

*copies to OMT
Bill Timmons
(attn Cowan)*

THE WHITE HOUSE
WASHINGTON

June 24, 1970

Dear Mr. Chairman:

Now that Reorganization Plan No. 1 of 1970 has gone into effect, the Administration has been reviewing the FY 71 budget recommendations for the Office of Telecommunications Management and the House action on that budget. I want to be sure that the relative priorities of this Administration in this program are available to the Congress.

The President's budget recommendations for telecommunications policy requested \$3.3 million, an increase above the 1970 budget of \$1.8 million, that anticipated both the reorganization and the greatly expanded role foreseen for the new Office of Telecommunications Policy. I wish to emphasize that we still consider the full funding of \$3.3 million is vitally important to the development of an effective telecommunications policy program during the forthcoming year.

As you know, the House action contemplates no increased funding above the 1970 level for the old Office of Telecommunications Management. Part of this reduction (\$906,000) was attributed to concern over the establishment of a new National Electromagnetic Compatibility Analysis Facility without legislative authorization. The remaining reduction would sharply curtail our plans to initiate urgently needed studies of a broad range of telecommunications policy issues not heretofore considered by the OTM. Recent pay raises would in fact lower the effective resources available to the new office if the House proposals were adopted.

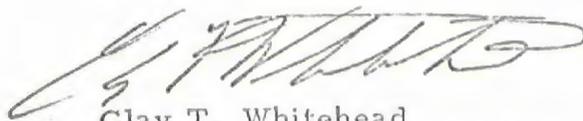
The new staff and contract support needed for telecommunications policy analyses is of the highest priority and absolutely essential to expansion of the role and capabilities of the new Office of Telecommunications Policy beyond that of its predecessor. The 1970 funding for studies covered only frequency management subjects. The additional funds requested in 1971 are needed to address a number of problems concerning international agreements and spectrum allocations, data communications, defense and emergency preparedness needs, the efficiency of Federal expenditures and procurement for communications services, and other important policy issues that have not received adequate policy attention. The present OTM staff and funding levels allow for no such policy studies.

With respect to the electromagnetic compatibility analysis effort, it is not our intention to establish any new facility or organization which would require legislative authorization. Rather, we intend to task the Department of Commerce to develop the necessary analytic techniques, data base, and processing capabilities to provide the Office of Telecommunications Policy the information necessary to more efficient use of the spectrum.

The \$1.5 million reduction proposed by the House would make impossible the following three categories of work that are important to achieving the objectives of the new office: \$539,000 for 10 new staff members and for contract studies of the Office of Telecommunications to deal with broad telecommunications subjects not previously undertaken by the old Office of Telecommunications Management. \$560,000 for additional staff to develop the concepts, techniques, and data bases for modernized electromagnetic compatibility analysis to achieve more efficient use of our spectrum resources and to meet the increasing workload of frequency assignment processing. \$406,000 for broader and more rapid application of electromagnetic compatibility analyses.

However, should the Congress feel that some budgetary reductions below the \$3.3 million requested must be made, despite its own and the Administration's strongly expressed interest in developing a more effective telecommunications policy capability, some reduction in the \$406,000 category just mentioned would be less detrimental to the overall effort than would other reductions.

Sincerely,



Clay T. Whitehead
Special Assistant to the President

Honorable John O. Pastore
Chairman
Subcommittee on Independent Offices
Committee on Appropriations
United States Senate
Washington, D. C.

cc: Mr. Whitehead
CTWhitehead:ed

OTP

June 11, 1970

To: Mr. Schlesinger

From: Tom Whitehead

Would it be possible to ask for a supplemental appropriation for FY 71 for the Office of Telecommunications Policy if the Senate does not restore the money we asked for?

cc: Mr. Whitehead

CTWhitehead:ed