MAR 2 % 1971

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

Dear Ben:

. . . .

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

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

Sincerely,

Clay T. Whitebead

CCJoyce:hmy 3-19-71 cc: Subj File Chron File Mr. Whitehead - 2 V 1.

Chron FTS

> Autovon AT&T

OFFICE OF TELECOMMUNICATIONS POLICY WASHINGTON, D.C. 20504

Date: March 18, 1971

Subject: Letter to Ben Oliver, AT&T

To: Mr. Whitehead

From:

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Charles Joyce (filing)

Recommend that you sign the attached letter to Ben Oliver.

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

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

Attachment

February 5, 1971

Honorable Elmer B. Staats Comptroller General of the United States Washington, D.C. 20548

Dear Mr. Elmer:

I was advised by Mr. R. G. Rothwall, your Associate Director, Defense Division, on December 18, 1970, that the GAO planned to initiate a review of the feasibility and benefits of consolidating the Automatic Voice Network (AUTOVON) and the Federal Telecommunications System (FTS). Prior to receipt of your letter, my staff had undertaken a similar review. To that end, a steering committee comprising representatives of DOD. GSA and my office has been appointed; a draft work program has been developed; and representatives of the respective agencies designated to constitute a working group.

I can understand, after reading your "Review of Status of Development Toward Establishment Of A Unified National Communications System (B166655)", your reasons for addressing specifically the interconnection of these two systems. I am sure that you understand that I have a responsibility to the President to ensure that the Executive Branch has the most efficient communications at the most economical cost which can be obtained. I therefore intend to continue with our study and expect that you will also elect to continue with yours. It would appear however, to be of mutual benefit if some agreement were reached on the exchange of basic information which would both reduce the workload on the personnel of our respective offices and would eliminate duplication of effort and expenses on the part of the agencies and the private industrial concerns who must provide much of the information which will be needed in the course of this study.

Your representatives have contacted our office and indicate that they will make their first visit during the week of February 18th. At that Honorable Elmer B. Staats

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

Sincerely,

Clay T. Whitehead

DBHall:avr:5Feb71 Attento . bcc: Dir OTP - 2 **DBHall Reading** 11 Subject Dr. Mansur Mr. Joyce Mr. Hall mr. McCrudden