. at an appropriate and early date, will inform the Europeans of the U.S. position on Article XIV.\*

C. Recognizing that this interpretation of Article XIV limits the launch commitment in the Lefevre letter and recognizing the need to enable the Europeans to make early decisions on participation in post-Apollo (before the INTELSAT definitive arrangements have been brought into effect), the U.S. would propose two further steps vis-a-vis the European Space Conference:

(a) To encourage the Europeans to identify their prospective regional proposals now, so that we can provide an advance indication of our position on the suitability of these proposals under the criteria of INTELSAT Article XIV.

(b) To recognize that the launch commitments under discussion are applicable only in the period before post-Apollo hardware is available and that additional availability of post-Apollo launch services might arise from the future negotiations on management arrangements for the space shuttle. (We are speaking now of the transition period--roughly the next decade.)

D. To implement this strategy, the U.S. would inform the European Space Conference (probably when the Lefevre mission returns to Washington next month) that the USG has had the opportunity to review the meaning of Article XIV in depth and has also given further consideration to the question of the availability of launcher services pending the development of post-Apollo hardware. The U.S. would then set out its position on Article XIV and emphasize that it would help clarify the

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\*(Neither the Under Secretary's letter nor his talks with Lefevre constituted a binding interpretation of Article XIV, but it is important to dispel any possible confusion on our Article XIV position and to move the launch dialogue forward in a constructive format.)



importance of the U.S. commitment to move the discussion to more specific grounds. We would therefore suggest that the European Space Conference prepare and submit to the U.S. a description of the international telecommunications systems for which the ESC may wish to obtain U.S. launching services in the period prior to the coming on line of the new space transportation system. With respect to these proposals, the U.S. would undertake to determine, with reasonable dispatch, the position it would take in the INTELSAT Assembly were such specific proposals to be put forward. (SCI: For those projects the U.S. would support, the U.S. in addition would also commit itself to provide launch services subject only to qualification in the event there was opposition by 2/3 of the Assembly. In the latter case the U.S. would reserve its position). In accordance with the terms of the letter to Lefevre (paragraphs 2 and 11), it would remain understood that the U.S. would be committed to provide launch services for any proposal which avoided a negative finding by attaining a 2/3 favorable vote. This would remain true regardless of whether the U.S. had supported or opposed the project in the Assembly.

#### Assessment

With respect to the consequences of this course of action, we agree (as does Tom Whitehead) that this clarification of Article XIV is in the national interest and is essential to preserve tranquility in the INTELSAT camp. Also, the meaning of Article XIV is important for its impact on possible launching decisions by the Europeans as well as in terms of our launch commitment. If we wish to extend the latter, we should do so directly while at least preserving the moral barriers to disruption of the INTELSAT system.

We also agree that the Europeans will be disappointed and perhaps much distressed by our interpretation of Article XIV (although Ambassador Washburn believes that their INTELSAT delegations, having negotiated this compromise language, are already aware of its propriety.) Consequently, if we do not say something further to them about our launch commitments, post-Apollo might be jeopardized. Regardless of any such

additional steps on our part, we think it likely that the French (perhaps supported by the Belgians) will express dismay and press for accelerated progress on Europa III. We think, however, that the French would probably follow this course even if they obtain from us a total launch commitment subject only to third party and peaceful use limitation, and thus, in the case of the French, this strategy would only accelerate an inevitable conflict. (It should be borne in mind that the Belgians are sometimes the spokesmen for the French, in this case Lefevre).

The key to the strategy, therefore, lies in the probable reactions of the other Europeans. We believe that our willingness to discuss individual projects would maintain the dialogue with the other Europeans, and that they would be willing to make a decision on post-Apollo based on the practical effect of our launch position rather than on the abstract principle of commitment.

Ambassador Washburn and E/IT believe that the U.S. could confine the discussion of U.S. positions to U.S. action in the INTELSAT Assembly. They believe that the Europeans will recognize that a project with joint U.S./European support would almost certainly receive Assembly endorsement and that, even if the project fell something short of the 2/3 requirement (e.g. 60% support), the U.S. would almost certainly launch a project which it had supported and which had achieved a good majority. They are concerned that giving our definite commitment now to launch a European project, even though it might fail to achieve 2/3 Assembly support, would be very apt to leak out. This would place us in an equivocal position and could prove a significant embarrassment and handicap to the U.S. in the INTELSAT Plenipotentiary.

(SCI, on the other hand, believes that the Europeans clearly have commitments of launch availability as their target and would not feel that an assurance of our position in an Article XIV proceeding an adequate redressment for the assertion of a U.S. posture that a negative finding, as that term is used in the letter to Lefevre, is anything less than a 2/3 vote of economic compatibility. SCI therefore holds that it is essential to go beyond a commitment as to our position in INTELSAT on European regional telecommunication proposals to a commitment to launch).



*Post Apollo*

Tuesday 11/24/70

MEETING

11/27/70

3:00 p.m.

4:05 Alex Johnson's office called to say that Ambassador Washburn has to participate in a Congressional hearing and they won't be able to keep the appointment with you tomorrow (11/25) to discuss the Comsat position.

It has now been rescheduled for 3 p.m. on Friday (11/27) in Room 7240 at State Dept.

Thursday 11/19/70

MEETING  
11/26/70

6:30 Mr. Washburn called to mention that he heard about the meeting had been set up with Alexis Johnson on the 25th.

Also mentioned that Vice President Ky of Vietnam is not coming to Thanksgiving dinner so you won't have such distinguished company, but the Washburns will be very delighted and charmed to have you and your lady. Dinner will be at the Washburns.



*Meeting  
11/27/70  
3:00*

MEMORANDUM FOR

Honorable Edward David  
Director  
Office of Science and Technology

I expect to meet with U. Alexis Johnson at the State Department on Friday, November 27 to discuss with him the USG position on launch assurances to the West Europeans for their space programs. You will recall that several weeks ago U. Alexis sent a letter to Minister LeFevre in France in which we wrapped launch assistance and Post Apollo cooperation into one bundle.

Comsat is very upset at this point because officials there contend that the letter to LeFevre gives the Europeans too much in the way of commitment to launch. They feel this was a particularly bad time to make such sweeping promises in light of our current negotiating posture in the INTELSAT conference on definitive arrangements for the global satellite system.

The immediate question I will discuss with U. Alexis is -- just how far are we committed? There is a division of opinion at State. Some (Pollock in particular) claim that we have promised the Europeans to launch anything they want, even communication satellites, provided that in the Comsat cases the Assembly of INTELSAT has not made a finding that such a satellite would adversely affect INTELSAT. That is, only a "negative" finding by INTELSAT on a proposed satellite would release us from our obligation to provide a launch. Others insist (Bert Rein, Amb. Washburn) that we are obliged to launch only when INTELSAT makes a "positive" finding, i. e. that a proposed satellite would not adversely affect the INTELSAT system. Assume for the sake of argument that two-thirds of the INTELSAT Assembly cannot agree on whether a proposed satellite would or would not adversely affect INTELSAT. In such a case, Pollock insists we are bound to launch and have told the Europeans that, Rein and Washburn claim we are not bound to launch and would only consider such a launch on its own merits.



- 2 -

My position is that we are not bound to launch under the U. Alexis letter unless there is a positive Assembly finding. Absent a two-thirds majority agreement in the INTELSAT Assembly we should decide each launch request on its merits. I do not think anyone agreed that we are bound in every case save the one in which INTELSAT finds that a potential adverse impact exists in a specific communication satellite program. If possible, I would like to mention your concurrence in this view.

Clay T. Whitehead

SDOYLE:bks



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

DIRECTOR

Mr. Joseph H. McConnell  
Chairman of the Board  
Communications Satellite Corporation  
950 L'Enfant Plaza, S. W.  
Washington, D. C. 20024

Dear Joe:

It was a pleasure to have had the opportunity to discuss with you and your colleagues Comsat's views with regard to the status of the current INTELSAT negotiations. Peter Flanigan has sent to me your letter to him dated October 27, and I have had the opportunity to discuss that letter and its attachment with Abbott Washburn and independently with Joe Charyk and John Johnson.

The range of issues with which we are faced in the negotiation is broad, and I fully appreciate your concerns with regard to the ultimate necessity to be fully aware of the interrelationship of these issues as each one approaches resolution. Having your letter and the attachment has helped enormously to focus discussion on some of the key issues. I do not think we can at this time answer all the questions with which we are faced, but the frank and constructive dialogue you have stimulated and contributed to is clearly to everyone's benefit.

I will be further discussing these matters with U. Alexis Johnson, to whom a copy of your October 27 letter is being sent.

I will continue to participate fully in high-level reviews of our progress in the negotiations and to work very closely with Abbott Washburn and other key members of the delegation to ensure the fullest protection of all legitimate interests in this negotiation.

Sincerely,

Clay T. Whitehead

*CTW in control  
WAT & AW will be in back  
feel free to contact*

27

Talking Points for Meeting with U. Alexis Johnson, November 24, 1970

1. Since this meeting was generated in part by McConnell's letter to Flanigan, perhaps it is best to begin the review of issues contained in the Comsat memo attached to the letter to Flanigan. (Letter to Flanigan at Tab 1; Comsat letter at Tab 2).

Ambassador Washburn is prepared to review quickly where we stand and what the problem is with regard to each item in the Comsat memo. (Washburn memo outlining views dated November 16 at Tab 3.)

A. Scheduling of the Conference

(Cannot be decided before the end of December.)

B. Powers of the Assembly -- Complaints

(Comsat exaggerates potential problems.)

C. Amendment Provisions

(Reasonableness should lead us to seek acceptable or saleable proposal such as 85% ownership and 51% of members.)

D. Price Flexibility and Capital Ceiling

(The government agencies fully support Comsat view.)

E. Regional Systems and Launch Assurances

(In case of a hung assembly, each proposal should be considered on its merits.)

2. A broader issue which we might discuss briefly is what role the Presidentially appointed directors have played and what role they might play if properly educated to prepare them to participate meaningfully in discussion of the negotiations issues. The Presidentially appointed directors are Peterson, Meany, and Donner. Buchen and Hagerty are possible additional ballast to offset the hard-line directors; namely, McConnel, Welch and Sundlun. Is there some way we could better inform selected members of the Board to bring more balance into their deliberations on definitive arrangements?
3. There are two nagging issues involving Comsat which need not be discussed at this meeting, but will require some near-term, top-level government consideration: (a) the recent GAO Report on Comsat launch costs, and (b) government guidance (instructions) process for Comsat as U.S. member of INTELSAT.





10/28/70

To: Tom Whitehead - Should we transmit  
copies to Washburn + Undersecretary  
Johnson? Could you give me a  
brief idea what this is all  
about in our next? Thanks much,

COMMUNICATIONS SATELLITE CORPORATION

JOSEPH H. McCONNELL  
Chairman of the Board

October 27, 1970

Jon

Mr. Peter Flanigan  
The White House  
Washington, D. C.

Dear Peter:

At our last meeting with Dr. Whitehead and you, we discussed the INTELSAT negotiations, and Dr. Whitehead indicated that he thought that sometimes Comsat spoke with two voices, or more than one voice, in any event.

In the light of this suggestion, I thought it important that the views of Comsat be clearly stated, in writing, so that there could be no further misunderstanding about them. For that purpose, I am attaching a memorandum dated October 27, 1970, entitled, "Comsat Position on INTELSAT Definitive Arrangements Negotiations."

I recognize that a great deal of progress has been made to date. In the remaining negotiations, there need not and should not be serious conflicts of views or objectives within the United States Delegation. Above all, I hope we can avoid the danger that the United States may become committed to a text which our Board concludes it cannot approve as in the interests of Comsat's stockholders.

I am attaching copies of the memorandum and of this letter for Undersecretary of State for Political Affairs, U. Alexis Johnson, who has



Mr. Flanigan

-2-

October 27, 1970

followed the negotiations, as well as Ambassador Washburn and Dr. Whitehead. Unless you see objections, I would be grateful if you would transmit them to these individuals.

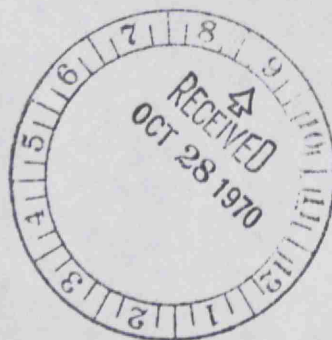
With kindest regards,

Sincerely yours,

*J. H. Lee*  
Chairman of the Board

Attachments







October 27, 1970

MEMORANDUM

RE: COMSAT POSITION ON INTELSAT DEFINITIVE ARRANGEMENTS NEGOTIATIONS

The United States, through its delegation, is presently engaged in negotiations looking towards what are called definitive arrangements for INTELSAT. INTELSAT is a consortium of telecommunications organizations of 76 nations who jointly own the satellites providing global telecommunications services. It was created in 1964 under an interim international agreement which by its terms continues in effect until the definitive arrangements are completed.

In general, the representatives of the nations other than the United States in these negotiations speak for government-owned communication services. In the United States, there is a great deal of difference, in that the Communications Satellite Corporation (Comsat) is the telecommunications entity here, rather than the United States Government.

Comsat is a private corporation <sup>- pursuant to</sup> created by an Act of Congress as this country's chosen instrument for international satellite communications. It has issued ten million shares of stock, presently owned by over 120,000 stockholders, who originally subscribed \$200 million to the capital of the corporation. These stockholders are represented by a Board of Directors whose composition is

established by the Act of Congress and which includes three Directors appointed by the President. As the Attorney General has ruled, all these directors, including the presidential appointees, have the same fiduciary responsibilities to their stockholders. Our stockholders look to and are entitled to rely on this Board for making certain that any arrangements resulting from the present negotiations operate in the interest of - and certainly not to the detriment of - their corporation and themselves as stockholders. The United States delegates other than the representatives of Comsat have no such direct obligation, but, we submit, they cannot disregard or override the obligations of the Board of Directors of Comsat established by an Act of Congress.

These negotiations have been proceeding since February, 1969. Quite naturally, members of the United States Delegation, other than the representatives from Comsat, are extremely interested in reaching an end to the negotiations which would result in some agreement with the other parties thereto. Comsat, while also interested in reaching a definitive agreement that will serve the best interests of the United States as well as those of Comsat's stockholders, wants to be certain that the agreement will, in fact, achieve these goals. Perhaps this difference in posture on occasion results in differences in judgment as to what should be included in the ultimate agreement. In any event, Comsat has no recourse



except to keep as its constant goal the protection of the interests of its stockholders as Comsat sees those interests. Consequently, its Board of Directors can not accept anything in the agreement which in their judgment brings about a contrary result. It seems to us that Comsat's investment in INTELSAT of approximately \$100 million, raised under the authority of a Congressional charter, which is more than one half of the total present capital of INTELSAT, entitles Comsat to assert such a position.

#### Date of Plenipotentiary Conference

As will be pointed out hereafter, there are many substantive issues still unresolved in the negotiations. In the opinion of Comsat, to press for an early termination of the negotiations at the price of compromising every open issue will bring about results which are detrimental to Comsat and its stockholders, for the reasons outlined below.

An Intersessional Working Group (IWG) was established by the last Plenipotentiary Conference for the purpose of preparing recommended texts of draft intergovernmental and operating agreements which will constitute the INTELSAT definitive arrangements. To the greatest extent possible, the IWG is expected to resolve differences and to submit texts which have unanimous approval. Where unanimity is not possible and substantial differences

continue to exist, alternative texts will be presented by the IWG for resolution by the Plenipotentiary Conference.

The IWG met for four weeks in May and June, and again for four weeks in September and October. A great deal of work is left for the next meeting of the IWG which is scheduled for a period of four weeks commencing November 23, 1970. No matter how hopeful the United States Delegation may be, there is no possibility, in our opinion, of reaching a final agreement at that working group meeting. Before the next Plenipotentiary Conference meets, however, it will be necessary to have substantial unanimity on the agreement, otherwise the Plenipotentiary Conference will not be able to complete its work satisfactorily. Between the end of the Intersessional Working Group meeting, in December, and the next Plenipotentiary Conference thereafter, a very substantial length of time will be required to visit as many as ten or twelve national capitals, with pre-arranged dates, to reach agreement with them on all controversial points. Unless some prior agreement is reached, either the Plenipotentiary will fail or it can be concluded only by the United States making sweeping concessions on crucial issues. Either result ought to be avoided. As we see it now, no final Plenipotentiary Conference can be held, with any promise of success, before September of 1971.

Comsat's interest in making this point clear is for the



purpose of having a satisfactory conclusion to the Conference. We want it clearly understood that we seek agreement. The schedule suggested is for the purpose of achieving an agreement that Comsat can live with, and for no other purpose.

#### Substantive Points

There are a great many substantive points in an agreement this complex which have not been resolved. We want to indicate the more important ones with which Comsat is concerned.

#### (1) Assembly of Parties

Under the agreement, there are proposed three organs of INTELSAT:

- (A) the Assembly of Parties, which is a one nation, one vote organ, consisting of representatives of all the governments which are parties to the agreement;
- (B) the Meeting of Signatories, also a one member, one vote body, which is composed of representatives of all of the telecommunications organizations which are signatories to the Operating Agreement (this includes Comsat); and
- (C) the Board of Governors, a body consisting of representatives of the largest telecommunications investors and certain groupings of smaller telecommunications investors, in which the vote is in

proportion to the investment shares of the organization or group of organizations represented. (At present, Comsat owns 52.6% of the assets of INTELSAT and, consequently, has a 52.6% vote in the present governing body of INTELSAT, the Interim Communications Satellite Committee).

*+ msp*  
*shortly*  
There has been consistent pressure by many of the parties to the negotiations to limit Comsat's influence, which it has by reason of its majority investment, through the device of giving undue powers to the Assembly of Parties, where decisions can be taken by a vote of two-thirds of the parties on the basis of one country, one vote. Under this voting arrangement it will be possible for parties with only 12% of the total INTELSAT investment to make decisions which are opposed by a minority of the parties holding 88% of the investment. *likely?*

In the light of the composition of the Assembly of Parties, Comsat, with its contribution of half of the total investment in INTELSAT, can never consent to any meaningful power or authority in the Assembly of Parties over the commercial aspects of the operations of INTELSAT. The constant pressure of many others is to bring about the exact opposite of this, by suggesting all kinds of different and obscure wordings for inclusion in Article VII.



For these reasons, Comsat has steadfastly taken the position that it will not concur in any of the provisions of Article VII relating to the functions and powers of the Assembly of Parties until all of these provisions are negotiated to our satisfaction. As is usual in negotiations of this kind, efforts have been made to reach agreement one by one on each of the separate provisions instead of negotiating a total agreement on all of these provisions of Article VII. Comsat wants to make it clear, therefore, that it has not consented, and will not consent, to any one or more of the provisions of Article VII relating to the functions and powers of the Assembly of Parties taken by itself, but will reserve its concurrence until all of these provisions are fully and finally negotiated.

The problem which Comsat would face if it took any other position can be shown by a single example. One of the provisions of Article VII tentatively adopted by the IWG would give the Assembly of Parties the following power: "To consider complaints submitted to it by the Parties." Comsat has consistently maintained that any power in the Assembly of Parties to consider complaints must be limited to complaints on subject matter which falls within some other function specifically assigned to the Assembly of Parties. Otherwise no subject, no matter how much beyond its jurisdiction, if presented to the Assembly of Parties in the guise of a "complaint," will be excluded from its agenda.

substance or strategy?

This has all to do with the intergovernmental agreement which USG must sign and be party to.

We have not been reassured by the argument that the word "consider," as it appears in the above text, does not give the Assembly of Parties the broad jurisdiction which we fear. We can only assume that the power to consider a complaint includes the power to make a decision. Even if the form of this decision should be only a recommendation to the Board of Governors, it seems questionable that the Board of Governors would be permitted, as a political matter, to disregard such a recommendation.

Nevertheless, the language tentatively adopted by the IWG does not contain any limitation on the power of the Assembly to deal with "complaints." We are concerned that this broad language would permit the Assembly to enter into matters of a commercial nature from which it apparently has been excluded by other provisions of the agreement. The vesting of such an unqualified power of review in the Assembly of Parties not only would inhibit the Board of Governors in dealing with certain matters in the face of a threatened "complaint" but, even worse, it might result in a final and inconsistent disposition by the Assembly of matters which had been acted upon by the Board of Governors and which are inappropriate for Assembly action.

(2) Amendment

Obviously, if the agreement reached can be easily amended without the concurrence of those holding the principal investment



interests in INTELSAT, there is little purpose in going through the burdensome and difficult negotiations to which we have addressed ourselves during the past 18 months.

The amendment formula which we have insisted upon provides that adoption of an amendment would require approval by "two-thirds of the Parties, provided that such two-thirds included Parties who hold or whose signatories hold at least two-thirds of the investment shares." This formula has been designed to make it virtually certain that the United States would have to concur in any amendment to the Agreement. It is consistent with the amendment procedure contained in many multilateral international agreements of a commercial and financial nature to which the United States is a Party and where United States participation is essential in order for the organization to function effectively. (For example, the International Bank for Reconstruction and Development, the International Monetary Fund, the Inter-American Development Bank, the International Development Association and the International Finance Corporation).

In the last session of the IWG this formula came under heavy attack. A proposal with wide-spread support would permit amendment by approval of 85% of the Parties regardless of their investment shares. This would mean that it would be possible for parties possessing only 25% of the total INTELSAT investment to amend the agreement over the objection of a minority of parties

holding 75% of the total investment shares. With a probable  
INTELSAT membership in excess of 80 countries, the United  
States would need the support of a substantial number to block  
a proposed amendment. Thus, there would be no assurance that  
the agreements could not be amended without United States  
concurrence.

There is no limit on the subject matter which may be dealt  
with by the amendment process. The result might even be that  
the United States would have no recourse except to threaten  
withdrawal from INTELSAT if certain proposed amendments were  
adopted, for example, amendments dealing with tax and customs  
immunities which could not be effective within the United States  
except through the treaty-making or legislative process. A  
more likely and therefore more dangerous prospect is that through  
a series of amendments which the United States would be powerless  
to oppose, the powers of the Assembly of Parties could be gradually  
expanded at the expense of the Board of Governors.

Comsat must be assured that the final agreement will contain  
an amendment procedure substantially in accordance with the formula  
stated above.

(3) Price Flexibility

At the last session of the IWG there was substantial support  
for inserting in Article V a provision requiring that space



segment utilization charges must be at the same rate for all users of the INTELSAT system, thus depriving the Board of Governors of any flexibility in INTELSAT's policy.

This means, for example, that if a separate regional system, having no such limitation on its freedom of action, chose to price its services so as to undercut INTELSAT, INTELSAT would not be able to meet that price on a competitive basis. This is totally unacceptable in any commercial enterprise. Comsat therefore must oppose that section of Article V.

(4) Capital Ceiling

INTELSAT presently has a net capital investment approaching \$200 million of which Comsat's part is approximately \$100 million. During the next two years the net capital investment will increase rapidly because of programs already under way.

It has been proposed that the Operating Agreement be so drafted as to impose an unacceptably low ceiling on the net capital contributions which could be required from INTELSAT members without a prior decision by the Meeting of Signatories. This proposal would impose a ceiling of \$300 million <sup>net or gross?</sup> and would limit the authority of the Board of Governors to increase this ceiling by only 10%. It would also provide that any higher ceiling could only be established by the Meeting of Signatories on a one member, one vote basis.

The effect of this provision, if adopted, would be to preclude new programs involving substantial additional expenditures without the approval of the Meeting of Signatories, whose voting procedure does not reflect the investment interests of the INTELSAT members. For a rapidly changing and expanding enterprise, such as INTELSAT, this is a restriction which would make it unworkable. Comsat, therefore, cannot approve this proposal.

(5) Separate Regional Satellite Systems

What has happened here is an example of the difficulty of trying to work out a portion of an agreement without a resolution of all of the problems involved.

Article XIV provides that there may be separate regional communications satellite systems, but it requires that countries intending to establish such systems must submit their proposed systems to the Assembly of Parties through the Board of Governors for a judgment as to whether the system is technically compatible with INTELSAT and whether such system would do significant economic harm to INTELSAT.

Comsat acquiesced in this proposal after pressure from certain European and the Japanese delegations. Comsat did so in the expectation that the United States certainly would not assist in the establishment of separate regional systems to the detriment



of INTELSAT. We felt confident that the United States would not launch regional satellites for other countries unless a favorable decision was first obtained from the Assembly of Parties acting on the advice of the Board of Governors.

3  
We now have learned that the United States, through the State Department, has recently stated to a European delegation that it would launch regional satellites for Europe so long as the Assembly of Parties failed to adopt, by the required two-thirds vote, an adverse finding concerning the proposed system. Evidently this would be done even if the United States representative in the Board of Governors (Comsat), or the Board of Governors by a majority vote, had decided that such a regional system would operate to the economic detriment of INTELSAT. It should be noted that the large number of European members of INTELSAT virtually assure Europe of enough votes to block the Assembly of Parties from adopting an adverse finding by a two-thirds vote, regardless of our view of the harm which the proposed system might cause to INTELSAT.

! Such action on the part of the State Department negates the whole purpose of INTELSAT and, to an extent, the real purpose of Comsat.

This entire matter should be re-opened within the United States Delegation unless some reliable assurance can be given to Comsat that the United States will not provide launch services except to a satellite system found by the Board of Governors to be compatible with the interests of INTELSAT.

We want to state again that Comsat will cooperate in every way possible to bring about an agreement in the best interests of all concerned, including the protection of Comsat and its stockholders.



TAB 2

COMMUNICATIONS SATELLITE CORPORATION

JOSEPH H. McCONNELL  
Chairman of the Board

October 27, 1970

Mr. Peter Flanigan  
The White House  
Washington, D. C.

Dear Peter:

At our last meeting with Dr. Whitehead and you, we discussed the INTELSAT negotiations, and Dr. Whitehead indicated that he thought that sometimes Comsat spoke with two voices, or more than one voice, in any event.

In the light of this suggestion, I thought it important that the views of Comsat be clearly stated, in writing, so that there could be no further misunderstanding about them. For that purpose, I am attaching a memorandum dated October 27, 1970, entitled, "Comsat Position on INTELSAT Definitive Arrangements Negotiations."

I recognize that a great deal of progress has been made to date. In the remaining negotiations, there need not and should not be serious conflicts of views or objectives within the United States Delegation. Above all, I hope we can avoid the danger that the United States may become committed to a text which our Board concludes it cannot approve as in the interests of Comsat's stockholders.

I am attaching copies of the memorandum and of this letter for Undersecretary of State for Political Affairs, U. Alexis Johnson, who has



Mr. Flanigan

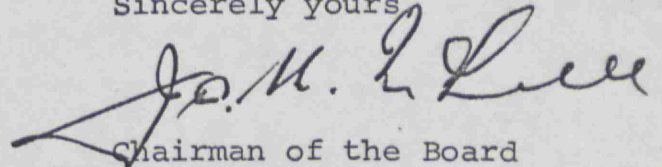
-2-

October 27, 1970

followed the negotiations, as well as Ambassador Washburn and Dr. Whitehead. Unless you see objections, I would be grateful if you would transmit them to these individuals.

With kindest regards,

Sincerely yours,

  
Chairman of the Board

Attachments

October 27, 1970

MEMORANDUM

RE: COMSAT POSITION ON INTELSAT DEFINITIVE ARRANGEMENTS NEGOTIATIONS

The United States, through its delegation, is presently engaged in negotiations looking towards what are called definitive arrangements for INTELSAT. INTELSAT is a consortium of telecommunications organizations of 76 nations who jointly own the satellites providing global telecommunications services. It was created in 1964 under an interim international agreement which by its terms continues in effect until the definitive arrangements are completed.

In general, the representatives of the nations other than the United States in these negotiations speak for government-owned communication services. In the United States, there is a great deal of difference, in that the Communications Satellite Corporation (Comsat) is the telecommunications entity here, rather than the United States Government.

Comsat is a private corporation created by an Act of Congress as this country's chosen instrument for international satellite communications. It has issued ten million shares of stock, presently owned by over 120,000 stockholders, who originally subscribed \$200 million to the capital of the corporation. These stockholders are represented by a Board of Directors whose composition is



established by the Act of Congress and which includes three Directors appointed by the President. As the Attorney General has ruled, all these directors, including the presidential appointees, have the same fiduciary responsibilities to their stockholders. Our stockholders look to and are entitled to rely on this Board for making certain that any arrangements resulting from the present negotiations operate in the interest of - and certainly not to the detriment of - their corporation and themselves as stockholders. The United States delegates other than the representatives of Comsat have no such direct obligation, but, we submit, they cannot disregard or override the obligations of the Board of Directors of Comsat established by an Act of Congress.

These negotiations have been proceeding since February, 1969. Quite naturally, members of the United States Delegation, other than the representatives from Comsat, are extremely interested in reaching an end to the negotiations which would result in some agreement with the other parties thereto. Comsat, while also interested in reaching a definitive agreement that will serve the best interests of the United States as well as those of Comsat's stockholders, wants to be certain that the agreement will, in fact, achieve these goals. Perhaps this difference in posture on occasion results in differences in judgment as to what should be included in the ultimate agreement. In any event, Comsat has no recourse

except to keep as its constant goal the protection of the interests of its stockholders as Comsat sees those interests. Consequently, its Board of Directors can not accept anything in the agreement which in their judgment brings about a contrary result. It seems to us that Comsat's investment in INTELSAT of approximately \$100 million, raised under the authority of a Congressional charter, which is more than one half of the total present capital of INTELSAT, entitles Comsat to assert such a position.

Date of Plenipotentiary Conference

As will be pointed out hereafter, there are many substantive issues still unresolved in the negotiations. In the opinion of Comsat, to press for an early termination of the negotiations at the price of compromising every open issue will bring about results which are detrimental to Comsat and its stockholders, for the reasons outlined below.

An Intersessional Working Group (IWG) was established by the last Plenipotentiary Conference for the purpose of preparing recommended texts of draft intergovernmental and operating agreements which will constitute the INTELSAT definitive arrangements. To the greatest extent possible, the IWG is expected to resolve differences and to submit texts which have unanimous approval. Where unanimity is not possible and substantial differences



continue to exist, alternative texts will be presented by the IWG for resolution by the Plenipotentiary Conference.

The IWG met for four weeks in May and June, and again for four weeks in September and October. A great deal of work is left for the next meeting of the IWG which is scheduled for a period of four weeks commencing November 23, 1970. No matter how hopeful the United States Delegation may be, there is no possibility, in our opinion, of reaching a final agreement at that working group meeting. Before the next Plenipotentiary Conference meets, however, it will be necessary to have substantial unanimity on the agreement, otherwise the Plenipotentiary Conference will not be able to complete its work satisfactorily. Between the end of the Intersessional Working Group meeting, in December, and the next Plenipotentiary Conference thereafter, a very substantial length of time will be required to visit as many as ten or twelve national capitals, with pre-arranged dates, to reach agreement with them on all controversial points. Unless some prior agreement is reached, either the Plenipotentiary will fail or it can be concluded only by the United States making sweeping concessions on crucial issues. Either result ought to be avoided. As we see it now, no final Plenipotentiary Conference can be held, with any promise of success, before September of 1971.

Comsat's interest in making this point clear is for the

purpose of having a satisfactory conclusion to the Conference. We want it clearly understood that we seek agreement. The schedule suggested is for the purpose of achieving an agreement that Comsat can live with, and for no other purpose.

#### Substantive Points

There are a great many substantive points in an agreement this complex which have not been resolved. We want to indicate the more important ones with which Comsat is concerned.

##### (1) Assembly of Parties

Under the agreement, there are proposed three organs of INTELSAT:

- (A) the Assembly of Parties, which is a one nation, one vote organ, consisting of representatives of all the governments which are parties to the agreement;
- (B) the Meeting of Signatories, also a one member, one vote body, which is composed of representatives of all of the telecommunications organizations which are signatories to the Operating Agreement (this includes Comsat); and
- (C) the Board of Governors, a body consisting of representatives of the largest telecommunications investors and certain groupings of smaller telecommunications investors, in which the vote is in



proportion to the investment shares of the organization or group of organizations represented. (At present, Comsat owns 52.6% of the assets of INTELSAT and, consequently, has a 52.6% vote in the present governing body of INTELSAT, the Interim Communications Satellite Committee).

There has been consistent pressure by many of the parties to the negotiations to limit Comsat's influence, which it has by reason of its majority investment, through the device of giving undue powers to the Assembly of Parties, where decisions can be taken by a vote of two-thirds of the parties on the basis of one country, one vote. Under this voting arrangement it will be possible for parties with only 12% of the total INTELSAT investment to make decisions which are opposed by a minority of the parties holding 88% of the investment.

In the light of the composition of the Assembly of Parties, Comsat, with its contribution of half of the total investment in INTELSAT, can never consent to any meaningful power or authority in the Assembly of Parties over the commercial aspects of the operations of INTELSAT. The constant pressure of many others is to bring about the exact opposite of this, by suggesting all kinds of different and obscure wordings for inclusion in Article VII.

For these reasons, Comsat has steadfastly taken the position that it will not concur in any of the provisions of Article VII relating to the functions and powers of the Assembly of Parties until all of these provisions are negotiated to our satisfaction. As is usual in negotiations of this kind, efforts have been made to reach agreement one by one on each of the separate provisions instead of negotiating a total agreement on all of these provisions of Article VII. Comsat wants to make it clear, therefore, that it has not consented, and will not consent, to any one or more of the provisions of Article VII relating to the functions and powers of the Assembly of Parties taken by itself, but will reserve its concurrence until all of these provisions are fully and finally negotiated.

The problem which Comsat would face if it took any other position can be shown by a single example. One of the provisions of Article VII tentatively adopted by the IWG would give the Assembly of Parties the following power: "To consider complaints submitted to it by the Parties." Comsat has consistently maintained that any power in the Assembly of Parties to consider complaints must be limited to complaints on subject matter which falls within some other function specifically assigned to the Assembly of Parties. Otherwise no subject, no matter how much beyond its jurisdiction, if presented to the Assembly of Parties in the guise of a "complaint," will be excluded from its agenda.



We have not been reassured by the argument that the word "consider," as it appears in the above text, does not give the Assembly of Parties the broad jurisdiction which we fear. We can only assume that the power to consider a complaint includes the power to make a decision. Even if the form of this decision should be only a recommendation to the Board of Governors, it seems questionable that the Board of Governors would be permitted, as a political matter, to disregard such a recommendation.

Nevertheless, the language tentatively adopted by the IWG does not contain any limitation on the power of the Assembly to deal with "complaints." We are concerned that this broad language would permit the Assembly to enter into matters of a commercial nature from which it apparently has been excluded by other provisions of the agreement. The vesting of such an unqualified power of review in the Assembly of Parties not only would inhibit the Board of Governors in dealing with certain matters in the face of a threatened "complaint" but, even worse, it might result in a final and inconsistent disposition by the Assembly of matters which had been acted upon by the Board of Governors and which are inappropriate for Assembly action.

(2) Amendment

Obviously, if the agreement reached can be easily amended without the concurrence of those holding the principal investment

interests in INTELSAT, there is little purpose in going through the burdensome and difficult negotiations to which we have addressed ourselves during the past 18 months.

The amendment formula which we have insisted upon provides that adoption of an amendment would require approval by "two-thirds of the Parties, provided that such two-thirds included Parties who hold or whose signatories hold at least two-thirds of the investment shares." This formula has been designed to make it virtually certain that the United States would have to concur in any amendment to the Agreement. It is consistent with the amendment procedure contained in many multilateral international agreements of a commercial and financial nature to which the United States is a Party and where United States participation is essential in order for the organization to function effectively. (For example, the International Bank for Reconstruction and Development, the International Monetary Fund, the Inter-American Development Bank, the International Development Association and the International Finance Corporation).

In the last session of the IWG this formula came under heavy attack. A proposal with wide-spread support would permit amendment by approval of 85% of the Parties regardless of their investment shares. This would mean that it would be possible for parties possessing only 25% of the total INTELSAT investment to amend the agreement over the objection of a minority of parties



holding 75% of the total investment shares. With a probable INTELSAT membership in excess of 80 countries, the United States would need the support of a substantial number to block a proposed amendment. Thus, there would be no assurance that the agreements could not be amended without United States concurrence.

There is no limit on the subject matter which may be dealt with by the amendment process. The result might even be that the United States would have no recourse except to threaten withdrawal from INTELSAT if certain proposed amendments were adopted, for example, amendments dealing with tax and customs immunities which could not be effective within the United States except through the treaty-making or legislative process. A more likely and therefore more dangerous prospect is that through a series of amendments which the United States would be powerless to oppose, the powers of the Assembly of Parties could be gradually expanded at the expense of the Board of Governors.

Comsat must be assured that the final agreement will contain an amendment procedure substantially in accordance with the formula stated above.

(3) Price Flexibility

At the last session of the IWG there was substantial support for inserting in Article V a provision requiring that space

segment utilization charges must be at the same rate for all users of the INTELSAT system, thus depriving the Board of Governors of any flexibility in INTELSAT's policy.

This means, for example, that if a separate regional system, having no such limitation on its freedom of action, chose to price its services so as to undercut INTELSAT, INTELSAT would not be able to meet that price on a competitive basis. This is totally unacceptable in any commercial enterprise. Comsat therefore must oppose that section of Article V.

(4) Capital Ceiling

INTELSAT presently has a net capital investment approaching \$200 million of which Comsat's part is approximately \$100 million. During the next two years the net capital investment will increase rapidly because of programs already under way.

It has been proposed that the Operating Agreement be so drafted as to impose an unacceptably low ceiling on the net capital contributions which could be required from INTELSAT members without a prior decision by the Meeting of Signatories. This proposal would impose a ceiling of \$300 million and would limit the authority of the Board of Governors to increase this ceiling by only 10%. It would also provide that any higher ceiling could only be established by the Meeting of Signatories on a one member, one vote basis.



The effect of this provision, if adopted, would be to preclude new programs involving substantial additional expenditures without the approval of the Meeting of Signatories, whose voting procedure does not reflect the investment interests of the INTELSAT members. For a rapidly changing and expanding enterprise, such as INTELSAT, this is a restriction which would make it unworkable. Comsat, therefore, cannot approve this proposal.

(5) Separate Regional Satellite Systems

What has happened here is an example of the difficulty of trying to work out a portion of an agreement without a resolution of all of the problems involved.

Article XIV provides that there may be separate regional communications satellite systems, but it requires that countries intending to establish such systems must submit their proposed systems to the Assembly of Parties through the Board of Governors for a judgment as to whether the system is technically compatible with INTELSAT and whether such system would do significant economic harm to INTELSAT.

Comsat acquiesced in this proposal after pressure from certain European and the Japanese delegations. Comsat did so in the expectation that the United States certainly would not assist in the establishment of separate regional systems to the detriment

of INTELSAT. We felt confident that the United States would not launch regional satellites for other countries unless a favorable decision was first obtained from the Assembly of Parties acting on the advice of the Board of Governors.

We now have learned that the United States, through the State Department, has recently stated to a European delegation that it would launch regional satellites for Europe so long as the Assembly of Parties failed to adopt, by the required two-thirds vote, an adverse finding concerning the proposed system. Evidently this would be done even if the United States representative in the Board of Governors (Comsat), or the Board of Governors by a majority vote, had decided that such a regional system would operate to the economic detriment of INTELSAT. It should be noted that the large number of European members of INTELSAT virtually assure Europe of enough votes to block the Assembly of Parties from adopting an adverse finding by a two-thirds vote, regardless of our view of the harm which the proposed system might cause to INTELSAT.

Such action on the part of the State Department negates the whole purpose of INTELSAT and, to an extent, the real purpose of Comsat.



This entire matter should be re-opened within the United States Delegation unless some reliable assurance can be given to Comsat that the United States will not provide launch services except to a satellite system found by the Board of Governors to be compatible with the interests of INTELSAT.

We want to state again that Comsat will cooperate in every way possible to bring about an agreement in the best interests of all concerned, including the protection of Comsat and its stockholders.

TAB 3





DEPARTMENT OF STATE

Washington, D.C. 20520

11/19/70  
1:30 pm

November 17, 1970

Tom:

Would appreciate your looking at the attached memo before talking with Phil Buchen on Thursday.

Attached, also, is an updated memo to you on the considerations involved in the amendment-ratification issue. By virtue of having sat through all of the debates on this one, Phil has a good grasp of this.

A handwritten signature in blue ink, appearing to read "AWB".

Abbott Washburn  
Chairman, U.S. Delegation  
INTELSAT Conference

The Honorable  
Clay T. Whitehead  
Director, Office of  
Telecommunications Policy



DEPARTMENT OF STATE

Washington, D.C. 20520

November 17, 1970

MEMORANDUM FOR : The Honorable  
Clay T. Whitehead, Director,  
Office of Telecommunications Policy.

SUBJECT : Amendment-Ratification

The September Intersessional Working Group session was unable to reach agreement on how amendments to the Definitive Agreement approved by the Parties are to be ratified.

Almost all delegates firmly stated that they will not accept an article which gives a veto on amendments to any one member, i.e. the United States.

The U.S. has held to its original position, i.e. that amendments can be ratified only when approved by two-thirds of the Parties holding two-thirds of the investment shares. This means the U.S. would have an absolute veto for the next decade, since traffic projections show that our use of the global system will not drop below 33-1/3% until 1981.

With the exception of the delegates of Sweden and Switzerland, the Intersessional Working Group accepted the principle that the investment share of a Party must be taken into account in ratifying amendments. But there was no agreement as to how much weight should be given to investment.

Attached is a copy of Document 56, proposed by Santiago Astrain, the Chairman of the IWG. It reflects the split opinion. The draft combines our 2/3 and 2/3 formula with an alternative formula calling for amendment approval by an 85% headcount of the Assembly /regardless of the amount of their investment share/, /plus an investment share totalling at least 45% or 51%/. Debate on the matter will be resumed at the third IWG which convenes on November 23.



The Conference has shown no support for an absolute veto. In our judgment, the other delegations are highly unlikely to give in on this point even at the risk of collapse of the negotiations.

It appears likely, however, that the majority will accept 85% of the Parties holding 51% of the investment shares. This formula would appear in the article along with our 2/3 and 2/3 formula. While the U.S. would thus be giving up the absolute veto, it would have a near veto since by teaming up with a very small number of other Parties it could block any amendment.

Based on today's usage (October 1, 1970), we could block an amendment with the vote of any one of the U.K., Japan, Canada, Italy, Germany, Australia, France, Argentina, Spain, Brazil, or the Philippines. The U.S. plus any one of these countries has more than 49% of the investment.

Assuming a U.S. share reduced to 40% at some later time (1972-73), we could block an amendment with the help of the U.K., which is then expected to have over 10%, or with the help of any four of Japan, Australia, Canada, Italy, France, Germany, Spain and the Philippines, or any three including the larger investors among this group.

Alternatively, under the 85% clause, we could block an amendment through the inaction of 11 other members, however small.

Thus the U.S. delegation must ask itself whether a near veto constitutes an acceptable or an unacceptable risk. While preferring an absolute veto, the State Department legal experts -- who should be the most concerned from the standpoint of precedent setting -- are not overly troubled by a near veto.

The Department's Bureau of Economic Affairs recommends acceptance of the near veto if this becomes a "go, no go" question. They regard the risk as minimal, since the U.S. will have a chance to kill an undesirable amendment

first in the Assembly (where it must get a 2/3 numerical majority) and, second, in the ratification process (where it would have to roll up an 85% numerical majority -- a very difficult thing to do in an international organization of this size when only inaction rather than a negative vote is needed to block ratification -- plus 51% of the investment.)

FCC can live with the 85% and 51% formula, but Asher Ende has suggested an arrangement whereby only the 2/3 and 2/3 formula would apply to certain articles of key importance to us, such as the Management arrangements articles. (This could well prove as unacceptable to other delegations as the absolute veto.)

COMSAT strongly favors the absolute veto as the best safeguard against unsound changes in the Agreement.

The following two factors are relevant to the U.S. Delegation's consideration of this risk:

In the course of time, approximately ten years, we would lose the absolute veto in any case.

Insistence by the U.S. upon total control would unquestionably engender resentment and lessened cooperation on the part of the other INTELSAT partners -- a price we would have to pay for "victory" on this issue.

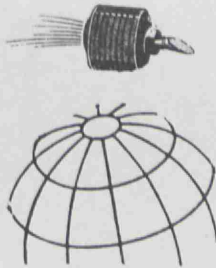
A.U.

Abbott Washburn  
Chairman, U.S. Delegation  
INTELSAT Conference

Attachment:

IWG(II)/Doc. 56.





**INTERSESSIONAL WORKING GROUP  
OF THE  
RESUMED INTELSAT PLENIPOTENTIARY CONFERENCE  
Washington, D.C.**

IWG(II)/Doc. 56  
September 16, 1970

ARTICLE XVII (c)  
(Proposed by the Chairman of the IWG)

- (c) The Assembly of Parties shall take decisions on amendments with the quorum and voting provided for in Article VII of this Agreement. An amendment which has been approved by the Assembly of Parties shall enter into force for all Parties ninety days after the Depositary Government has received notice of approval of the amendment by either:
- (i) two-thirds of the States who were Parties as of the date upon which the amendment was approved by the Assembly of Parties, provided that such two-thirds include Parties who then held or Parties whose Signatories then held, at least two-thirds of the total investment shares; or
  - (ii) a number of States equal to or exceeding eighty-five per cent of the total number of States who were Parties as of the date upon which the amendment was approved by the Assembly of Parties, regardless of the amount of investment shares such Parties or their Signatories then held, ~~provided that~~ whenever such percentage of the Parties includes the Parties who then held, or the Parties whose Signatories then held, at least (45) (51) per cent of the total investment shares<sup>7</sup>.

\* \* \*



DEPARTMENT OF STATE

Washington, D.C. 20520

November 16, 1970

MEMORANDUM FOR: The Honorable  
Clay T. Whitehead  
Director, Office of Telecommunications Policy

SUBJECT : Comment on COMSAT Memorandum of October 27  
Sent to Peter Flanigan

In his transmittal letter Joe McConnell writes: "I recognize that a great deal of progress has been made... There need not and should not be serious conflicts of views or objectives within the U.S. Delegation." I agree.

Date of Plenipotentiary. Bottom of page 4: "As we see it now, no final Plenipotentiary Conference can be held, with any promise of success, before September of 1971." This is a procedural matter. John Johnson has told me that he believes a plenary in May could be successful. Toward the end of this next IWG, which ends on December 18, we shall be in a better position to judge this.

Assembly of Parties. Last March, the Japanese-Australian compromise included an Assembly function of considering complaints from Parties. Though Jim McCormack agreed to this at the time, COMSAT (specifically John Johnson) has been unhappy with it and would like to narrow the scope of such consideration to complaints falling within the Assembly's responsibilities as defined in the Agreement. We have been trying to get the other delegations to agree to this change, but even friends like Chile and Australia are not sympathetic. However, I have assured Johnny that we shall continue to try our best to get this changed.

Amendment Ratification. Bottom of page 10: "COMSAT must be assured that the final agreement will contain an amendment procedure substantially in accordance with the formula stated above 2/3 and 2/3." There is good prospect that a majority of delegations can agree on a formula of 85% numerical headcount plus 51% weighted vote. This would



appear along with our formula of 2/3 and 2/3. It would give us a near veto rather than an absolute veto. Negotiations, like politics, is the art of the possible. Since the 2/3 and 2/3 formula, which gives the United States an absolute veto for the next decade, is unacceptable to virtually all other delegations, the U.S. Delegation must, in the end, decide whether it can live with 85% and 51% or some other form of near veto or whether we are prepared to see the Conference collapse on this issue.

Price Flexibility. Bottom of page 3. The U.S. Delegation agrees with COMSAT's position on this.

Capital Ceiling. Middle of page 11. The U.S. Delegation agrees with COMSAT's position. We will push to get agreement on a \$400 million ceiling, with the Board of Governors authorized to increase this by 25% without going to the Meeting of Signatories.

Separate Regional System. Top of page 13: "We felt confident that the United States would not launch regional satellites for other countries unless a favorable decision was first obtained from the Assembly of Parties acting on the advice of the Board of Governors... This entire matter /Article XIV, regional systems/ should be reopened within the U.S. Delegation unless some reliable assurance can be given to COMSAT..." The U.S. Delegation agrees with COMSAT on this point. There is disagreement within the Department of State on the interpretation of the language sent to Minister Lefevre. Phil Trezise and I have written to Under Secretary Johnson recommending that this be clarified in a way that will indicate advance assurance of launch only in those cases where a proposal has been favorably acted upon by the INTELSAT Assembly. Herman Pollack opposes us on this. Asher Ende strongly supports us. Meanwhile, the British have said they will not put any money into post-Apollo.

In summary, then, COMSAT has but two problems: 1) limiting the scope of the Assembly's complaints function, and 2) coming out as close as possible to the 2/3 and 2/3

formula for amendment ratification. Compared to the Manager deadlock and the array of other problems the Corporation faced earlier, neither of these could be objectively categorized as make-or-break.

A.W.

Abbott Washburn  
Chairman, U.S. Delegation  
INTELSAT Conference



*Post Apollo*

Tuesday 11/24/70

MEETING  
11/27/70  
3:00 p.m.

4:05 Alex Johnson's office called to say that Ambassador Washburn has to participate in a Congressional hearing and they won't be able to keep the appointment with you tomorrow (11/25) to discuss the Comsat position.

It has now been rescheduled for 3 p.m. on Friday (11/27) in Room 7240 at State Dept.

Thursday 11/19/70

MEETING  
11/26/70

6:30 Mr. Washburn called to mention that he heard about the meeting had been set up with Alexis Johnson on the 25th.

Also mentioned that Vice President Ky of Vietnam is not coming to Thanksgiving dinner so you won't have such distinguished company, but the Washburns will be very delighted and charmed to have you and your lady. Dinner will be at the Washburns.



*Meeting  
11/27/70  
3:00*

MEMORANDUM FOR

Honorable Edward David  
Director  
Office of Science and Technology

I expect to meet with U. Alexis Johnson at the State Department on Friday, November 27 to discuss with him the USG position on launch assurances to the West Europeans for their space programs. You will recall that several weeks ago U. Alexis sent a letter to Minister LeFevre in France in which we wrapped launch assistance and Post Apollo cooperation into one bundle.

Comsat is very upset at this point because officials there contend that the letter to LeFevre gives the Europeans too much in the way of commitment to launch. They feel this was a particularly bad time to make such sweeping promises in light of our current negotiating posture in the INTELSAT conference on definitive arrangements for the global satellite system.

The immediate question I will discuss with U. Alexis is -- just how far are we committed? There is a division of opinion at State. Some (Pollock in particular) claim that we have promised the Europeans to launch anything they want, even communication satellites, provided that in the Comsat cases the Assembly of INTELSAT has not made a finding that such a satellite would adversely affect INTELSAT. That is, only a "negative" finding by INTELSAT on a proposed satellite would release us from our obligation to provide a launch. Others insist (Bert Rein, Amb. Washburn) that we are obliged to launch only when INTELSAT makes a "positive" finding, i. e. that a proposed satellite would not adversely affect the INTELSAT system. Assume for the sake of argument that two-thirds of the INTELSAT Assembly cannot agree on whether a proposed satellite would or would not adversely affect INTELSAT. In such a case, Pollock insists we are bound to launch and have told the Europeans that, Rein and Washburn claim we are not bound to launch and would only consider such a launch on its own merits.

My position is that we are not bound to launch under the U. Alexis letter unless there is a positive Assembly finding. Absent a two-thirds majority agreement in the INTELSAT Assembly we should decide each launch request on its merits. I do not think anyone agreed that we are bound in every case save the one in which INTELSAT finds that a potential adverse impact exists in a specific communication satellite program. If possible, I would like to mention your concurrence in this view.

Clay T. Whitehead

SDOYLE:bks



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

DIRECTOR

Mr. Joseph H. McConnell  
Chairman of the Board  
Communications Satellite Corporation  
950 L'Enfant Plaza, S. W.  
Washington, D. C. 20024

Dear Joe:

It was a pleasure to have had the opportunity to discuss with you and your colleagues Comsat's views with regard to the status of the current INTELSAT negotiations. Peter Flanigan has sent to me your letter to him dated October 27, and I have had the opportunity to discuss that letter and its attachment with Abbott Washburn and independently with Joe Charyk and John Johnson.

The range of issues with which we are faced in the negotiation is broad, and I fully appreciate your concerns with regard to the ultimate necessity to be fully aware of the interrelationship of these issues as each one approaches resolution. Having your letter and the attachment has helped enormously to focus discussion on some of the key issues. I do not think we can at this time answer all the questions with which we are faced, but the frank and constructive dialogue you have stimulated and contributed to is clearly to everyone's benefit.

I will be further discussing these matters with U. Alexis Johnson, to whom a copy of your October 27 letter is being sent.

I will continue to participate fully in high-level reviews of our progress in the negotiations and to work very closely with Abbott Washburn and other key members of the delegation to ensure the fullest protection of all legitimate interests in this negotiation.

Sincerely,

Clay T. Whitehead

*CTW in control  
NAJ & AW will be in touch  
feel free to contact*

27

Talking Points for Meeting with U. Alexis Johnson, November 24, 1970

1. Since this meeting was generated in part by McConnell's letter to Flanigan, perhaps it is best to begin the review of issues contained in the Comsat memo attached to the letter to Flanigan. (Letter to Flanigan at Tab 1; Comsat letter at Tab 2).

Ambassador Washburn is prepared to review quickly where we stand and what the problem is with regard to each item in the Comsat memo. (Washburn memo outlining views dated November 16 at Tab 3.)

A. Scheduling of the Conference

(Cannot be decided before the end of December.)

B. Powers of the Assembly -- Complaints

(Comsat exaggerates potential problems.)

C. Amendment Provisions

(Reasonableness should lead us to seek acceptable or saleable proposal such as 85% ownership and 51% of members.)

D. Price Flexibility and Capital Ceiling

(The government agencies fully support Comsat view.)

E. Regional Systems and Launch Assurances

(In case of a hung assembly, each proposal should be considered on its merits.)

2. A broader issue which we might discuss briefly is what role the Presidentially appointed directors have played and what role they might play if properly educated to prepare them to participate meaningfully in discussion of the negotiations issues. The Presidentially appointed directors are Peterson, Meany, and Donner. Buchen and Hagerty are possible additional ballast to offset the hard-line directors; namely, McConnel, Welch and Sundlun. Is there some way we could better inform selected members of the Board to bring more balance into their deliberations on definitive arrangements?
3. There are two nagging issues involving Comsat which need not be discussed at this meeting, but will require some near-term, top-level government consideration: (a) the recent GAO Report on Comsat launch costs, and (b) government guidance (instructions) process for Comsat as U.S. member of INTELSAT.



TAB 1

*Should we transmit  
copies to Washburn + Undersecretary  
Johnson? Could you give me a  
brief idea what this is all  
about in our next? Thanks much,*

COMMUNICATIONS SATELLITE CORPORATION

JOSEPH H. McCONNELL  
Chairman of the Board

October 27, 1970

Mr. Peter Flanigan  
The White House  
Washington, D. C.

*Joe*

Dear Peter:

At our last meeting with Dr. Whitehead and you, we discussed the INTELSAT negotiations, and Dr. Whitehead indicated that he thought that sometimes Comsat spoke with two voices, or more than one voice, in any event.

In the light of this suggestion, I thought it important that the views of Comsat be clearly stated, in writing, so that there could be no further misunderstanding about them. For that purpose, I am attaching a memorandum dated October 27, 1970, entitled, "Comsat Position on INTELSAT Definitive Arrangements Negotiations."

I recognize that a great deal of progress has been made to date. In the remaining negotiations, there need not and should not be serious conflicts of views or objectives within the United States Delegation. Above all, I hope we can avoid the danger that the United States may become committed to a text which our Board concludes it cannot approve as in the interests of Comsat's stockholders.

I am attaching copies of the memorandum and of this letter for Undersecretary of State for Political Affairs, U. Alexis Johnson, who has



Mr. Flanigan

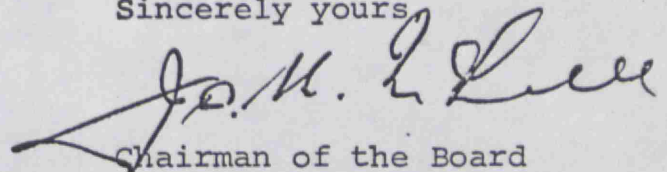
-2-

October 27, 1970

followed the negotiations, as well as Ambassador Washburn and Dr. Whitehead. Unless you see objections, I would be grateful if you would transmit them to these individuals.

With kindest regards,

Sincerely yours,

A handwritten signature in cursive script, appearing to read "J. M. Lee". The signature is written in dark ink and is positioned above the printed name "Chairman of the Board".

Chairman of the Board

Attachments

October 27, 1970

MEMORANDUM

RE: COMSAT POSITION ON INTELSAT DEFINITIVE ARRANGEMENTS NEGOTIATIONS

The United States, through its delegation, is presently engaged in negotiations looking towards what are called definitive arrangements for INTELSAT. INTELSAT is a consortium of telecommunications organizations of 76 nations who jointly own the satellites providing global telecommunications services. It was created in 1964 under an interim international agreement which by its terms continues in effect until the definitive arrangements are completed.

In general, the representatives of the nations other than the United States in these negotiations speak for government-owned communication services. In the United States, there is a great deal of difference, in that the Communications Satellite Corporation (Comsat) is the telecommunications entity here, rather than the United States Government.

Comsat is a private corporation <sup>- pursuant to</sup> created by an Act of Congress as this country's chosen instrument for international satellite communications. It has issued ten million shares of stock, presently owned by over 120,000 stockholders, who originally subscribed \$200 million to the capital of the corporation. These stockholders are represented by a Board of Directors whose composition is



established by the Act of Congress and which includes three Directors appointed by the President. As the Attorney General has ruled, all these directors, including the presidential appointees, have the same fiduciary responsibilities to their stockholders. Our stockholders look to and are entitled to rely on this Board for making certain that any arrangements resulting from the present negotiations operate in the interest of - and certainly not to the detriment of - their corporation and themselves as stockholders. The United States delegates other than the representatives of Comsat have no such direct obligation, but, we submit, they cannot disregard or override the obligations of the Board of Directors of Comsat established by an Act of Congress.

These negotiations have been proceeding since February, 1969. Quite naturally, members of the United States Delegation, other than the representatives from Comsat, are extremely interested in reaching an end to the negotiations which would result in some agreement with the other parties thereto. Comsat, while also interested in reaching a definitive agreement that will serve the best interests of the United States as well as those of Comsat's stockholders, wants to be certain that the agreement will, in fact, achieve these goals. Perhaps this difference in posture on occasion results in differences in judgment as to what should be included in the ultimate agreement. In any event, Comsat has no recourse

except to keep as its constant goal the protection of the interests of its stockholders as Comsat sees those interests. Consequently, its Board of Directors can not accept anything in the agreement which in their judgment brings about a contrary result. It seems to us that Comsat's investment in INTELSAT of approximately \$100 million, raised under the authority of a Congressional charter, which is more than one half of the total present capital of INTELSAT, entitles Comsat to assert such a position.

#### Date of Plenipotentiary Conference

As will be pointed out hereafter, there are many substantive issues still unresolved in the negotiations. In the opinion of Comsat, to press for an early termination of the negotiations at the price of compromising every open issue will bring about results which are detrimental to Comsat and its stockholders, for the reasons outlined below.

An Intersessional Working Group (IWG) was established by the last Plenipotentiary Conference for the purpose of preparing recommended texts of draft intergovernmental and operating agreements which will constitute the INTELSAT definitive arrangements. To the greatest extent possible, the IWG is expected to resolve differences and to submit texts which have unanimous approval. Where unanimity is not possible and substantial differences



continue to exist, alternative texts will be presented by the IWG for resolution by the Plenipotentiary Conference.

The IWG met for four weeks in May and June, and again for four weeks in September and October. A great deal of work is left for the next meeting of the IWG which is scheduled for a period of four weeks commencing November 23, 1970. No matter how hopeful the United States Delegation may be, there is no possibility, in our opinion, of reaching a final agreement at that working group meeting. Before the next Plenipotentiary Conference meets, however, it will be necessary to have substantial unanimity on the agreement, otherwise the Plenipotentiary Conference will not be able to complete its work satisfactorily. Between the end of the Intersessional Working Group meeting, in December, and the next Plenipotentiary Conference thereafter, a very substantial length of time will be required to visit as many as ten or twelve national capitals, with pre-arranged dates, to reach agreement with them on all controversial points. Unless some prior agreement is reached, either the Plenipotentiary will fail or it can be concluded only by the United States making sweeping concessions on crucial issues. Either result ought to be avoided. As we see it now, no final Plenipotentiary Conference can be held, with any promise of success, before September of 1971.

Comsat's interest in making this point clear is for the

purpose of having a satisfactory conclusion to the Conference. We want it clearly understood that we seek agreement. The schedule suggested is for the purpose of achieving an agreement that Comsat can live with, and for no other purpose.

Substantive Points

There are a great many substantive points in an agreement this complex which have not been resolved. We want to indicate the more important ones with which Comsat is concerned.

(1) Assembly of Parties

Under the agreement, there are proposed three organs of INTELSAT:

- (A) the Assembly of Parties, which is a one nation, one vote organ, consisting of representatives of all the governments which are parties to the agreement;
- (B) the Meeting of Signatories, also a one member, one vote body, which is composed of representatives of all of the telecommunications organizations which are signatories to the Operating Agreement (this includes Comsat); and
- (C) the Board of Governors, a body consisting of representatives of the largest telecommunications investors and certain groupings of smaller telecommunications investors, in which the vote is in



proportion to the investment shares of the organization or group of organizations represented. (At present, Comsat owns 52.6% of the assets of INTELSAT and, consequently, has a 52.6% vote in the present governing body of INTELSAT, the Interim Communications Satellite Committee).

*ms. 8*  
*theoretically*  
There has been consistent pressure by many of the parties to the negotiations to limit Comsat's influence, which it has by reason of its majority investment, through the device of giving undue powers to the Assembly of Parties, where decisions can be taken by a vote of two-thirds of the parties on the basis of one country, one vote. Under this voting arrangement it will be possible for parties with only 12% of the total INTELSAT investment to make decisions which are opposed by a minority of the parties holding 88% of the investment. *like*

In the light of the composition of the Assembly of Parties, Comsat, with its contribution of half of the total investment in INTELSAT, can never consent to any meaningful power or authority in the Assembly of Parties over the commercial aspects of the operations of INTELSAT. The constant pressure of many others is to bring about the exact opposite of this, by suggesting all kinds of different and obscure wordings for inclusion in Article VII.

For these reasons, Comsat has steadfastly taken the position that it will not concur in any of the provisions of Article VII relating to the functions and powers of the Assembly of Parties until all of these provisions are negotiated to our satisfaction. As is usual in negotiations of this kind, efforts have been made to reach agreement one by one on each of the separate provisions instead of negotiating a total agreement on all of these provisions of Article VII. Comsat wants to make it clear, therefore, that it has not consented, and will not consent, to any one or more of the provisions of Article VII relating to the functions and powers of the Assembly of Parties taken by itself, but will reserve its concurrence until all of these provisions are fully and finally negotiated.

The problem which Comsat would face if it took any other position can be shown by a single example. One of the provisions of Article VII tentatively adopted by the IWG would give the Assembly of Parties the following power: "To consider complaints submitted to it by the Parties." Comsat has consistently maintained that any power in the Assembly of Parties to consider complaints must be limited to complaints on subject matter which falls within some other function specifically assigned to the Assembly of Parties. Otherwise no subject, no matter how much beyond its jurisdiction, if presented to the Assembly of Parties in the guise of a "complaint," will be excluded from its agenda.

substance or strategy?

This has all to do with the intergovernmental



We have not been reassured by the argument that the word "consider," as it appears in the above text, does not give the Assembly of Parties the broad jurisdiction which we fear. We can only assume that the power to consider a complaint includes the power to make a decision. Even if the form of this decision should be only a recommendation to the Board of Governors, it seems questionable that the Board of Governors would be permitted, as a political matter, to disregard such a recommendation.

Nevertheless, the language tentatively adopted by the IWG does not contain any limitation on the power of the Assembly to deal with "complaints." We are concerned that this broad language would permit the Assembly to enter into matters of a commercial nature from which it apparently has been excluded by other provisions of the agreement. The vesting of such an unqualified power of review in the Assembly of Parties not only would inhibit the Board of Governors in dealing with certain matters in the face of a threatened "complaint" but, even worse, it might result in a final and inconsistent disposition by the Assembly of matters which had been acted upon by the Board of Governors and which are inappropriate for Assembly action.

(2) Amendment

Obviously, if the agreement reached can be easily amended without the concurrence of those holding the principal investment

interests in INTELSAT, there is little purpose in going through the burdensome and difficult negotiations to which we have addressed ourselves during the past 18 months.

The amendment formula which we have insisted upon provides that adoption of an amendment would require approval by "two-thirds of the Parties, provided that such two-thirds included Parties who hold or whose signatories hold at least two-thirds of the investment shares." This formula has been designed to make it virtually certain that the United States would have to concur in any amendment to the Agreement. It is consistent with the amendment procedure contained in many multilateral international agreements of a commercial and financial nature to which the United States is a Party and where United States participation is essential in order for the organization to function effectively. (For example, the International Bank for Reconstruction and Development, the International Monetary Fund, the Inter-American Development Bank, the International Development Association and the International Finance Corporation).

In the last session of the IWG this formula came under heavy attack. A proposal with wide-spread support would permit amendment by approval of 85% of the Parties regardless of their investment shares. This would mean that it would be possible for parties possessing only 25% of the total INTELSAT investment to amend the agreement over the objection of a minority of parties



holding 75% of the total investment shares. With a probable INTELSAT membership in excess of 80 countries, the United States would need the support of a substantial number to block a proposed amendment. Thus, there would be no assurance that the agreements could not be amended without United States concurrence.

There is no limit on the subject matter which may be dealt with by the amendment process. The result might even be that the United States would have no recourse except to threaten withdrawal from INTELSAT if certain proposed amendments were adopted, for example, amendments dealing with tax and customs immunities which could not be effective within the United States except through the treaty-making or legislative process. A more likely and therefore more dangerous prospect is that through a series of amendments which the United States would be powerless to oppose, the powers of the Assembly of Parties could be gradually expanded at the expense of the Board of Governors.

Comsat must be assured that the final agreement will contain an amendment procedure substantially in accordance with the formula stated above.

(3) Price Flexibility

At the last session of the IWG there was substantial support for inserting in Article V a provision requiring that space

segment utilization charges must be at the same rate for all users of the INTELSAT system, thus depriving the Board of Governors of any flexibility in INTELSAT's policy.

This means, for example, that if a separate regional system, having no such limitation on its freedom of action, chose to price its services so as to undercut INTELSAT, INTELSAT would not be able to meet that price on a competitive basis. This is totally unacceptable in any commercial enterprise. Comsat therefore must oppose that section of Article V.

(4) Capital Ceiling

INTELSAT presently has a net capital investment approaching \$200 million of which Comsat's part is approximately \$100 million. During the next two years the net capital investment will increase rapidly because of programs already under way.

It has been proposed that the Operating Agreement be so drafted as to impose an unacceptably low ceiling on the net capital contributions which could be required from INTELSAT members without a prior decision by the Meeting of Signatories. This proposal would impose a ceiling of \$300 million <sup>net or gross?</sup> and would limit the authority of the Board of Governors to increase this ceiling by only 10%. It would also provide that any higher ceiling could only be established by the Meeting of Signatories on a one member, one vote basis.



The effect of this provision, if adopted, would be to preclude new programs involving substantial additional expenditures without the approval of the Meeting of Signatories, whose voting procedure does not reflect the investment interests of the INTELSAT members. For a rapidly changing and expanding enterprise, such as INTELSAT, this is a restriction which would make it unworkable. Comsat, therefore, cannot approve this proposal.

(5) Separate Regional Satellite Systems

What has happened here is an example of the difficulty of trying to work out a portion of an agreement without a resolution of all of the problems involved.

Article XIV provides that there may be separate regional communications satellite systems, but it requires that countries intending to establish such systems must submit their proposed systems to the Assembly of Parties through the Board of Governors for a judgment as to whether the system is technically compatible with INTELSAT and whether such system would do significant economic harm to INTELSAT.

Comsat acquiesced in this proposal after pressure from certain European and the Japanese delegations. Comsat did so in the expectation that the United States certainly would not assist in the establishment of separate regional systems to the detriment

of INTELSAT. We felt confident that the United States would not launch regional satellites for other countries unless a favorable decision was first obtained from the Assembly of Parties acting on the advice of the Board of Governors.

7  
We now have learned that the United States, through the State Department, has recently stated to a European delegation that it would launch regional satellites for Europe so long as the Assembly of Parties failed to adopt, by the required two-thirds vote, an adverse finding concerning the proposed system. Evidently this would be done even if the United States representative in the Board of Governors (Comsat), or the Board of Governors by a majority vote, had decided that such a regional system would operate to the economic detriment of INTELSAT. It should be noted that the large number of European members of INTELSAT virtually assure Europe of enough votes to block the Assembly of Parties from adopting an adverse finding by a two-thirds vote, regardless of our view of the harm which the proposed system might cause to INTELSAT.

Such action on the part of the State Department negates the whole purpose of INTELSAT and, to an extent, the real purpose of Comsat.



This entire matter should be re-opened within the United States Delegation unless some reliable assurance can be given to Comsat that the United States will not provide launch services except to a satellite system found by the Board of Governors to be compatible with the interests of INTELSAT.

We want to state again that Comsat will cooperate in every way possible to bring about an agreement in the best interests of all concerned, including the protection of Comsat and its stockholders.

TAB 2





DEPARTMENT OF STATE

Washington, D.C. 20520

11/19/70  
1:30 pm

November 17, 1970

Tom:

Would appreciate your looking at the attached memo before talking with Phil Buchen on Thursday.

Attached, also, is an updated memo to you on the considerations involved in the amendment-ratification issue. By virtue of having sat through all of the debates on this one, Phil has a good grasp of this.

A handwritten signature in dark ink, appearing to read 'Abbott Washburn'.

Abbott Washburn  
Chairman, U.S. Delegation  
INT ELSAT Conference

The Honorable  
Clay T. Whitehead  
Director, Office of  
Telecommunications Policy



DEPARTMENT OF STATE

Washington, D.C. 20520

November 17, 1970

MEMORANDUM FOR : The Honorable  
Clay T. Whitehead, Director,  
Office of Telecommunications Policy.

SUBJECT : Amendment-Ratification

The September Intersessional Working Group session was unable to reach agreement on how amendments to the Definitive Agreement approved by the Parties are to be ratified.

Almost all delegates firmly stated that they will not accept an article which gives a veto on amendments to any one member, i.e. the United States.

The U.S. has held to its original position, i.e. that amendments can be ratified only when approved by two-thirds of the Parties holding two-thirds of the investment shares. This means the U.S. would have an absolute veto for the next decade, since traffic projections show that our use of the global system will not drop below 33-1/3% until 1981.

With the exception of the delegates of Sweden and Switzerland, the Intersessional Working Group accepted the principle that the investment share of a Party must be taken into account in ratifying amendments. But there was no agreement as to how much weight should be given to investment.

Attached is a copy of Document 56, proposed by Santiago Astrain, the Chairman of the IWG. It reflects the split opinion. The draft combines our 2/3 and 2/3 formula with an alternative formula calling for amendment approval by an 85% headcount of the Assembly /regardless of the amount of their investment share/, /plus an investment share totalling at least 45% or 51%/. Debate on the matter will be resumed at the third IWG which convenes on November 23.



The Conference has shown no support for an absolute veto. In our judgment, the other delegations are highly unlikely to give in on this point even at the risk of collapse of the negotiations.

It appears likely, however, that the majority will accept 85% of the Parties holding 51% of the investment shares. This formula would appear in the article along with our 2/3 and 2/3 formula. While the U.S. would thus be giving up the absolute veto, it would have a near veto since by teaming up with a very small number of other Parties it could block any amendment.

Based on today's usage (October 1, 1970), we could block an amendment with the vote of any one of the U.K., Japan, Canada, Italy, Germany, Australia, France, Argentina, Spain, Brazil, or the Philippines. The U.S. plus any one of these countries has more than 49% of the investment.

Assuming a U.S. share reduced to 40% at some later time (1972-73), we could block an amendment with the help of the U.K., which is then expected to have over 10%, or with the help of any four of Japan, Australia, Canada, Italy, France, Germany, Spain and the Philippines, or any three including the larger investors among this group.

Alternatively, under the 85% clause, we could block an amendment through the inaction of 11 other members, however small.

Thus the U.S. delegation must ask itself whether a near veto constitutes an acceptable or an unacceptable risk. While preferring an absolute veto, the State Department legal experts -- who should be the most concerned from the standpoint of precedent setting -- are not overly troubled by a near veto.

The Department's Bureau of Economic Affairs recommends acceptance of the near veto if this becomes a "go, no go" question. They regard the risk as minimal, since the U.S. will have a chance to kill an undesirable amendment

first in the Assembly (where it must get a 2/3 numerical majority) and, second, in the ratification process (where it would have to roll up an 85% numerical majority -- a very difficult thing to do in an international organization of this size when only inaction rather than a negative vote is needed to block ratification -- plus 51% of the investment.)

FCC can live with the 85% and 51% formula, but Asher Ende has suggested an arrangement whereby only the 2/3 and 2/3 formula would apply to certain articles of key importance to us, such as the Management arrangements articles. (This could well prove as unacceptable to other delegations as the absolute veto.)

COMSAT strongly favors the absolute veto as the best safeguard against unsound changes in the Agreement.

The following two factors are relevant to the U.S. Delegation's consideration of this risk:

In the course of time, approximately ten years, we would lose the absolute veto in any case.

Insistence by the U.S. upon total control would unquestionably engender resentment and lessened cooperation on the part of the other INTELSAT partners -- a price we would have to pay for "victory" on this issue.

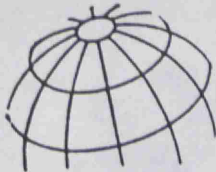
A.U.

Abbott Washburn  
Chairman, U.S. Delegation  
INTELSAT Conference

Attachment:

IWG(II)/Doc. 56.





INTERSESSIONAL WORKING GROUP  
OF THE  
RESUMED INTELSAT PLENIPOTENTIARY CONFERENCE  
Washington, D.C.

IWG(II)/Doc. 56  
September 16, 1970

ARTICLE XVII (c)  
(Proposed by the Chairman of the IWG)

- (c) The Assembly of Parties shall take decisions on amendments with the quorum and voting provided for in Article VII of this Agreement. An amendment which has been approved by the Assembly of Parties shall enter into force for all Parties ninety days after the Depositary Government has received notice of approval of the amendment by either:
- (i) two-thirds of the States who were Parties as of the date upon which the amendment was approved by the Assembly of Parties, provided that such two-thirds include Parties who then held or Parties whose Signatories then held, at least two-thirds of the total investment shares; or
  - (ii) a number of States equal to or exceeding eighty-five per cent of the total number of States who were Parties as of the date upon which the amendment was approved by the Assembly of Parties, regardless of the amount of investment shares such Parties or their Signatories then held, ~~whenever such~~ <sup>provided that</sup> percentage of the Parties includes the Parties who then held, or the Parties whose Signatories then held, at least (45) (51) per cent of the total investment shares.

\* \* \*



DEPARTMENT OF STATE

Washington, D.C. 20520

November 16, 1970

MEMORANDUM FOR: The Honorable  
Clay T. Whitehead  
Director, Office of Telecommunications Policy

SUBJECT : Comment on COMSAT Memorandum of October 27  
Sent to Peter Flanigan

In his transmittal letter Joe McConnell writes: "I recognize that a great deal of progress has been made... There need not and should not be serious conflicts of views or objectives within the U.S. Delegation." I agree.

Date of Plenipotentiary. Bottom of page 4: "As we see it now, no final Plenipotentiary Conference can be held, with any promise of success, before September of 1971." This is a procedural matter. John Johnson has told me that he believes a plenary in May could be successful. Toward the end of this next IWG, which ends on December 18, we shall be in a better position to judge this.

Assembly of Parties. Last March, the Japanese-Australian compromise included an Assembly function of considering complaints from Parties. Though Jim McCormack agreed to this at the time, COMSAT (specifically John Johnson) has been unhappy with it and would like to narrow the scope of such consideration to complaints falling within the Assembly's responsibilities as defined in the Agreement. We have been trying to get the other delegations to agree to this change, but even friends like Chile and Australia are not sympathetic. However, I have assured Johnny that we shall continue to try our best to get this changed.

Amendment Ratification. Bottom of page 10: "COMSAT must be assured that the final agreement will contain an amendment procedure substantially in accordance with the formula stated above 2/3 and 2/3." There is good prospect that a majority of delegations can agree on a formula of 85% numerical headcount plus 51% weighted vote. This would



appear along with our formula of 2/3 and 2/3. It would give us a near veto rather than an absolute veto. Negotiations, like politics, is the art of the possible. Since the 2/3 and 2/3 formula, which gives the United States an absolute veto for the next decade, is unacceptable to virtually all other delegations, the U.S. Delegation must, in the end, decide whether it can live with 85% and 51% or some other form of near veto or whether we are prepared to see the Conference collapse on this issue.

Price Flexibility. Bottom of page 3. The U.S. Delegation agrees with COMSAT's position on this.

Capital Ceiling. Middle of page 11. The U.S. Delegation agrees with COMSAT's position. We will push to get agreement on a \$400 million ceiling, with the Board of Governors authorized to increase this by 25% without going to the Meeting of Signatories.

Separate Regional System. Top of page 13: "We felt confident that the United States would not launch regional satellites for other countries unless a favorable decision was first obtained from the Assembly of Parties acting on the advice of the Board of Governors... This entire matter /Article XIV, regional systems/ should be reopened within the U.S. Delegation unless some reliable assurance can be given to COMSAT..." The U.S. Delegation agrees with COMSAT on this point. There is disagreement within the Department of State on the interpretation of the language sent to Minister Lefevre. Phil Trezise and I have written to Under Secretary Johnson recommending that this be clarified in a way that will indicate advance assurance of launch only in those cases where a proposal has been favorably acted upon by the INTELSAT Assembly. Herman Pollack opposes us on this. Asher Ende strongly supports us. Meanwhile, the British have said they will not put any money into post-Apollo.

In summary, then, COMSAT has but two problems: 1) limiting the scope of the Assembly's complaints function, and 2) coming out as close as possible to the 2/3 and 2/3

formula for amendment ratification. Compared to the Manager deadlock and the array of other problems the Corporation faced earlier, neither of these could be objectively categorized as make-or-break.

A.W.

Abbott Washburn  
Chairman, U.S. Delegation  
INTELSAT Conference



Thursday 11/19/70

MEETING  
11/25/70  
2:30 p.m.

6:00 Alexis Johnson's office called to schedule  
a meeting to discuss the Comsat position.

We have scheduled it for 2:30 p.m. on  
Wednesday (11/25) in Room 7240 at State.  
Ambassador Washburn and William Miller  
will also attend.

11/11/70

November 11, 1970

To: U. Alexis Johnson

From: Tom Whitehead

The attached is forwarded for your information.  
I believe we should discuss at an appropriate  
time in our review of where we go from here.

Attachment

cc: Mr. Whitehead

CTWhitehead:ed/jm



GAO  
report

Wednesday 11/18/70

MEETING  
11/23/70  
10:00

1:00

We have scheduled a meeting for Mr. Whitehead with Dr. Charyk and Mr. Acheson of Comsat to discuss the GAO report on the use of Cape Kennedy Facilities at 10:00 on Monday (11/23). (Steve is getting a copy of the report from GAO.)

Do you want anyone to sit in on the meeting?

*Who knows anything about it?*

*Probably Steve*

*We have a copy —  
copy given to Bruce Owen*

Report filed in "Comsat" with note of meeting of 11/23/70.

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

Date: November 20, 1970

Subject: GAO Study of Comsat Launch Bills

To: Mr. Whitehead

The "Draft Report"\* which GAO did at the request of Senator Gravel deals with the manner in which the Air Force charges NASA for Comsat launches. NASA passes these costs along to Comsat under various launch contracts. GAO did not investigate aspects of the NASA-Comsat relationship other than these Air Force charges.

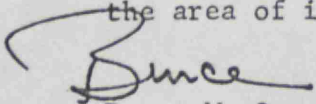
The GAO investigation revealed that Comsat has been undercharged about \$3 million for pre-F.Y.'69 flights of Intelsat I and II. However, GAO feels that these undercharges are not legally collectible from Comsat.

Similar undercharges of at least \$3.7 million were found for the first four flights of Intelsat III. GAO believes that these costs should be paid by Comsat, and that future launches should bear similar costs. If depreciation costs are added to the undercharges which GAO identifies, the underpayment during F.Y. 1969 may range up to \$4.5 million.

The principal basis for GAO's argument is that overhead expenses of the launch facilities were not apportioned correctly (or, in some cases, at all) to Comsat launches. The Air Force has not yet replied to this charge, and there is a possibility that a legitimate question about proper accounting procedure is present. There is, however, little doubt that some undercharge was made.

On the basis of our in-house analysis of Comsat's financial structure, it is unlikely that full payment by Comsat of the amounts involved now and in the future would significantly affect their overall cost and revenue requirement position. The order of magnitude of the impact would be between 2% and 5% of cost per circuit. This is well within the range of uncertainty of our estimates of costs.

The principal import of the issue would thus appear to be in the area of international politics.

  
Bruce M. Owen

\* "Draft Report to the Congress...Review of Launch Charges for Launch Support Services Provided to the Communications Satellite Corporation..."



**DRAFT**

FS-90

**DRAFT OF REPORT TO  
THE CONGRESS OF THE UNITED STATES**

**REVIEW OF CHARGES FOR LAUNCH  
SUPPORT SERVICES PROVIDED TO THE  
COMMUNICATIONS SATELLITE CORPORATION**

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**DEPARTMENT OF THE AIR FORCE  
AND  
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION**

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**BY  
THE COMPTROLLER GENERAL  
OF THE UNITED STATES**

**NOVEMBER 1970**

**DRAFT**

9/12/70

→ C.T.W.

Theo Lefevre, *of Belgium*  
Minister of Science Policy and Scientific Programmation

is representing the European Space Conference and will be accompanied by a high-level Frenchman and Britisher

They are scheduled to see Alexis Johnson, Acting Secretary of State, at 10:30 am on September 16 (next Wednesday) and appropriate principals of the USG:

Mr. Low, Acting Administrator of NASA  
Mr. David, President's science advisor  
Mr. Morris, Assistant Secretary of DOD  
Mr. Anders, Executive Secretary of National Aeronautics and Space Council

-- A.W.



9/12/70

*mtg Lefevre*

→ C.T.W.

*You did not attend*

Theo Lefevre, *of Belgium* -  
Minister of Science Policy and Scientific Programmation

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*(Other material in Post - Apollo Cooperation)*

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-- A.W.

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| DEPARTMENT OF STATE<br><b>REFERENCE SLIP</b> | DATE<br>10/6 |
|--|--------------|

| TO: | Name or Title          | Organ. Symbol  | Room No. | Bldg. | Initials | Date |
|-----|------------------------|----------------|----------|-------|----------|------|
| 1.  | <del>Mr Doyle</del>    | <del>OTR</del> |          |       |          |      |
| 2.  | <del>Geo Mansuet</del> | <del>FYE</del> |          |       |          |      |
| 3.  | <del>Col. Olsson</del> | <del>FYI</del> |          |       | 450      |      |
| 4.  | Judy                   | File           |          |       |          |      |
| 5.  |                        |                |          |       |          |      |

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| As Requested   | Necessary Action      | Prepare Reply    |
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| <input checked="" type="checkbox"/> For Your Information | Note and Return       | Signature        |

REMARKS OR ADDITIONAL ROUTING

Stine -

- 1 - For OTR info + file -
- 2 - letter will not be released to press at least until after ESC has considered it in early November -
- 3 - copies have gone to Senate + House Space Comm. as their request -

This is the US response to European questions put during the recent LeFevre visit.

SAD.

|                              |                  |           |
|------------------------------|------------------|-----------|
| FROM: (Name and Org. Symbol) | ROOM NO. & BLDG. | PHONE NO. |
| E/TO Nelson                  |                  | 23401     |



UNDER SECRETARY OF STATE  
FOR POLITICAL AFFAIRS  
WASHINGTON

October 2, 1970

Dear Minister Lefevre:

At the conclusion of our discussion on September 16-17 concerning possible European participation in the post-Apollo space program you requested that we provide a statement of our present views on several specific questions which you and your colleagues put to us, as well as on three of the general subjects which were discussed, i.e.: (1) availability of launch services and launch vehicles; (2) decision-making; and (3) access to information and facilities. These views are set forth in the numbered paragraphs which follow.

As I stated during the discussions, our views on these matters at this time are preliminary. Our ultimate views will depend on choices yet to be made in Europe as to the measure and character of European participation and on further development of our own plans for the Space Transportation System and Space Station.

Availability of U.S. Launch Services and Launch Vehicles --

1. We recognize the concern expressed by the European delegation with regard to the availability of launch services for European payloads in the event Europe chooses to participate substantially in the post-Apollo program.

The Honorable  
Theo Lefevre,  
Chairman,  
European Space Conference,  
Brussels, Belgium.

2. In the event Europe so chooses, the U.S. would not exercise arbitrary or unilateral judgment regarding the acceptability of European payloads. On the assumption that European participation would be substantial, the U.S. would, as part of an international agreement governing such participation, be prepared to assure on a reimbursable basis:

(a) Launch services by means of the new Space Transportation System in the conduct of European space programs for any peaceful purpose consistent with relevant international agreements.

(b) During the period before the new Space Transportation System becomes operable, availability of U.S. launch services for any peaceful purpose consistent with relevant international agreements.

3. In further explanation, by "substantial" European participation we mean, for purposes of these assurances, a commitment of at least 10% of the resources required for the development of the Space Transportation System (estimated at about \$10 billion over a ten-year period). Such a commitment would be commensurate with the measure of the overall European space effort relative to that of the U.S. It could be met by the provision at European expense of significant new technology, the development of a major system or sub-systems, or some combination of these.

4. By "consistent with relevant international agreements" we mean, the obligations of the U.S. and European countries as contained in such agreements as the Outer Space Treaty and the INTELSAT agreement. (For a more precise explanation of our views as to the bearing of the INTELSAT Agreement upon the availability of U.S. launch services, see paragraphs 11-15 below).



5. With respect to your question whether U.S. launch services would be available to individual European countries which participate in the development of the Space Transportation System, as well as to the participating European regional space organization,<sup>1/</sup> we expect that those members of the regional organization which participate in the development of the Space Transportation System would have the same rights with respect to launch services for their payloads as would the organization itself for its payloads.

6. Thus, the U.S. would no longer determine availability of launch services for European payloads on a unilateral case-by-case basis, but would provide the blanket assurances described in paragraph 2 above. European and U.S. interests would, therefore, be on an equal footing with regard to the availability of launchings for possible commercially competitive purposes.

7. With respect to your question as to the financial conditions under which the U.S. would provide launch services for European payloads,<sup>2/</sup> the U.S. would follow existing procedures which involve reimbursement for actual costs of (a) the purchase of launch vehicles from commercial sources, (b) transportation of vehicles to the launch sites, and (c) supporting services required in connection with the launch. The U.S. would not seek to recover the development costs of vehicles. Charges for support services would normally include the costs

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<sup>1/</sup> "Will the availability of launchers by the Government of the United States be guaranteed not only to Europe, considered as a whole, but also to each of the States participating in the program who are signatories of the Cooperative Convention?"

<sup>2/</sup> "Under what financial conditions would the United States supply launch vehicles to Europe?"

for range services, vehicle preparation and check-out, launch crews and administrative overhead. Other reimbursable services which might be agreed to on a case-by-case basis could include, for example, tracking and data acquisition, payload test and check-out, and procurement and assembly of special payload shrouds.

8. With respect to your question as to the priority and scheduling of U.S. launches of European payloads,<sup>3/</sup> we would deal with these launchings on the same basis as our own. Each launching would be treated in terms of its own requirements and as an individual case. When we know when a payload will become available and what its launch window requirements will be, we would schedule it for that time. We expect that conflicts would rarely arise, if at all. If there should be a conflict, we would consult with all interested parties in order to arrive at an equitable solution. On the basis of our experience in scheduling launchings, we would not expect any loss of time because of such a conflict to be significant.

9. In lieu of launch services, we would also be prepared to sell appropriate U.S. launch vehicles from our family of available expendable vehicles for use by the European countries in launching their payloads from launch sites available to the Europeans. In this circumstance we would consider that the same arrangements would apply as for launch services, i.e.: those described in paragraphs 1-6 above and 11-15 below.

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<sup>3/</sup> "What priority will be given to Europe in the assignment of launchers available at the time of its request and also in the schedule of launches?"



-5-

10. With respect to your question as to licensing the production in Europe of standard U.S. launch vehicles,<sup>4/</sup> we consider this matter separate from that of European participation in the post-Apollo program. Such a question would have to be judged on its own merits and in terms of a specific proposal. We would be willing to receive such a proposal and would consider it carefully without a priori reservations. Such a proposal would be largely a commercial matter and, since it would not involve new technology, would not be of interest to the U.S. as a cooperative project.

Bearing of the INTELSAT Agreement Upon the Availability of Launch Services --

11. In the case of the INTELSAT Agreement as it may bear on the availability of U.S. launch services for European communications satellites we assume that the definitive arrangements for INTELSAT which are now being negotiated would apply. In terms of draft article XIV as it is now proposed:

(a) The United States assurance described in paragraph 2 above would apply in those cases where no negative finding is made by the appropriate INTELSAT organ, regardless of the position taken by the U.S. in the vote.

(b) The only qualification to this assurance relates to the unlikely instance in which an applicant for U.S. launch services requests such a launch in the face of a negative finding by the appropriate INTELSAT organ. The U.S. could not obligate itself in advance to assure launch services in such an instance.

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<sup>4/</sup> "Will the American Government authorize American firms to conclude with European firms contracts permitting the construction under license in Europe of standard American launchers?"

12. With respect to your question as to our interpretation of the expression "significant economic harm to the global system of INTELSAT" as it now appears in draft article XIV of the proposed definitive arrangements,<sup>5/</sup> we cannot anticipate now precisely what the U.S. position would be in the case of consultation by a member country with the Assembly of Parties concerning the establishment or acquisition and use of space segment facilities separate from those of INTELSAT for international public telecommunications. To do so would prejudge a hypothetical future situation. We consider that the possibility of domestic, regional or specialized communications satellite systems separate from the INTELSAT system has been accepted in principle. In dealing with specific proposals for such systems the U.S. representatives in INTELSAT would consider the matter seriously and reasonably, and would not adopt an arbitrary position. We would expect other countries to do the same.

13. With respect to your question as to our interpretation of the expression "international public telecommunications" as it now appears in draft article XIV of the proposed definitive arrangements,<sup>6/</sup> while specific definitions have not yet been agreed, we believe there is a general understanding among the delegations to the INTELSAT Conference that, for purposes of the definitive INTELSAT arrangements, international public telecommunication includes those telecommunication services, fixed and mobile, which can be provided by satellite to meet the communication needs of

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<sup>5/</sup> "What is the interpretation given by the American Government to the expression 'significant economic harm to the global system of INTELSAT' which appears in article XIV of the intended agreement in terms, for example, of the proportion (percentage) of global income of INTELSAT?"

<sup>6/</sup> "What is the interpretation given by the American Government to the expression 'international public telecommunications' which appears in article XIV of the intended agreement?"



the general public or any segment thereof, including telephony, telegraphy, telex, facsimile and data transmission, relay of radio and television programs, and leased circuits for any of these purposes.

14. In contrast, specialized communication services are understood to include all telecommunication services other than public telecommunication services which can be provided by satellite, including, but not limited to, aeronautical, maritime, radio-navigation, space research, and broadcasting services. We consider that in the future such specialized communications services and other satellite applications might also be provided by INTELSAT, if the members agree, but would not become a special or exclusive function of INTELSAT. In any case, this would be a matter for the member countries to decide.

15. With respect to your question whether we would support a change in draft article XIV of the proposed definitive arrangements in order to assure that the opinion of the Board of Governors with respect to questions of "economic harm" is adequately substantiated,<sup>7/</sup> we would be reluctant to see this question reopened. This would have to be done within INTELSAT where the matter has already been discussed thoroughly during the current negotiation of definitive arrangements. Any recommendations by the Assembly of Parties with respect to "economic harm" must take into account the advice of the Board of Governors and

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<sup>7/</sup> "On the slight chance that Assembly of Parties might take a political decision under an 'economic' pretext, is it possible that the American Government would propose or support an amendment to article XIV of the intended agreement in order that the opinion of the Board of Governors which precedes these recommendations of the Assembly be substantiated?"

should be based on findings as to fact, not on political considerations. If such findings should be the subject of serious debate among the member countries in both the Board of Governors and the Assembly of Parties, we would adhere to the language and intent of article XIV, and would expect other countries to do the same.

Decision-making and Management --

16. We consider that the European role in decision-making and management should relate to, and be commensurate with, the measure and character of European participation. Although we would not expect to set any minimum level for European participation, we seek substantial participation, and intend that the arrangements for collaboration should assure consultation in the development of the Space Transportation System and Space Station wherever of significant, mutual concern to both parties.

17. Europe should be associated with the major decision-making bodies concerned with the overall planning and management of the development of either, or both of, these systems, depending on whether Europe decides to participate in the development of one, or both, of them. There should be an extensive role for Europe in the management of those aspects of these systems in which European contractors will be involved, either directly under European governments or working as sub-contractors to American prime contractors in integrated programs. Clearly, any decisions which affect European participation directly must be made jointly.

18. In addition, wherever there is a basis for European use of the Space Transportation System or Space Stations, we would expect Europe to take part in mission planning and experimental programs in generous proportion to their use.



19. Thus, there could be a substantial role for Europe in decision-making and management. If, as seems likely, the U.S. input to the development of these systems and the U.S. use of these systems when developed will be significantly greater than the European input and use, overall responsibility for management of the post-Apollo program would necessarily rest with the U.S.

20. With respect to Lord Bessborough's question concerning the percentage of European participation in management bodies and the effect of decisions, taken in areas in which there is no direct European participation, upon European financial obligations and access to facilities,<sup>8/</sup> we feel that Europe must be a partner in reaching any decisions which have a measurable impact upon European costs or upon European tasks in discharging their commitments to the program. Joint decision-making in these instances should not be permitted to have the effect of a unilateral veto in the case of normal over-runs which are experienced by contractors and sub-contractors on either side. There must, however, be provision for agreement by both parties in cases where changes in specifications would create different requirements than those to which they committed themselves in the initial agreement. In these latter cases that there would have to be some appropriate arrangements to pursue other alternatives in the event agreement cannot be reached.

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8/ "Is it possible to be more specific about what is meant by the statement that all countries would participate in the decision-making process and management to a degree commensurate with their contributions to, and use of, the Space Transportation System and Space Station?"

"Does this mean, for example, that if Europe contributed 10% Europe would have 10% of the members of all management boards or only those, including the governing board, in which it would be directly involved? In such cases, would decisions taken in areas in which Europe was not directly participating and which led to cost escalation involve increased financial participation for Europe (or alternatively reduced rights of access to facilities)?"

Access to Information and Facilities -

21. One of our major objectives in suggesting collaboration in the post-Apollo program has been to make optimum use of the resources and skills of both Europe and the U.S., including the application of existing technological capabilities and the generation of new technology. To this end we feel, not only that each participating party must have detailed access to technical data and facilities which they would need to accomplish their specific tasks under the agreed collaboration, but should also have general access to all technology and facilities in the overall development of the program.

(a) By detailed access we mean access to design, development and production data to the level of commercial know-how.

(b) By general access we mean access through visitation and published or publishable documentation, but not including detailed access as defined above.

22. In both cases access to technical data and facilities should be pursuant to terms of a government-to-government agreement providing assurance that these technical data would not be transferred to countries not participating in the agreement. Data which might be sensitive in terms of national security considerations should be exchanged, but handled within agreed security safeguards. Proprietary rights to inventions, innovations, technical data and copyright should be protected, but provision should be made for their sale or exchange among participants in the development of these systems on the basis of non-exclusive royalty-free licenses when desirable for furthering the agreed collaborative program. Arrangements for use of such proprietary rights for purposes



outside the agreed program should be made according to normal commercial practices.

23. With respect to Lord Bessborough's question as to the measure of European access to technical information,<sup>9/</sup> the arrangements suggested above should assure both an exchange of technical information adequate to a general understanding of the overall program by all participating countries and an exchange of detailed information (i.e.: to the level of commercial know-how) commensurate with the measure and character of their participation. They would not assure that all participating countries would have full access to, and unrestricted use of, all technology generated in the total program. Rather, each participant in the collaboration would acquire detailed information to the measure of his contribution and of his needs to fulfill the tasks which he undertakes. Each participant would benefit in terms of development of technological know-how to the extent of his investment and participation, and would thus set for himself the extent of his acquisition of commercial know-how.

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<sup>9/</sup> "Could what has been said about exchange of information be spelt out more clearly? Is it implied that there will be a general exchange of technical information, but that detailed technical information will be exchanged only on those parts of the programme in which Europe participates? This would seem to mean that Europe would give the U.S. detailed information about all the work it does but the reverse would not apply.

We feel that participating countries should have the right to full access to, and unrestricted use of, all know-how, design rights, etc. generated by part of the post-Apollo programme. Is this the intention?"

24. We do not expect that the effect of these arrangements would be as suggested in Lord Bessborough's question, i.e.: "that Europe would give the U.S. detailed information about all the work it does, but the reverse would not apply." Rather, we expect that each would provide detailed information relevant to, and needed for, the tasks of the other. Proprietary interest and production rights, premised on the successful completion of development tasks and established for some reasonable period of time to be agreed, would provide commercial protection through commitments by the parties to acquire items from the designated developer for the full period agreed.

Cost Estimates and Schedule for Development of the Space Transportation System and Space Station --

25. With respect to your question as to cost estimates and schedules, <sup>10/</sup> the following preliminary estimates for the development costs of the Space Shuttle, Space Station and Space Tug were prepared for the Space Task Group Report which was submitted to the President in the Fall of 1969. These are developmental costs only and do not include cost estimates for production, facilities and operations:

| (Billions of Dollars)                                       |      |     |     |     |     |     |    |    |    |         |
|---|------|-----|-----|-----|-----|-----|----|----|----|---------|
| Fiscal Years -  | 1972 | 73  | 74  | 75  | 76  | 77  | 78 | 79 | 80 | 81      |
| Shuttle   | .2   | .9  | 1.2 | 1.4 | 1.3 | 1.0 |    |    |    | =6.0    |
| Space Tug (earth orbital and lunar landing versions)        |      |     |     |     | .1  | .2  | .5 | .9 | .9 | .5 =3.1 |
| Space Station<br>(incl. experiments and experiment modules) |      |     |     |     |     |     |    |    |    |         |
|   | .1   | .2  | .8  | 1.1 | 1.3 | 1.1 |    |    |    | =4.6    |
|   | .3   | 1.1 | 2.0 | 2.5 | 2.7 | 2.3 | .5 | .9 | .9 | .5=13.7 |

<sup>10/</sup> "What is the last evaluation of the cost and schedule of the program (post-Apollo)? Can the cost be divided into an annual base? In the breakdown of this evaluation of costs, what is approved at the present time, and by whom?"



26. It should be noted that under the plan developed for the Space Task Group Report, costs for development of the Shuttle and Space Station peak at about the same time. To avoid this undesirable peaking, we expect to concentrate our efforts first on Shuttle development and to proceed with Space Station development somewhat later than indicated by the funding shown above. We expect that the studies now in progress will better define costs as well as configurations, but we do not expect that the cost estimates will be appreciably altered.

(a) The Space Tug described in the Space Task Group Report is a large multi-purpose modular system, operated in both manned and unmanned modes. Such a Tug not only could perform functions in earth orbit, but also could operate to the moon including delivery of personnel and cargo to the lunar surface. Therefore, the Tug envisioned in the Space Task Group Report is a much more extensive development than one designed to be carried as an intergal unit internal to the Space Shuttle and primarily used to transfer unmanned payloads from low earth orbit to geostationary orbit. Interest in the early years of Space Shuttle operation has now become focused on this latter much simpler Space Tug, the development cost of which are estimated at less than \$1 billion.

(b) We are also considering a modular concept for the Space Station which would permit build-up of the Station from modules small enough to be transported by the Space Shuttle.

27. The Fiscal Year 1971 NASA Authorization Act contains \$110 million for studies of the Shuttle-Station concepts. The Fiscal Year 1971 appropriation is still pending in the Congress.

#### Third Party Participation --

28. With respect to your question as to the implications of participation by third countries upon U.S.-European collaboration, 11/ we would like

11/ "What would the implication be on the agreements to be concluded with the United States and Europe of the participation of third countries on the post-Apollo program?"

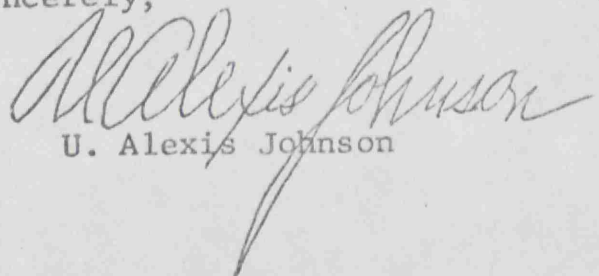
to accommodate broad foreign participation, and our suggestion for collaboration in the post-Apollo program is, as you are aware, open to non-European countries (particularly Canada, Australia, and Japan). Since we do not yet have a clear view as to the measure of their interests, it seems premature to attempt to deal specifically with this question at this time. In principle, we would expect third countries to participate in aspects of the program which did not duplicate those which the Europeans might previously have decided to undertake. Should third country participation require some degree of involvement in the European effort as well as our own, we would, of course, seek agreement with the Europeans. Third country participation would not in any event, be at the expense of Europe's proceeding with tasks respecting which a firm European commitment had been established. I suggest that we both keep this question in mind for further consideration in the event any third country indicates a significant interest in participating.

\* \* \* \* \*

I trust, Mr. Minister, that this statement of our present views will be useful in your preparations for the November meeting of the European Space Conference. We will await the results of that meeting. Meanwhile Mr. Pollack and his colleagues in NASA, the Office of Science and Technology and the Staff of the Space Council stand ready for such further discussion or exchange of views as may be useful to you. He will shortly provide comments to your Conference Secretariat on their draft Summary Record of the September 16-17 discussions.

May I assure you that we, here, feel that those discussions were useful for us all.

Sincerely,

  
U. Alexis Johnson



*Interstat  
mty*

9/12/70

→ C.T.W.

*Tom did  
not  
attend*

Theo Lefevre, of Belgium -  
Minister of Science Policy and Scientific Programmation

*(Other  
material  
in*

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accompanied by a high-level Frenchman and Britisher

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*European  
Post Apollo  
Cooperation)*

- Mr. Low, Acting Administrator of NASA
- Mr. David, President's science advisor
- Mr. Morris, Assistant Secretary of DOD
- Mr. Anders, Executive Secretary of National Aeronautics and  
Space Council

-- A.W.

EVA

Wednesday 9/9/70

MEETING

9/10/70

2 p.m.

2:45 Ambassador Washburn gave Timmie the attached information for you.

Do you want someone from OTP to attend?

*ms*

Eva - Make a file for -

European Post Apollo Cooperation - Le Fevre visit 9/70



Sep 9/2:25

Eva-

Ambassador Washburn called. The Working Group meeting on the LeFevre visit (Belgian) will be at the State Department, Thursday Sept. 10, 2:00, in room 7831 (Herman Pollack's area).

Mr. Frutkin and others of NASA, people from State, DoD, OST (Dr. Drew), NSC (Col Baer), Budget, and someone from Space Council.

Dr. Whitehead may want to have someone from OTP. If he does State would be happy to have a representative from OTP.

The Working Group is trying to agree on some position papers that will be going to the Under Secretary of State, Mr. U. Alexis Johnson, Tom Paine, NASA, Dr. David (OST) and Mr. Kissinger. This paper is suppose to be finished by Friday, so there is some urgency to this matter.

timmie

Office of Telecommunications Management

To: Tom Whitehead

Date: Sept. 9

From: Ralph Clark

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The attached messages provide useful background re the Lefevre mission.

A. NASA briefing and European response

B. Summary of European Space Conf.

C. Notice of Lefevre visit.

D. Press release re E.S.C.



CI-6

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JUL 28 1970

USIS - Mr. Mason

TO : Department of State

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" LONDON

" PARIS

" ROME

FROM : AmEmbassy BONN

SUBJECT : EUROPEAN SPACE CONFERENCE - JULY 7 and 8, 1970 - BONN

REF : Bonn 7964

DEPT PLEASE PASS NASA - DEPT FOR SCI

The two-day post-Apollo space transportation briefing presented

by Associate Administrator Dr. Homer NEWELL and his team of

NASA and U.S. contractor leaders in Bonn, July 7 and 8, was

attended by about 350 pertinent high-level people from European

governments and industry.

Pursuant to NASA's request, this airgram attempts to draw a

balance based upon those opinions coming to the Embassy's

attention. A much more significant estimate should be

possible after the ESC Ministers' meeting.

Reactions to the formal presentations and the more significant

private discussions are complex and varied. There was universal

admiration for the substance and nature of the briefings. In

fact, the quality of the planning and analysis so impressed

some Europeans that they expressed the false conclusion that

it is too late for Europe to contribute fundamentally to the

space program. This impression was not widespread and we do

not expect it to be long-lasting. German industrialists

appear interested in participation in the post-Apollo program.

The information conveyed will be of enormous help to the

European decision-making process. Informal meetings, such

as that between Assistant Administrator for Manned Space

Flight Dale MYERS and GfW's Technical Director Walter LUKSCH

(perhaps Myers' closest FRG counterpart, since he also is

responsible for space flight within the DFVLR) led to

significant mutual understanding.

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USIS - Mr. Mason

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FORM 10-64 DS-323

Drafting Date: 7/15/70

Phone No.: 3183

Contents and Classification Approved by: OEM- Mr. Wootton



Very significantly, we estimate, on the basis of his public and private statements, that FRG Minister for Education and Science LEUSSINK is beginning to look with more favor on post-Apollo cooperation. Excerpts from his welcoming remarks of July 8 are attached. Dr. SCHMIDT-KUESTER, responsible for international affairs in the FRG Science Ministry, concurred with this estimate. The FRG space budget, which was DM 370 million in 1970, may be increased to DM 540 million, the amount which was requested on July 9, for fiscal year 1971. This is a real feather in the cap of Max MAYER, who expressed his great satisfaction with the impact of the meetings and with on-going NASA-FRG projects. Professor Reimar LUEST, chairman of the FRG's highest advisory Science Council, told a reporting officer that the future for FRG space looks good, based on his July 8 BAF (Advisory Committee for Research Policy) meetings.

The logic of Frutkin's proposal to develop coordination and management mechanisms based on actual European project proposals seems well understood by those Europeans directly involved. Europeans feel they are in a good negotiating position because they think NASA can use independent, i.e., European, evidence of the wisdom of NASA post-Apollo funding proposals in its dealings with the U. S. Congress. In spite of insistent (negotiating) requests for proposals from NASA for specific projects for Europe, we feel the pertinent Europeans realize the next step is up to them and that the technology and service they ultimately receive from NASA will be measured by the size of the European contributions. Europe will, of course, continue to get advice and assistance from American industry and any proposals which may be developed in Europe should meld well with the U.S. program.

These briefings seemed to be helpful towards uniting ELDO and ESRO into a single European NASA. However, there is a strong trend of opinion that the bird may not get off the ground in time unless only two or three European countries interface with NASA in the near future--other countries could then be added later. We hear from Science Ministry offices that during the Pompidou-Brandt meetings, the FRG and France agreed in principle that, at its July Ministers' meeting, the ESC should decide to engage in political-level talks with the United States. According to these Ministry sources, however, Britain has indicated a desire to delay an ESC decision until September because the new Conservative Government has not had the opportunity to review its options. Although Science Ministry sources initially stated that Germany and France were firm in their determination to press for a decision in July, more recent indications are that Germany is weakening in its resolve. Specifically, Germany would probably be willing to postpone until September the decision to undertake political negotiations between the U.S.A. and the ESC if it appears that as a result of this brief delay, the British would become active members of a negotiating team including France and Germany. If Germany and France are successful in ultimately obtaining this ESC decision, they hope to elect former Belgian Premier LeFevre as Chairman of the ESC and have him lead the European Space Conference post-Apollo negotiating team.



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Page 3 of Bonn's A- 827

There is, undoubtedly, a strong European desire for relatively independent launching capability. Although the Embassy has not found it possible to so precisely analyze German (or European) intentions, a Paris-based European aerospace representative of one U.S. company estimated European priorities in the following order: (1) an operational Europa III rocket, (2) a European regional telecommunications satellite, (3) cooperation with the U.S. in scientific and application satellites, (4) space station and (5) shuttle and tug. We report this estimate only to indicate the range and complexity of the alternatives which the Europeans are considering.

The next weeks should be active ones, with European interest in determining mechanisms of participation, negotiation, including systems for determining what and when the U.S.A. will launch for Europe.

Among other activities, the House Staff Delegation had an informative meeting with FRG Science Ministry space chief Max Mayer, and the Senate Staff Delegation, a thorough discussion with Kutzer, FRG Helios project manager.

The press is varying from negative to positive in its assessment. Some say Europe will never be able to unite enough to do the job together, or that the U.S. is trying to sabotage European independence. Interestingly, the two major articles which suggested U.S. sabotage efforts were written before the conference began. At the other pole, some were surprised at NASA's generous donation of its technology. Most were caught up by the potential of the proposals and convinced that the practical results would be well worth what Europe would pay for them. When the press urged too many answers too soon from the European side, Frutkin emphasized these were briefings, not negotiations.

Attachment: As stated.

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EXCERPTS FROM SPEECH OF MINISTER LEUSSINK

TO EUROPEAN SPACE CONFERENCE

BONN, GERMANY

July 8, 1970

*Encl  
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"... As we all know, the proposal to participate in the post-Apollo-program was conceived and presented by the U.S. authorities as a world-wide initiative. As far as our part of the world is concerned I think we all feel that the proposal is directed primarily to Europe as a whole and, therefore, should be answered by Europe as a whole.

We understand the US proposes not only an enlargement in quantity of our future cooperation in space, but also an improvement with regard to its quality. To this we attach great importance indeed.

In the first decade of the space age, it seemed obvious that space activities had to be based on national programs. This, did not exclude the possibility of having some particular projects occasionally executed by bilateral, or multilateral international cooperation. Later we recognized that, in several aspects some of these activities, e.g. in the field of space communications and meteorology, but also in other fields, were international or even global by their very nature. Moreover, when the US astronauts first landed on the moon, there was a world-wide feeling that this event really affected mankind as a whole.

Gradually we are now becoming aware of the fact that some kind of new category of problems is about to develop...

Thus, in the second decade of the space age we are required to direct our attention towards the search for more adequate forms and procedures for handling global problems. This would include the creation of appropriate institutional patterns. I think there is a need in several fields to move away from the concept of primarily national programs with some accidental international cooperation on the execution level, towards an internationalization of the programs and activities themselves.

This is what I meant when I spoke of "the changing quality" of our cooperation, and what I found very encouraging in this respect in the US memorandum of September 1969 when it refers to the creation of new attractive institutional arrangements and the necessary liberalization of former US policies affecting international space cooperation.

I do not think that it will be an easy job to translate this philosophy into practical terms of an agreement. But I do feel that we must not fail to take every opportunity and make every step possible in that direction. In the field of space communications, considerable progress has been achieved during the last 18 months of the INTELSAT negotiations. In the much broader field of the post-Apollo program, organizational questions will perhaps



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Bonn A-827

be less important. But a necessary step in the new direction to which I referred a moment ago might be to organize our efforts in such a way that the different national or-in the case of Europe-regional sub-programs would, taken altogether, only constitute the world-wide post-Apollo program as a common program, the results of which would be shared by all of us. . . "



# Department of State

# TELEGRAM

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*Info-9TM*

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ACTION: SCI-06

INFO OCT-01 EUR-20 NASA-04 OST-01 ACDA-19 AEC-11 OEP-01  
FCC-03 CIAE-00 DODE-00 PM-05 H-02 INR-07 L-04 NSAE-00  
NSC-10 P-03 RSC-01 PRS-01 SS-20 USIA-12 IO-13 OIC-05  
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UNCLAS BRUSSELS 3779

SUBJECT: TEXT OF PRESS RELEASE OF EUROPEAN SPACE CONFERENCE  
(ESC), FOURTH SESSION, BRUSSELS, JULY 22-24

REFERENCE: BRUSSELS 3754

DEPARTMENT PASS NASA

1. SUMMARY. IN MOST RECENT SESSION ESC MEMBER STATES REACHED AGREEMENT IN PRINCIPLE TO ESTABLISH NEW "EUROPEAN NASA" ORGANIZATION AND TO SEND DELEGATION TO U.S. FOR TALKS (SEE REFTEL. HOWEVER, COMPLETE UNANIMITY NOT ACHIEVED AS BELGIAN, FRENCH, AND GERMAN DELEGATIONS RESERVED THEIR POSITIONS WITH RESPECT CERTAIN FINANCIAL COMMITMENTS (PARA 5). FOLLOWING IS SUMMARY OF PRESS RELEASE AT CLOSE OF MEETING.

2. EUROPEAN COOPERATION IN POST-APOLLO PROGRAM. AGREEMENT REACHED ON CONTINUATION OF CONTACTS AND STUDIES FOR FURTHER COOPERATION WITH U.S. CONFERENCE ALSO INSTRUCTED ITS PRESIDENT (BELGIAN MINISTER THEO LEFEVRE) ASSISTED BY FRENCH AND U.K. REPS " TO EXAMINE ON HIS BEHALF" WIT USG THE GENERAL CONDITIONS,

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# Department of State TELEGRAM

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ESPECIALLY POLITICAL AND FINANCIAL, FOR EUROPEAN PARTICIPATION, AS WELL AS AVAILABILITY OF LAUNCHERS. RESULTS OF LEFEVRE MISSION TO BE REPORTED TO MEMBERS BEFORE END 1970.

3. INSTITUTIONAL QUESTIONS. APPROVED CREATION OF UNIFIED EUROPEAN SPACE ORGANIZATION TO REPLACE ELDO, ESRO, ESC, AND CETS AND "REFINED PRINCIPLES" OF NEW ORGANIZATION. TEXT OF CONVENTION TO BE PRESENTED FOR SIGNATURE AT A PLENIPOTENTIARY CONFERENCE IN BRUSSELS AT BEGINNING 1971. IN INTERIM, ELDO AND ESRO COUNCIL MEMBERSHIP COMBINED WITH ONE PRESIDENT.

4. ESC PROGRAM. WITH REGARD APPLICATION SATELLITES, AGREEMENT REACHED 1) ON FINANCIAL RESOURCES NEEDED FOR THE STUDIES AND INITIAL PRE-DEVELOPMENT WORK ON AN OPERATIONAL EUROPEAN SPACE COMMUNICATIONS SYSTEM 2) TO UNDERTAKE JOINT PROGRAM WITH U.S. OF AIR TRAFFIC CONTROL SATELLITES. WITH REGARD LAUNCHERS, DECISION MADE TO 1) CONTINUE AND COMPLETE CURRENT DEVELOPMENT PROGRAM OF EUROPA I AND EUROPA II LAUNCHERS; 2) CONTINUE CONSTRUCTION PROGRAM FOR THESE LAUNCHERS, INCLUDING VEHICLES TO BE BUILT BEYOND THE "SYMPHONIE" PROGRAM; AND 3) START-UP OF EUROPA III LAUNCHER DEVELOPMENT PROGRAM.

5. FRENCH DEL RESERVED ITS POSITION ON THE PROPOSED INSTITUTIONAL ARRANGEMENTS. BOTH FRENCH AND BELGIAN DELS RESTRICTED THEIR FINANCIAL COMMITMENTS TO THE RESEARCH PROGRAM TO CURRENT THREE YEAR PERIOD ENDING IN 1971. GERMAN DEL RESTRICTED ITS FINANCIAL COMMITMENT ON APPLICATION SATELLITE PROGRAM TO END OF 1971.

6. NEXT ESC MEETING TO BE HELD BRUSSELS NOVEMBER 3-5, 1970. EISENHOWER

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AMEMBASSY PARIS  
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DEPT PASS NASA

SUBJ: EUROPEAN SPACE MINISTERS CONFERENCE (ESC)

REF: BRUSSELS 3689

1. EUROPEAN SPACE MINISTERS CONFERENCE, CONCLUDED TODAY, AGREED IN PRINCIPLE TO ESTABLISH A "EUROPEAN NASA" INSTITUTION COMBINING THREE EXISTING ORGANIZATIONS (EISO, ESRO, AND CETS) AND TO SEND BELGIAN SCIENCE MINISTER THEO LEFEVRE TO WASHINGTON AS ESC REPRESENTATIVE FOR TALKS WITH U.S.G. OFFICIALS PRIOR NEXT ESC SESSION SCHEDULED FOR NOVEMBER. LEFEVRE, ACCOMPANIED BY FRENCH AND U.K. REPS, REPORTEDLY WILL WISH DISCUSS SATELLITE LAUNCHING AS WELL AS POST-APOLLO PROGRAM. ESC ENVISAGES ESTABLISHMENT NEW INSTITUTION BY JANUARY 1971.

2. WILL REPORT FURTHER DETAILS ON CONFERENCE FOLLOWING CONVERSATION WITH GOB OFFICIALS NEXT WEEK. CONFERENCE DOCUMENTS BEING POUCHED.

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# Department of State TELEGRAM

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ACTION SCI-06

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AMEMBASSY PARIS  
AMEMBASSY ROME

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DEPARTMENT PASS NASA

SUBJECT: EUROPEAN SPACE CONFERENCE--VISIT OF MINISTER  
LEFEVRE TO WASHINGTON.

REF BRUSSELS 3754

1. EMBOFFS MET TODAY WITH VAN REMOORTERE (CHEF DU CABINET OF MINISTER LEFEVRE) TO LEARN FURTHER ON PLANS OF MINISTER FOR VISIT TO US. MINISTER MEETING LATER TODAY WITH STAFF TO DISCUSS THIS SUBJECT. VAN REMOORTERE SAID THAT PRELIMINARY THINKING WAS FOR LEFEVRE VISIT IN LATE SEPTEMBER, ACCOMPANIED BY FRENCH AND UK REPS AT SUB-MINISTERIAL LEVEL. RECOGNIZING THAT NO FINAL PROGRESS COULD BE MADE AT THIS MEETING, SUPPLEMENTAL VISITS BY EXPERTS MIGHT FOLLOW IN OCTOBER IN ORDER TO MAKE FIRM PREPARATIONS FOR NEXT ESC MEETING, NOVEMBER 3-5.

2. IS CLEAR THAT PURPOSE OF VISIT IS TO CLARIFY US ATTITUDES ON SUPPLYING LAUNCHER FACILITIES FOR EUROPEAN PROGRAMS

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Eva:

Copy has been given to Dr. Mansur  
and Col. Olsson.

Dolores





DEPARTMENT OF STATE

Washington, D.C. 20520

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September 10, 1970

TO: NASA - Mr. Cohen  
OST - Dr. Drew  
NASC - Mr. Hale  
DOD/ISA - Dr. Mountain  
NSC - Col. Behr

SUBJECT: Visit of Minister Lefevre

Herewith the revised draft of our position paper for the discussion with Lefevre.

We will meet at 2:00 p.m. today to consider the draft (Room 7831, Department of State).

Robert F. Packard

Attachment

Revised draft,  
Sept. 9, 1970

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Discussion with the European Space Conference  
of Eventual European Participation in the  
Post-APOLLO Space Program

INTRODUCTION --

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Tab A      List of Participants

Tab B & C      Notes exchanged between the Embassy of Belgium  
                    and the Department of State



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INTRODUCTION -- GENERAL CONSIDERATIONS

We have agreed to discuss with the Chairman of the European Space Conference (ESC), Minister Lefevre of Belgium, the political, financial and other implications of eventual European participation in the post-APOLLO space program. He will be accompanied by representatives of the UK and French members of the ESC (Lord Bessborough, who is Minister of State of the UK Ministry of Technology, and Mr. Zaleski from the Science Cabinet of the French Ministry for Industrial and Scientific Development) and by advisors from the three governments as well as the European Launcher Development Organization (ELDO) and the European Space Research Organization (ESRO). A list of the European and U. S. participants in this discussion is at Tab A.

The discussion will be held at the Department of State on the morning of September 16. It has been arranged at the request of the Europeans and its agenda is of their proposing. Copies of informal Notes<sup>about this discussion, which were</sup> exchanged with Minister Lefevre through the Embassy of Belgium, \_\_\_\_\_ are at Tabs B and C.

Although the phrase "post-APOLLO space program" could include all aspects of the on-going U. S. space program,

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this discussion will concern the possibilities of foreign participation in the development and use of two of the major technological innovations proposed for our on-going space program, i.e.: (1) a reusable manned space transportation system and (2) a multi-purpose, manned, earth orbital space station.

For nearly a year there has been an intensive dialogue between NASA and its European counterparts, principally especially ELDO and ESRO, on the technical aspects of possible collaboration in these new systems. The meeting with Minister Lefevre and his party will be the first "political<sup>level</sup>"/discussion, and thus will be preliminary and exploratory in character.

The Europeans have yet to give any clear or precise indication of the measure of their interest in participating in the development or use of these systems, or of the particular tasks which they might be interested in undertaking.

Political and financial factors will be a major consideration for the Europeans in reaching a decision whether to participate and how. This decision will probably be made during the next few months.

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Meanwhile they have taken a number of steps to pull themselves together in space activities and to be better prepared for such collaboration, e.g.: a decision taken by the ESC this past July to combine ELDO and ESRO into a single European Space Organization.

In the absence of specific European proposals, our views cannot be considered final at this time, and we should make this clear at the outset. Although we would prefer to discuss the framework and terms of possible cooperation with some knowledge of the measure of participation which the Europeans will propose, it is none-the-less in our interest to respond to their questions on non-technical matters to the extent that we can do so at this time, and to come soon to as firm a preliminary understanding on these matters as is possible. Indeed, our ultimate position on a number of the subjects to be discussed will depend upon European preferences and upon European choices as to the measure and character of their participation.

At the conclusion of this initial discussion, we should arrange for some follow-on mechanism to explore these subjects further and to exchange definitive positions, when reached.

The subjects for discussion proposed by Minister Lefevre do not appear to include two matters which will require

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careful exploration in the future, i.e.: (1) the possible inclusion/ of third parties  
(2) participation and/ the form and content of the government-to-government agreement on which participation will be based. These matters do not require discussion now, but should be identified for follow-on consideration.

The discussion on September 16 will likely be most useful, if it is quite informal. Nonetheless, in view of the importance of these matters to the Europeans, and in the face of their complexity and of the extent to which our intensions in space matters have often been misunderstood in Europe, the discussion should be carefully structured. It would be well to have notes of the meeting and/ to provide be prepared the Europeans after the meeting a precise statement in writing of our views on important matters.

The paragraphs which follow concern several important considerations which underlie our present position on the agenda items for the discussion. Our specific views on those items are described in the section SUBJECTS FOR DISCUSSION commencing on page 14. Advantages and disadvantages for the US

From the U. S. point of view the principal values which could accrue from European participation in the development and use of these new systems would be:

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1. A significant contribution in financial resources and technology.
2. Increased use of these systems, when operational, which would strengthen the justification for developing them and contribute to their cost-effectiveness.
3. A more rational use of overall American and European resources and skills than we have achieved through our cooperative arrangements heretofore.
4. A substantial European multilateral undertaking involving U.S.-European cooperation effecting significant U. S. national objectives, i.e.: a major and useful "North Atlantic" project.
5. The establishment of a workable precedent for further "partnership" in planning and conducting other space projects during the 1970s and 1980s.

In view of their relevance to U. S. political objectives and to U. S. purposes in the conduct of space activities, the values under 3-5 above add significantly to the purely financial and technical inputs under 1 and 2 above.

In return for these benefits we will face greater complications in the development of these systems. Although the

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Europeans will be heavily dependent upon us, we will become dependent in some measure upon them. We will have to make commitments as to availability of reimbursable U.S. launch vehicles and launch services for European satellite projects, and we will have to be prepared to make available advanced U. S. technology needed by the Europeans in order to accomplish their developmental tasks.

Advantages and disadvantages for the Europeans

From the view of the Europeans their participation would appear to offer the following advantages:

1. The technical, managerial and industrial benefits to be derived from participation in major projects involving advanced technology.
2. The acquisition of U. S. technical data.
3. An opportunity to avoid investment in the development of redundant European launch capabilities, and greater assurance that U. S. launch vehicles or launch services will be available for their satellite projects.
4. An opportunity to become partners in the use of the space transportation system and space station, possibly on the basis of a division of labor which might obviate the necessity of their having to support a competitive capability in broad areas of space activity.



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However, if they decide to participate, it will be costly and will likely divert their major efforts in space from national to international programs. It is not clear that, with one possible exception\*, a sufficient number of these systems will be needed on an operational basis to represent an attractive, on-going, commercial production opportunity for the Europeans. Nor, as a political matter will their participation in the development of the space transportation system affect substantially their chances of having access to US launch services or of being able to participate in the use of these systems, when developed. In view of our policy of working closely with the Europeans, we would probably make these opportunities available to them anyway. They would, in this case however, have missed the practical and catalytic benefits of participation in the development of the systems. If they choose to participate, they will nonetheless continue to be in a position of considerable dependence on the US.

---

\* An expendable upper stage in the space transportation system (such as an orbit-to-orbit shuttle or space tug) which the Europeans might develop.

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Asymmetries

In view of the preponderance of U. S. resources and effort which will be put into the development of these systems and the far greater use which the U. S. will have for them, when operational, this collaboration with the Europeans would be very asymmetrical. This will be the case not only with respect to investment in, and use of, these systems, but also with respect to the benefits from the collaboration, including the importance of the space transportation system to the U. S. from the viewpoint of military use. Thus, there will be no credible basis on which this collaboration could be viewed as an equal partnership. Nor would it be in our interest to attempt to enhance the benefits for the Europeans artificially. They will have to make their choice in terms of the true net benefits for them. These would be considerable. The responsibility and control will necessarily be American. If they choose to participate substantially, there can be an important and worthwhile role for them.

In this situation we face difficult questions as to the measure and kind of European participation which would be worthwhile from our point of view and which would merit offering the Europeans the assurances which will be critical



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from their point of view, i.e.: assurances as to (1) their role in project determination, and (2) the availability of US technology used in these systems. Even more difficult by an order of magnitude are questions affecting assurances as to (3) the availability of US launch services both before and after the space transportation system becomes operational, and (4) their eventual use of the systems. The problems involved in (1) and (2) above are essentially sui generis to this collaboration. Those concerning (3) and (4) involve a number of other political and economic considerations.

We seek substantial European participation, but would not set any minimum level of European contribution which would be prerequisite to their participation.

Their role in project determination (the extent and character of their participation in decision-making and management) will depend upon the extent of their contribution, i.e.: their financial input and the measure and consequence of the tasks which they undertake. This will also be the case with respect to the exchange of technology.

Although we would expect to continue to make US launch services and spacecraft available for European space projects under cooperative programs or on a reimbursable basis, including the space transportation system and space station when

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they become operational, there is a difference between doing  
so as a matter of general policy/<sup>subject</sup> to case-by-case deter-  
mination on one hand and, on the other, offering an assured,  
on-going commitment to do so for all European space projects  
(so long as they are for peaceful purposes and consistent  
with international agreements). The latter commitment would  
justify our seeking both a substantial European contribution  
to the development of the major launch system which will be  
used for this purpose in the future and the benefits which  
we expect will accrue from collaboration in its development.

Such a commitment would be themore justified, if the Europeans  
set aside the further development of their own launch capabi-  
lity based on technology of the 1960s (EUROPA-III) in order  
to contribute substantially to the space transportation system  
of the 1970s. (This is a choice for them to make, and one  
which we should not attempt to influence directly.) Thus,  
there is some level of "substantial" European participation  
which we should seek as a prerequisite to offering such  
assurances.

Definition of "substantial" participation

The most reasonable and relevant basis for defining  
"substantial" participation would be (1) a European commitment  
of resources to the development of these systems commensurate  
with the size of the overall European space program relative



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to that of the overall US program, or (2) a significant, unique European contribution in terms of new technology or the development of a major system or sub-system, or (3) both.

If measured by cost or extent of effort, the European program has been running at 5%-8% of the US program. In the face of a reduced US program, or at best a US program continuing at about the present level, a European contribution of 10% of the resources required would be "substantial". It would, in fact, involve about the same commitment of money and effort as would be required, if the Europeans complete the development of EUROPA-III.

Selection of tasks

In selecting tasks which they might undertake, we must, of course, be satisfied that they have the capability to accomplish them successfully within the time period set for their completion. To assure the technical feasibility and viability of their proposals for participation, we would want to establish joint technical teams to validate, to our mutual satisfaction, the prospects of the proposals, their soundness, and the underlying capabilities to be employed.

Perhaps most important, it must be borne in mind, and understood clearly by the Europeans, that we cannot assure them that the US will proceed soon to the development of either a reusable space transportation system or a manned

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space station. Although these new systems have been recognized as key elements of the US space program over the coming years, their development has not been authorized by either the Administration or the Congress and there is real question when they will be. It seems clear that the prospect of a substantial European contribution would increase the likelihood of early authorization. Once authorized, these programs would be subject to annual appropriations.

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SUBJECTS FOR DISCUSSION

(Agenda)

A. Purposes and Principles

1. Objectives

To take advantage of two broad possibilities for international cooperation in space activities during the 1970s which were not practicable during the 1960s, i.e.:

- a. Foreign participation in, and contributions to, advanced technological developments within the U. S. program, in this instance the development and use of a reusable space transportation system and a multi-purpose earth-orbiting space station.
- b. Exploitation of manned flight for space research and applications.

To make optimum use of the resources and skills of the U. S. and Western Europe through mutual planning and collaboration.

To establish workable precedents for an expanded U.S.-European partnership in space applications and space exploration over the coming decade through early

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collaboration in the achievement of major new post-  
APOLLO capabilities.



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2. Principles

Maximum European participation consistent with mutual interests and capabilities. This participation may vary in both kind and extent, i. e.: in the separate or joint character of the tasks undertaken and in the measure of the commitments made to either development or use, or both. While encouraging maximum participation, we obviously leave the initial choice of proposals up to the Europeans. There is no minimum level of European contribution prerequisite to their participation.

- a. Separate, but coordinated arrangements would lend themselves best to the development of major, identifiable systems or sub-systems, such as a space tug or a space station module. They would permit independent contracting and would afford maximum independence for the cooperating parties.
- b. Joint and integrated arrangements would be required for participation in the development of integral sub-systems where independence contracting would not be possible.

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Self-funding -- each party to support his own participation.

Management integrity -- arrangements consistent with good, overall management.

General exchange of technical information across the entire program and detailed exchange of data and hardware appropriate to the tasks undertaken by the parties.

A production, as well as a developmental, role for all parties.

Equitable access to the facilities developed under mutual arrangements.

Participation in decision-making and management commensurate with the contributions to, and use of, the space transportation system and space station, by the parties. At best this partnership will be an asymmetrical one in view of the larger U.S. input to the development of these systems and the greater use of these systems by the U. S. when developed. Nonetheless, the intent of the collaboration should be to assure consultation in the development and relevant use of these systems wherever relevant to both parties.



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Multilateral arrangements between the U. S. and several, or all of the members of the European Space Conference are much to be preferred in all respects; bilateral arrangements between the U. S. and individual European countries would, however, be possible. In the case of multilateral arrangements, European participation should be arranged through the ESC or a regional entity designated to act on its behalf.

Arrangements to these ends should be subject to an intergovernmental agreement, including provision for suitable industry-to-industry supporting arrangements. They may include a variety, or mix, of arrangements responsive to the substance of the cooperation. They will likely vary with respect to the different aspects of the program, i.e.: planning, actual development of hardware and facilities, and use of the systems.

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3. Availability of launch vehicles and launch services

The U. S. will assure those European countries which participate substantially:

- a. Use of the space transportation system in the conduct of their own space programs for any peaceful purpose consistent with relevant international agreements.

This will include reimbursable launchings from U. S. launch sites;

- b. During the period before the space transportation system becomes operable, availability of U. S. launch services on a reimbursable basis for any peaceful purpose consistent with relevant international agreements; and
- c. Similar access to the space station.

By "participate substantially" we mean a commitment of (1) about 10% of the resources required for the development of these systems (i.e.: a commitment commensurate with the overall European space program relative to that of the U. S.) or (2) a significant, unique European contribution in terms of new technology or the development of a major system or sub-system, or (3)



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an equivalent combination of both.

By "consistent with relevant international agreements" we mean the obligations of the U. S. and these countries as contained in such existing agreements as the Outer Space Treaty and the INTELSAT Agreement and in such future international agreements affecting space activities as may be entered into by the U. S. and these countries.

In the case of the INTELSAT Agreement as it may bear on the availability of U.S. launch vehicles or launch services and <sup>of</sup> relevant technical data for foreign communications satellites we consider that the definitive arrangements which are now being negotiated would apply.

The U. S. could not unilaterally assure the provision of critical technical assistance in the development of, or the launching with its own vehicles and facilities of, any of the types of systems (e.g.: regional, specialized or domestic) provided for in the INTELSAT definitive arrangements which, on a case-by-case basis, the appropriate INTELSAT organ found to be incompatible with the INTELSAT system. This would be the case with the space transportation system.

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These conditions introduce no restriction not already applicable, nor would we expect these circumstances to occur often, if at all.

We assume that, if

there should develop other peaceful satellite applications or programs which may appear sensitive from the viewpoint of European or US interests, or in the view of a substantial portion of the world community, we would consult and work out an agreeable resolution to the problems involved.

but are not dealt with under existing international agreements,

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B. Character and Modalities of European Participation

4. Originality

We assume that this subject concerns two questions:

(a) whether we would expect the Europeans to undertake the separate development of a major system or sub-system such as a tug or space station module, and (b) whether they will have production rights for the future supply of the elements of these systems which they have developed.

a. We have no strong preference whether the Europeans undertake separate or integral tasks, or both. The principle of interdependence underlies our offer of foreign participation.

b. Proprietary interest and production rights are implicit in these arrangements,

The rights will necessarily be premised on the successful completion of the development task and should be established for some reasonable period of time to be agreed. They should not be construed to preclude the other party from working in the same field, but rather would provide commercial protection

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through commitments by the parties to acquire items from the designated developer for the full period agreed. Any work done in the same field by the other party would have no relevance until the protected period expired.

This subject may also involve a third question -- whether there will be tasks reserved exclusively for the U. S., i.e.: areas of new technology involved in the development of these systems in which we would not accept European participation. We do not foresee any areas from which their participation need be excluded a priori. We would wish to be assured of the technical feasibility and viability of these proposals, and would need to be satisfied that they have the capability to complete the tasks which they undertake successfully and on time.

(NOTE: These criteria should protect any concern which we might have as to European access to sensitive U.S. design, development or production information in



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critical areas such as certain aspects of guidance or reentry technology relating to strategic weapons delivery systems or military space system. We would not seek or accept European participation requiring such access unless it could be clearly demonstrated that (1) better technology and know-how exists in the prospective contributing country or, (2) in the case of only equivalent technology and know-how, there are over-riding reasons to seek foreign participation in these areas, and (3) neither the U. S. technology nor end products resulting from it would be transferred to any third country.)

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5. Decision-making process

Responsibility for program determination must be commensurate with the contributions to, and use of, these systems by the parties. In view of the obvious preponderance of U. S. investment and use, we do not feel that there is a credible basis for joint determination in overall program planning and management. There should however, be an extensive role for the Europeans in the management of those aspects of the program where European contractors are involved, either directly under European governments in separate programs or working as sub-contractors to American prime contractors in integrated programs. Any decisions made affecting European participation must be made jointly. Ultimately, of course, each side must have a certain escape valve in the event agreement could not be reached.

In addition, wherever there is a basis for European participation in the use of post-APOLLO space facilities, we would expect European participation in the mission planning and experimental programs in generous proportion to their participation.

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6. Liaison at the political and technical levels

For purposes of further consultation and definition of this collaboration, we propose that liaison at the technical level continue as already developed between NASA and representatives of the ESC. Further discussion of non-technical matters can be pursued by the representatives of the U. S. principals at this meeting and such European representatives as the ESC would designate.

We have no clear preference as to mechanisms for liaison when an agreement comes into force; leaving this question to be decided in the light of the content of the collaboration agreed.

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7. Size of the European participation

We would not set any minimum level of European contribution which would be prerequisite to European participation -- either in terms of the kind or cost of tasks to be undertaken. We seek substantial participation, and consider that the kind of assurances which the U. S. could offer would be affected by the European measure of / participation, e.g.: assurances as to (1) their role in project determination, tasks which they would undertake, (2) the availability of U. S. technology used in these systems, (3) the availability of U. S. launches both before and after the space transportation system becomes operational, and (4) their eventual use of the systems.



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8. Access to information and facilities

A principal objective of our offer for foreign participation in these systems is to generate foreign inputs and technological contributions. This will necessarily involve some exchange of specific technical data and general access to the technology involved in the overall systems. Recognizing that advanced technology associated with the U. S. space program is a national asset, much of it important to military security including implications for strategic weapons delivery capabilities, the release of U. S. technology under this collaboration must be weighed carefully against the risks to military security, within the context of overall U. S. national objectives.

The guiding principles with respect to access to technical data and facilities should be that (a) both parties should have general access to all technology and facilities involved in the overall development of these systems, and (b) each party should have detailed access to technical data and facilities on a need-to-know basis necessary to the accomplishment of their specific tasks under the agreed collaboration. Detailed access should proceed in phase with their progress in these tasks.

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- a. By detailed access we mean access to design, development and production data to the level of commercial know-how.
- b. By general access we mean access through visitation and published or publishable documentation, but not including detailed access as defined above.

In the case of data which is sensitive in terms of national security considerations, whether classified or unclassified, any access must be on a strict need-to-know basis and within customary security safeguards. These safeguards would include arrangements to assure that access to such technical information may be limited to those individuals or teams clearly identified as requiring it, that its availability may be restricted to the location where the work for which it is necessary is being carried out, and that no such technical information will be transferred, or applied, to use in strategic military weapons systems.

All access to technical data and facilities should be pursuant to terms of a government-to-government agreement

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requiring assurance as to transfers to countries not participating in the agreement. Proprietary rights to inventions, innovations, technical data and copyright should be protected, but provision should be made for its sale or exchange among participants in the development of these systems on the basis of non-exclusive royalty-free licenses when desirable for furthering the agreed collaborative program. Arrangements for use of such proprietary rights for purposes outside the agreed program should be made according to normal commercial practices.

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9. Fields of collaboration

A U. S. preference or position on this matter must await a more precise indication from the Europeans as their interests and choices for participation. In principle, we would not exclude their undertaking any of the tasks involved in the development of these systems for which they clearly have the competence to meet project specifications.

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10. Other possibilities for cooperation

We would be prepared to consider any European proposals.

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| DEPARTMENT OF STATE<br>REFERENCE SLIP | DATE<br>9/24/70 |
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| For Your Information                        | Note and Return       | Signature        |

REMARKS OR ADDITIONAL ROUTING

10m

I would like to have ODP's  
comment and concurrence  
by ~~noon~~ on Sept 8 -  
1000

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| E/O Nelson                   |                  | 23405     |





DEPARTMENT OF STATE

Washington, D.C. 20520

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September 3, 1970

MEMORANDUM

TO: EUR - Mr. Katz  
E/TD - Mr. Miller  
S/PC - Mr. Gathright

FROM: SCI/SAM - Robert F. Packard, Director

Minister Lefevre, Chairman of the European Space Conference, has accepted our proposal that we meet with him and representatives of the UK and France in Washington on September 16.

Attached is a first draft of a position paper for the discussions with Minister Lefevre and his party. I am convening a meeting of representatives from NASA, OST, NSC, OMB, OSD and NASC on September 8, at 2:30, in room 7831 to consider the paper and to agree to changes wherewith to prepare a final version for submission to our principals.

I would appreciate any comments you may have on this paper in advance of that meeting. You would be most welcome to attend the meeting as observers.

Attachment

First Draft of  
Position Paper

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Position Paper for Discussions with The European Space  
Conference of Eventual European Participation in the  
Post-APOLLO Space Program

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INTRODUCTIONA. Issues

We have agreed to discuss with the Chairman of the European Space Conference (ESC), accompanied by representatives of the UK and France, the political, financial and other implications of eventual European participation in the post-APOLLO space program. Although the phrase "post-APOLLO space program" would include all aspects of the on-going U.S. space program open to foreign participation or cooperation, this discussion will concern the possibilities of foreign participation in the development and use of a reusable space transportation system and a multi-purpose, manned, earth orbital space station.

For nearly a year there has been an intensive dialogue between NASA and <sup>its</sup> ~~her~~ European counterparts, principally the European Launcher Development Organization (ELDO) and the European Space Research Organization (ESRO), on the technical aspects of this possibility. The meeting with Minister Lefevre and his party will be the first "political" discussion, and thus will be preliminary and exploratory in character.

The Europeans have yet to give any clear or precise indication of the measure of their interest in participating in the development or use of these systems, nor of the

particular tasks which they might be interested in undertaking. At this stage it would be difficult for them to discuss their contribution in any meaningful quantitative or qualitative terms. Indeed, political and financial factors will be a major consideration for the Europeans in reaching a decision whether to participate and how. This decision will probably be made during the next few months.

Thus, although we would prefer to discuss the framework and terms of possible cooperation with some knowledge of the measure of participation which the Europeans will propose, it is clearly in our interest to respond to their questions on non-technical matters and to come soon to as firm a preliminary understanding on these matters as is possible. In the absence of specific European proposals, and pending careful discussion with the White House and with the Congress, these understandings cannot be considered definitive at this time.

In view of the preponderance of U.S. resources and effort, ~~relative to that which can reasonably be expected from the Europeans,~~ which will be put into the development of these systems, and the ~~similarly~~ preponderant U.S. use of these systems which seems likely after they are developed, this relationship will at best be very asymmetrical. There will be no credible basis on which it could be viewed as



an equal partnership. The responsibility, authority and control will necessarily be American. If the Europeans choose to participate substantially, however, there can be an important and respectable role for them.

From the U.S. point of view the principal values which will accrue from their participation should be:

1. A significant contribution in financial resources and technology.
2. A measure of use of these systems, when operational, which will enhance the justification for developing them and contribute to their cost-effectiveness.
3. A more rational use of American and European resources and skills.
4. A substantial European multilateral undertaking involving U.S.-European cooperation effecting significant ~~inter~~national objectives.
5. The establishment of a workable precedent for further "partnership" in planning and conducting other space projects during the 1970s and 1980s.

In view of their relevance to U.S. political objectives and U.S. purposes in the conduct of space activities, these values exceed the purely financial and technical inputs.

In return for these benefits we should be prepared to accept greater complications and some delay in the development of these systems. We will become dependent in some ~~significant~~ measure upon others. We will have to make commitments as to availability of U.S. launch vehicles and launch services for European satellite projects and we will have to be prepared to make available advanced U.S. technology needed by the Europeans in order to accomplish their developmental tasks.

From the view of the Europeans their participation, albeit as a decidedly junior partner, would appear to offer the following advantages:

1. The technical and industrial stimulation to be derived from participation in major projects involving advanced technology.
2. The acquisition of some U.S. technical data.
3. An assurance that U.S. launch vehicles or launch services will be available for their satellite projects, thus avoiding the necessity to invest in the development of redundant European launch capabilities.
4. An opportunity to become partners in the use of these systems, possibly on the basis of a division



of labor which might obviate the necessity  
of their having to maintain a ~~truly~~ competitive  
capability in broad areas of space activity.

If they decide to participate, it will be costly and will  
*likely divert their major efforts in space from national*  
~~commit them to a major development project which is not~~  
*to international programs.*  
~~absolutely prerequisite to their on-going space program.~~ It  
is unlikely that a sufficient number of these systems will  
ever be <sup>produced</sup> ~~required~~ on an operational basis to represent a  
large, on-going, commercial opportunity for the Europeans.  
They will have to accept a junior role in a very asymmetrical  
collaboration, and will thus continue to be in a position of  
considerable dependence on the U.S..

B. Approach and Procedures

This meeting will be held at the request of the Europeans, at a time requested by them, and on subjects of their own proposing. In prospect of these discussions we have been as forthcoming as possible, and should continue to be so.

The discussion must necessarily be preliminary and exploratory, and in these respects will likely be most useful if it is quite informal. Nonetheless, in view of the importance of these matters to the Europeans, and in the face of their complexity and of the extent to which our intensions in space matters have <sup>often</sup> been misunderstood in Europe, our participation should be carefully structured. It would be well to have notes of the meeting and to provide the Europeans in writing a concise statement of our views on the important matters.

We should make it clear at the outset that we do not as yet have definitive views on a number of the subjects to be discussed. The determination of our ultimate positions on many of these matters will depend upon European preferences and upon European choices as to the measure and character of their participation. Thus the meeting will have to arrange for some follow-on mechanism to explore these matters further



and to exchange definitive positions, when reached. In addition, the subjects proposed by Minister Lefevre appear to overlook two matters which will require careful exploration in the future, i.e.: third party participation and the form and content of the government-to-government agreement on which this participation will be based.

SUBJECTS FOR DISCUSSION  
(Agenda)

C. Purposes and Principles

1. Objectives

To take advantage of two broad possibilities for international cooperation in space activities during the 1970s which were not practicable during the 1960s, i.e.:

- a. Foreign participation in advanced technological developments within the U.S. program, particularly the development and use of a reusable space transportation system and a multi-purpose earth-orbiting space station.
- b. Exploitation of manned flight for space research and applications.

To make optimum use of the resources and skills of the U.S. and Western Europe through mutual planning and collaboration.

To establish workable precedents for an expanded U.S.-European partnership in space applications and space exploration over the coming decade through early collaboration in the <sup>achievement</sup> development of major new post-APOLLO <sup>capabilities</sup> technologies and hardware.



## 2. Principles

Maximum European participation, consistent with <sup>mutual</sup> European interests and capabilities. This participation may vary in both kind and extent, i.e.: in the separate or joint character of the tasks undertaken and in the measure of the commitments made to either development or use, or both. While encouraging maximum participation, we obviously leave <sup>the initial choice of proposals</sup> ~~these choices~~ up to the Europeans. There is no minimum of European contribution prerequisite to their participation.

- a. Separate <sup>and coordinated</sup> arrangements would lend themselves best to the development of major, identifiable systems or sub-systems, such as a space tug or a space station module. They would permit independent contracting and would afford maximum independence for the cooperating parties.
- b. Joint <sup>and integrated</sup> arrangements would be required for participation in the development of integral sub-systems where independent contracting would not be possible.

Self-funding -- each party to support his own participation.

Management integrity and interdependence -- arrangements consistent with good, overall management.

Exchange of technology (data and hardware) appropriate to the tasks undertaken by the parties.

A production, as well as a developmental, role for all parties.

Equitable and equivalent access to the facilities developed under mutual arrangements.

Responsibility and authority commensurate with the contributions to, and use of, the space transportation system and space station, by the parties. At best this partnership will be an asymmetrical, or limited, one in view of the larger U.S. input to the development of these systems and the greater use of these systems by the U.S. when developed. Nonetheless, the intent of the collaboration should be to assure consultation in all aspects of the development and use of these systems and to share responsibility to the extent practicable and justifiable.

Multilateral arrangements between the U.S. and several, or all, of the members of the European Space Conference would be preferable; bilateral arrangements between the U.S. and individual European countries would be possible. In the case of multilateral arrangements, European participation should be arranged through the ESC or a regional entity designated to act on its behalf.



Arrangements to these ends should be subject to ~~an~~ intergovernmental agreements, including provision for suitable industry-to-industry supporting arrangements. They may include a variety, or mix, of arrangements responsive to the substance of the cooperation. They will likely vary in <sup>the different aspects of the program, i.e.:</sup> ~~the case of~~ planning, actual development of hardware and facilities, and ~~their~~ use <sup>of the systems.</sup>

### 3. Availability of launch vehicles and launch services

Assuming substantial European participation (i.e.: a commitment of resources to the development of these systems commensurate with a continuing and expanding European space program relative to that of the U.S. -- 5% - 10% over recent years --, or a significant, unique European contribution in terms of new technology or the development of a major system or sub-system, or both) the U.S. will assure:

- a. Use of the space transportation system on an equitable basis consistent with relevant international agreements, in the conduct of their own space programs for any peaceful purpose.

This will include reimbursable launchings from U.S. launch sites;

- b. During the period before the space transportation system becomes operable, availability of US launch services on a reimbursable basis for any peaceful purpose consistent with relevant international agreements; and
- c. Similar access to the space station.

By "consistent with relevant international agreements" we mean the obligations of the U.S. and these countries as contained in such existing agreements as the Outer Space Treaty and the INTELSAT Agreement and in such future international agreements affecting space activities as may be made by the U.S. and these countries.

In the case of the INTELSAT Agreement as it may bear on the availability of U.S. launch vehicles or launch services and relevant technical data for foreign communications satellites we consider that the definitive arrangements which are now being negotiated would apply. Consonant with the present proposals for those arrangements, the U.S. could not, of course, unilaterally assure the provision of critical technical assistance in the development of, or the launching with its own vehicles and facilities of, any of the types of systems (e.g.: regional, specialized or domestic) provided for in the



INTELSAT definitive arrangements which, on a case-by-case basis, the appropriate INTELSAT organ found to be incompatible with the INTELSAT system. <sup>This would also</sup> ~~This would also~~ be the case with the space shuttle or space tug. \* ~~be the case with the space shuttle or space tug of which~~ the U.S. was a joint owner or which the U.S. held for joint use. These conditions introduce no restriction not already applicable, nor would we expect these circumstances to occur often, if at all.

If there should develop other peaceful satellite applications or programs which may appear sensitive from the viewpoint of European or U.S. interests, or in the view of a substantial portion of the world community, we would consult and work out an agreeable resolution to the problems involved. We would not place restrictions on others which we would not apply to ourselves.

*Pencil note, changes per telecon Tom Nelson 8/4/70 T/D views.*

\* Add -- It is recognized however, that if launch vehicles such as the shuttle are developed by genuine partnership involving substantial financial contributions by others, this would constitute a new consideration and use of such vehicles would not be a matter of unilateral decision by the United States.

D. Character and Modalities of European Participation1. Originality

We assume that the subject concerns two questions:

(a) whether we would expect the Europeans to undertake the separate development of a major system or sub-system such as a tug or space station module, and (b) whether they will have production rights for the future supply of the elements of these systems which they have developed.

a. We have no strong preference whether the Europeans undertake separate or integral tasks, or both. The principle of interdependence underlies our offer of foreign participation.

b. Proprietary interest and production rights are implicit in these arrangements, if we and the Europeans are to accrue the economic benefits of participation. The rights will necessarily be premised on the successful completion of the development task and should be established for some reasonable period of time to be agreed. They should not be construed to preclude the other party from working in the same field, but rather would provide commercial protection



through commitments by <sup>the</sup> other parties to acquire items from the designated developer for the full period agreed. Any work done in the same field by the other party would have no relevance until the protected period expired.

## 2. Decision-making process

As noted under "Principles" above, responsibility for program determination must be commensurate with the contributions to, and use of, these systems by the parties. In view of the obvious preponderance of U.S. investment and use, we do not feel that there is a credible basis for joint determination. In developing an agreed <sup>prior to reaching a formal agreement on collaboration</sup> division of labor, neither party would, or could, be bound <sup>by</sup> to determinations made by the other. Nor would either side wish to be bound to proceeding only on jointly-agreed matters.

There should be, however, an extensive role for Europe possible in the management <sup>of the program.</sup> system. Wherever European contractors are involved ~~in the post-APOLLO~~ program, either directly under European governments in <sup>separate</sup> coordinated programs or working as sub-contractors to American primes in integrated programs, we would agree

that any decisions made in the program affecting European participation must be made jointly. Ultimately, of course, each side must have a certain escape valve in the event agreement could not be reached.

In addition, wherever there is a basis for European participation in the use of post-APOLLO space facilities, we would expect European participation in the mission planning and experimental programs in generous proportion to their participation.

### 3. Liaison at the political and technical levels

For purposes of further consultation and definition of this collaboration, we propose that liaison at the technical level continue as already developed between NASA and representatives of the ESC. Further discussion of non-technical matters can be pursued by the representatives of the U.S. principals at this meeting and such European representatives as the ESC would designate.

We have no clear preference as to mechanisms for liaison when an agreement comes into force; leaving this question to be decided in the light of the content of the collaboration agreed.

### 4. Size of the European participation

As indicated under "Principles" above we would not set any minimum level of European contribution which



would be prerequisite to European participation -- either in terms of the kind or cost of tasks to be undertaken. We seek substantial participation, and consider that the kind of assurances which the U.S. could offer (e.g.: with respect to the availability of launch vehicles and launch services, exchange of technology, production rights) would depend heavily on the measure of participation. "Substantial" participation would appear to appear to require a <sup>European</sup> commitment of resources to the development of these systems commensurate with <sup>the size of</sup> a continuing and expanding European space programs relative to that of the U.S., or a significant, unique European contribution in terms of new technology or the development of a major system or sub-system, or both. If measured by cost or extent of effort, the European program has been running at 5% - 10% of the U.S. program. In the face of a reduced U.S. program, or at best a U.S. program continuing at about the present level, a European contribution of 10% -15% of the resources required would be "substantial".

5. Access to information and facilities

A principal objective of our offer for foreign participation in these systems is to generate foreign inputs and technological contributions. This will necessarily involve some exchange of specific technical data and general access

to the technology involved in the overall systems.

Recognizing that advanced technology associated with the U.S. space program is a national asset, much of it <sup>important</sup> relevant to military security, including implications

for strategic weapons delivery capabilities, <sup>the release of</sup> such foreign ~~US Technology under this collaboration must be~~ access to it as may be arranged in achieving the above ~~weighed carefully against the risks to military security,~~ objective shall be in consideration of substantial ~~within the context of overall US national objectives.~~ national interest in the form of the above mentioned inputs.

The guiding principles with respect to access to technical data and facilities should be that (a) both parties should have general access to all technology and facilities involved in the overall development of these systems, and (b) each party should have detailed access to technical data and facilities on a need-to-know basis necessary to the accomplishment of their specific tasks under the agreed collaboration. Detailed access should proceed in phase with their progress in these tasks.

- a. By detailed access we mean access to design, development and production data, <sup>to the level</sup> i.e., means <sup>of commercial know-how.</sup> ~~of conveying precise development know-how.~~



- b. By general access we mean access through visitation and published or publishable documentation, but not including detailed ~~technical data~~<sup>access</sup> as defined above.

In the case of data which is sensitive in terms of national security considerations, whether classified or unclassified, any access must be on a strict need-to-know basis and within customary security safeguards. These safeguards would include arrangements to assure that access to such technical information ~~will~~<sup>may</sup> be limited to those individuals or teams clearly identified as requiring it, that its availability ~~will~~<sup>may</sup> be restricted to the location where the work for which it is necessary is being carried out, and that no such technical information will be transferred, or applied to, or in any other way drawn upon by the recipient for use in strategic military weapons systems.

All access to technical data and facilities will be pursuant to terms of a government-to-government agreement requiring assurance as to transfers to countries not participating in the agreement. Proprietary rights to inventions, innovations, technical data and copyright should be protected, but provision should be made for its

sale or exchange among participants in the development of these systems on the basis of non-exclusive royalty free licenses when desirable for furthering the agreed collaborative program. Arrangements for use of such proprietary rights for purposes outside the agreed program should be made according to normal commercial practices.

6. Fields of collaboration

A U.S. preference or position on this matter must await a more precise indication from the Europeans as their interests and choices for participation. In

principle, we would not exclude their <sup>(undertaking any of the</sup> participation in any ~~tasks involved in the development of these systems for which~~ aspects of the development or use of these systems.

<sup>they clearly have the competence to meet project specifications.</sup>

7. Other possibilities for cooperation

We would be prepared to consider any European proposals.

RD  
SCI/SAM:RFPackard:lam:9/2/70





AMBASSADE  
DE  
BELGIQUE

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1. The Ministers of the European Space Conference, in their meeting held in Brussels on July 22, 23 and 24 of 1970, under the chairmanship of Minister of State, Théo Lefèvre, Minister for Science Policy and Scientific Programmation of Belgium, have requested their chairman to study for the E.S.C. with the Government of the United States of America, the political, financial and other implications of an eventual European participation in the post Apollo Programme.

2. This decision is included in the enclosed resolution. It was approved by Belgium, Denmark, the Federal Republic of Germany, France, Italy, the Netherlands, the United Kingdom, Switzerland and the Vatican. Australia, Norway and Sweden abstained.

3. In the execution of his mission, Minister Lefèvre will be assisted by representatives of France and Great Britain. These

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representatives have not yet been designated by their respective countries.

Next to the immediate collaborators who will accompany these three personalities, it is likely that the delegation will include the Secretary General of the E.S.C., H.E. the Ambassador Count Renzo Carrobio di Carrobio as well as members of the technical group which has been in charge of the technical relations with NASA.

It is suggested that the preliminary communications between the head of the European delegation and the authorities of the United States should be made through the Embassy of Belgium in Washington, which will, in due time, communicate to the Department of State the exact list of the persons who will accompany Minister Lefèvre.

4. Minister Lefèvre has been invited to report to the Governments of the States members to E.S.C., before or not later than December 1, 1970. However, as a second session of E.S.C. is foreseen for the beginning of November 1970, Minister Lefèvre has selected the end of October 1970 as the date for handing over his report.

5. In agreement with the conclusions of the E.S.C., the subject of the discussions should have the two following main themes :



(a) General outline of the reciprocal objectives;  
analysis of the principles on which the European cooperation to the American space programme should be based; essential problems of the availability of boosters for the European programmes of scientific research and practical applications.

(b) Study of the character and the modalities of the European participation :

- necessity for the possibility of originality in the European participation.
- European participation in the decision-making process for the complete programme.
- Composition and power of the political and technical liaison groups.
- Size of the European participation.
- Reciprocal access to the information and facilities.
- Discussions on the possible fields of collaboration.
- Other possibilities in space cooperation.

6. The mission led by Minister Lefèvre should have the character of political conversations at the ministerial level. After these discussions the participants should decide which would be the eventual follow-up at the level of contact between administrative and technical experts.

7. It would be very much appreciated if the U.S. Government could be in a position to give, as soon as possible, to the Belgian Embassy its commentaries on the agenda propositions indicated under item 5 as well as on the date on which the first meeting could be held. The beginning of the second half of September is suggested, if this meets with the conveniences of the American Authorities.

8. It would also be appreciated to receive from the Government of the United States of America the names of the participants designated to take part in these conversations.

Washington D.C., August 24, 1970



CONFÉRENCE DES MINISTRES

CSE/CM(juillet 70)9(Final)

Bruxelles, le 24 juillet 1970

RESOLUTION N° 3Coopération au programme post-Apollo

## LA CONFERENCE,

AYANT PRIS NOTE avec grand intérêt de la possibilité d'une participation européenne au programme post-Apollo, suggérée par l'Administrateur de la NASA au Comité des Hauts fonctionnaires,

AYANT PRIS NOTE, en outre, des commentaires formulés par le Comité des Hauts fonctionnaires,

RECONNAISSANT qu'une participation à ce programme pourrait, si elle était décidée, constituer dans la prochaine décennie une tâche de la plus haute importance pour la nouvelle Organisation spatiale européenne,

PREND NOTE, avec satisfaction, des mesures déjà prises pour assurer d'étroits contacts entre les Organisations européennes existantes et la NASA en vue de suivre les travaux préparatoires à ce programme futur et de formuler des suggestions quant à une éventuelle participation européenne,

DECIDE que ces contacts et travaux exploratoires doivent être poursuivis et, en tant que de besoin, renforcés et intensifiés sous l'égide et la direction de la CSE,

DEMANDE au Groupe de travail technique commun CERS/CECLES créé à cet effet de soumettre d'ici la fin de 1970 un premier rapport sur les domaines et formes possibles de coopération au Président de la Conférence spatiale européenne, pour soumission ultérieure aux Gouvernements des Etats membres de la CSE. Ce rapport devra également contenir un plan en vue de l'organisation de cette coopération en Europe, à l'échelon national et international,

CHARGE le Président de la CSE, assisté de représentants de la France et du Royaume-Uni d'examiner, au nom de la CSE, avec le Gouvernement des Etats-Unis d'Amérique les conditions politiques, financières et autres d'une éventuelle participation européenne et l'invite à faire rapport à ce sujet aux Gouvernements des Etats membres pour le 1er décembre 1970 au plus tard,

DECIDE qu'il convient d'étudier toutes les possibilités de participation européenne, si nécessaire en étroite collaboration avec la NASA,

SOUSCRIT à la mesure déjà prise par le Conseil du CECLES lorsqu'il a décidé d'entreprendre des études industrielles relatives à un système de remorqueur, considéré comme l'un des domaines possibles d'une participation européenne et NOTE avec satisfaction la décision des gouvernements de l'Australie, de l'Espagne et de la Suisse de prendre part à ces études,

CONVIENT d'affecter à ces études, jusqu'en juin 1971, des fonds à concurrence d'un montant maximal de 2,5 MUC, étant entendu que les objectifs desdites études devront être approuvés au nom de la CSE par le Comité des Suppléants,

INVITE tous les Etats membres de la CSE à participer à ces études, dont les Etats participants se partageront le financement suivant les règles applicables au CECLES et au CERS,

INVITE les Etats membres à donner pour instructions à leurs délégations aux Conseils du CERS et du CECLES de prendre les décisions voulues pour donner effet à la présente Résolution,

DECIDE qu'à la lumière des résultats des négociations les Etats participants reconsidéreront en commun les conditions d'exécution des programmes européens notamment en ce qui concerne les lanceurs.



1. Reference is made to the Informal Note presented to Acting Secretary Johnson by Mr. Lion, Charge d'Affaires ad interim of the Embassy of Belgium, on August 24, 1970, concerning the proposed visit to Washington of Minister Lefevre on behalf of the European Space Conference.

2. The Department of State will be pleased to receive Minister Lefevre and his party for discussion of the political, financial and other implications of eventual European participation in the post-APOLLO program.

3. It is proposed that the discussion take place at the Department of State on September 16, 1970, commencing at 10:30 a.m. and continuing through lunch.

4. Acting Secretary U. Alexis Johnson will be host to Minister Lefevre and will serve as Chairman for the discussion. Other principal U. S. participants will include:

Dr. George M. Low, Acting Administrator of  
the National Aeronautics and Space  
Administration

Dr. Edward E. David, Science Adviser to the  
President

Mr. William A. Anders, Executive Secretary of  
the National Aeronautics and Space Council

A representative of the Department of Defense  
as Observer

In addition, the United States participation will  
include advisers from these agencies and offices, i.e.:  
Herman Pollack, Director, Bureau of International  
Scientific and Technological Affairs, Department of  
State, Arnold W. Frutkin, Assistant Administrator,  
Office of International Affairs, National Aeronautics  
and Space Administration, Col. Robert M. Behr of the  
National Security Affairs Staff of the White House,  
and others yet to be named.

5. The subjects for discussion enumerated in  
paragraph five of the Informal Note of August 24 are  
acceptable and may serve as the agenda for the  
discussion. The United States would appreciate



receiving in advance of the discussion any  
additional more specific information or comments  
on these subject which the European Space Conference  
may be in a position to provide.

Department of State

Washington, *August 29, 1940.*

July 28, 1970

To: Bob Behr

From: Tom Whitehead

FYI



BRUSSELS (AP)--WESTERN EUROPE WANTS FULL PARTNERSHIP IN AMERICA'S POST-APOLLO SPACE PROGRAM AND ACCESS TO INVENTIONS THAT EMERGE, THEO LEFEVRE, PRESIDENT OF THE EUROPEAN SPACE CONFERENCE, SAID TODAY.

THE CONFERENCE, WHICH WOUND UP A THREE-DAY MEETING, DECIDED TO SEND LEFEVRE, BELGIUM'S MINISTER FOR PLANNING, TO WASHINGTON IN SEPTEMBER TO DISCUSS THE QUESTION.

THE 13 NATIONS ATTENDING THE CONFERENCE ASKED LEFEVRE TO EXAMINE WITH THE UNITED STATES THE FINANCIAL AND POLITICAL CONDITIONS OF EUROPEAN PARTICIPATION.

THE EUROPEANS WANT ROCKETS TO LAUNCH THEIR OWN TELECOMMUNICATIONS, AIR NAVIGATION AND WEATHER SATELLITES.

LORD BESSBOROUGH, MINISTER OF STATE IN BRITAIN'S MINISTRY OF TECHNOLOGY, TOLD REPORTERS THE UNITED STATES HAS NOT MADE CLEAR WHETHER IT IS WILLING TO SUPPLY THESE LAUNCHERS.

U.S. OFFICIALS SAID THAT UP TO NOW WASHINGTON HAS DECLINED TO FURNISH LAUNCHERS FOR TELECOMMUNICATIONS SATELLITES WHICH WOULD COMPETE WITH EXISTING ONES.

THE CONFERENCE AGREED TO SET UP A NEW SPACE AGENCY TO REPLACE FOUR EXISTING ONES. IT ALSO DECIDED:

--TO SET UP A PROGRAM TO GIVE WESTERN EUROPE AN OPERATIONAL SYSTEM OF TELECOMMUNICATIONS SATELLITES "ABOUT THE YEARS 1978-80."

--TO LAUNCH A JOINT PROGRAM WITH THE UNITED STATES FOR AIR TRAFFIC CONTROL SATELLITES.

--TO FINANCE STUDIES FOR WEATHER SATELLITES AFTER IT HAS BEEN DECIDED WHAT KIND OF SYSTEM WOULD BE SUITABLE.

--TO GO AHEAD WITH THE CONSTRUCTION OF THE COEKS EUROPA I AND EUROPA II AND TO START WITH THE DEVELOPMENT OF EUROPA III.

GG1236P 24

*Space*

June 9, 1970

To: Jerome Wolff

From: Tom Whitehead

FYI. Please return.

Attachment

Memo 5/28/70 from Herman Pollack to Under Secretary Johnson,  
Department of State, Subj: Foreign Participation in the post-APOLLO  
Space Program -- ACTION MEMORANDUM



Mr. Whitehead

12/20

DEC 16 1971

MEMORANDUM FOR: The President

This is to recommend your approval of a jointly funded and managed US/European aeronautical satellite program to provide, during the mid and late 70's, the preoperational/experimental test and evaluation of oceanic communications for air traffic control purposes. There is general agreement both here and among our Atlantic and Pacific allies that such a program is required to gain the technical and operational experience to permit the establishment of an operational system by the early 1980's, when industry and government projections indicate that there will be a serious congestion and safety problem in the air routes over the Atlantic and Pacific ocean areas.

Despite this general agreement over the seriousness of the projected problem and the need to move expeditiously to develop the necessary solutions, there is disagreement within the Administration as to how best to proceed. This Department, and the Department of State strongly recommend that approval be given to proceed with the program as set forth in an Ad Referendum Memorandum of Understanding developed in discussions this Summer and Fall with the European Space Conference, representing 10 European countries, and with Canada, Australia, and Japan. The Office of Telecommunications Policy and, we understand, the Office of Management and Budget and the Assistant to the President for International Economic Affairs advise against this.

These international discussions were the culmination of several months of technical and programmatic study and consultation within the Administration, which began with the public issuance, in January 1971 of a policy statement by the Office of Telecommunications Policy which highlighted the pressing future need for aeronautical satellite services and directed the Department to develop the necessary preoperational program on an urgent basis. During this period of assessment, it became apparent that to proceed unilaterally with a system in the Pacific, as had been initially envisioned, would have been too costly, both in a financial sense, and in international terms.

We accordingly reached tentative agreement with the Europeans for a program which would provide:

- \* Joint US/European procurement of two communications satellites each over the Atlantic and Pacific ocean areas for a total cost of \$125-142 million, which would be available by 1977 for use without charge by the partners and other nations, such as Canada, Australia and Japan, who would be willing to join in the experiment as associates from the outset by providing \$4 million each towards its cost and an experimental ground station.
- \* Joint and equal funding, at a cost to the U.S. of some \$60 million, coupled with joint and equal management and a fair and reasonable distribution of work between the U.S. and Europe. The \$60 million U.S. share would be spread over the fiscal years 1973 through 1977.
- \* A net balance of payments to the U.S. of at least \$30 million, resulting from the procurement of the necessary launch vehicles from the U.S. This would mean that over two-thirds of the cost of the program would be received by the U.S. aerospace industry.
- \* Freedom of action as regards our role in defining the operational system. It will provide a strong U.S. position of influence in the International Civil Aviation Organization, which will allow us to ensure the operational system is organized on a lease basis in 1980 when the experimental agreement expires and the operational system must be agreed to by international civil aviation.

I am convinced that the alternative of not signing the Memorandum of Understanding would result in the Europeans proceeding unilaterally on a program which would cause serious harm to U.S. civil aviation and industrial interests. There is no transfer of strategic or commercial technology involved, in fact, the Europeans have the money, the necessary technology, and the assurance of a U.S. launch -- all necessary ingredients to a unilateral program if they were to embark on this course of action.



It has been suggested by the Office of Telecommunications Policy that the alternative of not signing the Memorandum of Understanding be accompanied by a renegotiation of the program on a much broader scope to encompass all areas of oceanic communications of international interest. I fail to see how such a renegotiation can do anything other than delay a program which is needed now, particularly since the objectives and ground rules of such a renegotiation have not been defined.

I believe it would be extremely prejudicial to our interests in the international aeronautical and in space fields if we did not proceed. Our leadership role in international civil aviation is already diminished; we cannot afford to further weaken our position by demonstrating our inability to work with our allies in an area which, by definition and treaty, is international.

In view of my responsibilities as Secretary of Transportation, I strongly recommend that the Administration approve the signing of the Ad Referendum Memorandum of Understanding, as it has been negotiated, and the funding of the U.S. share of the program.

(s/ J.A. Volpe