

DECLASSIFIED	
Authority	NSC waiver
By	SO NARA, Date 4/15/10

January 7, 1966

Mr. Wilson P. Dizard
Planning Officer
United States Information Agency
1750 Pennsylvania Avenue, N. W.
Washington, D. C. 20547

Dear Mr. Dizard:

Colonel Johnson and I appreciated the opportunity to meet with you this past week and to discuss aspects of the work related to the White House Working Group on Communications Satellite Service for Less-Developed Countries.

During our discussion you evidenced interest in the NASA-AID sponsored contractual study now underway which relates to the interest of the White House Working Group. A copy of the contractual work statement is enclosed. The initiative for this study and the direction of the study is solely that of NASA and AID. However, our office and the State Department have been involved in discussions concerning the appropriateness of the contract prior to its award to Checchi and Company of Washington, D. C. As you will note in the second enclosure -- a copy of a letter from Mr. Bell -- preliminary findings concerning Africa are to be reported by mid-February. The contractor's Final Report is due mid-November 1966.

I am returning the copy you loaned me of the page proofs from your forthcoming book. Thank you for giving me the opportunity to read this most interesting material. I look forward to the publishing and availability of your book and will appreciate your letting me know the publication date.

We look forward to working with you during the coming weeks in the finalizing of recommendations for submission by the Working Group to Mr. Marks and the President.

FWMorris:dc

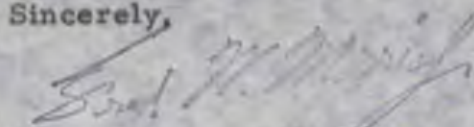
DTM

Morris RF

Morris "Africa"

Morris "Infor/Educ. Study - Marks"
Enclosures

Sincerely,



Fred W. Morris, Jr.
Associate Director

When the Attachments are received
this Transmitted letter is to be
destroyed

~~CONFIDENTIAL~~

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FRED RETURN TO:
MORRIS JR.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION
NEGOTIATED CONTRACT

Contract No. NASW-1357

ISSUING OFFICE

Name
National Aeronautics and Space Administration
Code BCA

Address
Washington, D.C. 20546

CONTRACTOR

Name
Checchi and Company

Address
815 Connecticut Ave. NW.
Washington, D.C.

Contract for

Classified Study

Amount

Est. Cost \$134,897.00

Fixed Fee 9,429.00

CPFF \$144,326.00

Appropriation and Other Administrative Data

Control Number: 10-8166 and 10-8364

Type of Contract: Cost-Plus-Fixed-Fee

Administration By: Headquarters Contracts Division (BCA)
NASA Headquarters
Washington, D.C. 20546

DECLASSIFIED

Authority 1500 2009-05

By SO NARA, Date 4/15/10

Appropriation and Allotment Chargeable: NASA Headquarters FY 1966, R&D 80x0108
6400-0700-143 \$72,163.00

NASA Headquarters R&D 80x0108(66)
164-21-12-06-10 \$72,163.00

Office to Make Payment: National Aeronautics and Space Administration
Code BFH
Washington, D.C. 20546

All invoices (original and six copies) for payment under this Contract shall be submitted to the Defense Contract Audit Agency, Silver Spring Branch Office, 8621 Georgia Avenue, Silver Spring, Maryland 20910, for approval and forwarding to the paying office. All invoices shall include a reference to Contract NASW-1357.

Contract Negotiator: Herbert S. Snyder

This negotiated contract is entered into pursuant to the provisions of 10 U.S.C. 2304 (a)(10) and any required Findings and Determination have been made.

NOV 15 1965

THIS CONTRACT is entered into as of _____, 19____, by and between the United States of America, hereinafter called the Government, represented by the Contracting Officer executing this contract, and Checchi and Company

- (1) a corporation organized and existing under the laws of the State of Delaware
- (ii) a partnership consisting of _____
- (iii) an individual trading as _____

hereinafter called the Contractor. The parties hereto agree that the Contractor shall furnish and deliver all supplies and perform all the services set forth in the attached Schedule, for the consideration stated herein.

NASA Form 437 (4/59)

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cc: T. Nelson - State

cc: [illegible]

~~CONFIDENTIAL~~

SCHEDULE

TABLE OF CONTENTS

The Schedule, on pages 1 through 11, consists of this Table of Contents and the following Articles:

<u>ARTICLE</u>	<u>TITLE</u>
I.	SCOPE OF WORK
II.	PERIOD OF PERFORMANCE
III.	DESCRIPTION OF WORK
IV.	PRESENTATION OF STUDY RESULTS
V.	ESTIMATED COST AND FIXED FEE
VI.	PAYMENT OF FIXED FEE
VII.	AUDIT
VIII.	TECHNICAL DIRECTION
IX.	INSPECTION AND ACCEPTANCE
X.	GENERAL PURPOSE EQUIPMENT
XI.	FINANCIAL REPORTING REQUIREMENTS
XII.	DATE OF INCURRENCE OF COSTS
XIII.	SPECIAL SECURITY PROVISIONS
XIV.	SPECIAL APPROVAL REQUIREMENTS

Also attached and made a part of this contract are:

Cover Page - NASA Form 437 (4/59)
General Provisions - NASA Form 417 (Feb. 1965)
New Technology- NASA Form 1162 (September 1964)
Signature Page - NASA Form 437-1 (4/59)

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Authority	1500 2009-05
By	SO NARA, Date 4/15/10

ARTICLE I. SCOPE OF WORK

The Contractor shall furnish the necessary personnel, services, materials and facilities to conduct a study of communications satellite applications in two underdeveloped areas of the world: Africa and Brazil.

It shall be the purpose of this study to examine the communication needs in these areas and the potential application of communications satellites to these communications needs.

ARTICLE II. PERIOD OF PERFORMANCE

All work to be performed under this Contract shall be completed within 12 months from the date this contract is entered into.

ARTICLE III. DESCRIPTION OF WORK

The work hereunder shall be conducted in accordance with the following:

General. The geographical areas covered by the study are defined as Africa (excluding the U.A.R., South Africa, Southwest Africa, Bechuanaland Protectorate, Mozambique, Angola, Rhodesia, Spanish Sahara, Portuguese Guinea, French Somaliland and Rio Muni); and Brazil.

African telecommunications requirements shall be given initial priority with the aim of providing certain preliminary data and conclusions early in the study as set forth in Article IV, paragraph B., below.

Task 1

A. Determine for each of the countries in Africa as defined above the extent to which it is possible to forecast in a meaningful, quantitative manner the probable size and pattern of their demand for communications through 1972, including not only communications between continental areas but also between nations on the same continent. Although the Contractor may build upon forecasts already made by the International Telecommunications Union, COMSAT Corporation, and others, he will be expected to examine this data in detail and to appraise its validity in the light of political, economic and social realities. The results of this reappraisal shall be discussed with the Technical Monitor and other designated Government representatives prior to proceeding further with the study.

B. Based upon the results of the research effort outlined in paragraph "A", the Contractor shall undertake to forecast as quantitatively as possible, on a year-by-year and country-by-country basis, the demand for communications through 1972, distinguishing wherever possible relative requirements for voice, record (teletype, facsimile, etc.) and perhaps TV or high-speed data circuits. These forecasts shall be computed insofar as possible from a model--not necessarily mathematical and conceivably based partly upon non-quantifiable political factors--of communications requirements in the

underdeveloped world. In this respect the Contractor may wish to examine, among others, patterns of commerce, statistics on non-electrical communications with other nations, and existing or planned telecommunications networks linking nations and within the nations themselves. Data may in many cases be scanty or non-existent; it will be the Contractor's task to suggest new sources or to develop new analytical tools that will improve existing forecasting techniques.

C. From data collected on existing or planned ground telecommunications networks, on the distribution of population and industry, on plans for economic development and on ties with other nations, the Contractor shall develop for each country factual material indicating:

- 1) From a study of population distribution, internal communications networks, concentrations of industry and other relevant factors, where a communications satellite ground terminal might most logically be located.
- 2) Investment costs (including buildings, power sources, short-haul links to connect with ground telecommunications networks, and the training of skilled personnel) required to establish a ground terminal.
- 3) Annual operating costs for a ground terminal
- 4) Commercial viability of a ground terminal based upon assumed operating revenues derived from participation in the global satellite communications network operated by the Communications Satellite Corporation for the international consortium. Since in many, if not in most cases considered, such ground terminals may not become commercially viable for a number of years, estimates of operating losses (in terms of subsidies required) shall be computed for the period through December 31, 1972. Where immediate commercial viability seems assured or where subsidy would be needed for only a short time, calculations need only be carried forward far enough to demonstrate this fact clearly.
- 5) The extent of additional development of conventional ground communications required to make a ground station meaningful to a developing economy. Example: Country X may possess two major centers of industry and population not now linked by adequate communications. Plans to build such a link by 1972 do not exist. The economic growth of these two centers may be high enough, however, to suggest that were they connected, a ground terminal located at one of them might achieve commercial viability within a reasonable time. In this case, the Contractor would be expected to investigate this possibility and estimate roughly the investment required to establish the required link.

~~CONFIDENTIAL~~

NASW-1357

4

D. Relate satellite communications to other possible telecommunications schemes providing the same general service. The Contractor shall consider whether a country or area requirement for communications cannot be better met by ground rather than satellite communications. Cost comparisons should be developed for cases where such alternate means appear practicable. This analysis will, of course, have to take into account what data are available on communications plans, private, governmental and international, for the areas concerned.

E. Where the communications demand for individual states is relatively insignificant, suggest regional groupings of nations which might satisfactorily share a common ground station. Such recommendations should take into account other political and economic factors, such as historical friendships and enmities and existing cooperative agreements in the economic and social fields. Costs shall be developed not only for ground terminal facilities but also for the communications links required to tie a regional grouping to a common ground station.

Task II. Minimum African Program

A. Examine the practicability of establishing some minimum form of satellite communications project for Africa by January 1, 1967 or, alternatively, as soon as possible thereafter. The Contractor will assume that by this date COMSAT Corporation will have provided a satellite with access for at least two ground stations on the African Continent. The Contractor shall consider the establishment of at least two terminals south of the Maghreb (Algeria, Morocco and Tunisia) and north of the Southern Tier (South Africa, Southwest Africa, Bechuanaland Protectorate, Mozambique, Angola and Rhodesia). Priority shall be given to possibilities of establishing ground terminals in Ethiopia and Nigeria though not to the exclusion of other possibilities which might prove more desirable. In addition, he shall investigate the location of a further terminal in the Maghreb Area. After studying relevant technical, economic and political factors, the Contractor shall recommend the most practical sites and discuss in detail the investment, operating costs and other problems connected with each.

B. Examine ground communications networks in Africa, both those already existing and those planned or proposed in various studies, to determine what geographic areas might be served by the ground terminals recommended under Task II. A. above. This portion of the study shall include consideration of the plans proposed by the Economic Commission for Africa and shall set up cost effectiveness criteria to evaluate the comparative advantages of ground vs. satellite networks in servicing Africa. Realistic traffic forecasts as well as the other factors set forth in Task I above shall be used in setting up standards for service and evaluating alternatives.

Task III. Brazil

A. Brazil has indicated privately that it believes its geography and communications requirements may dictate the necessity of establishing as many as three

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~~CONFIDENTIAL~~

NASW-1357

5

ground terminals within Brazil. The Contractor shall therefore analyze the internal communications of Brazil in terms of the technical, economic and political factors discussed in Task I above and consider the utility as well as the requirements such use might place on satellite services and systems of a satellite system for internal communications within Brazil. The Contractor shall examine the relative merits of ground and satellite communications and develop meaningful cost effectiveness criteria. (Separate estimates shall be made for the manpower and costs necessary to this part of the study.)

Task IV. Technical Problems

A. The technical problems posed by satellite communications for developing areas need further study. At the present time, it appears that the global network projected by COMSAT Corporation and the international consortium may require fairly sophisticated and elaborate ground terminals. Extensive interface equipment may be required for the demodulation of wide-band multiplexed signals containing hundreds of telephone channels. Multiple access capabilities have yet to be demonstrated. Therefore, the Contractor shall consider, at a suitable point in this study and in consultation with the Technical Monitor, the problems posed by the introduction of a number of additional stations into the proposed global system. The number of additional stations to be considered will be established in part by the previous study of the requirements of the underdeveloped world and in part by advice from NASA, which shall be used to analyze the possible effects on the capacity of a proposed global system and on overall system costs.

B. With the needs of the smaller states in mind and from his appreciation of the cost factors involved in their participation in the proposed global network, the Contractor shall consider alternate technical systems (as complements of an augmented network) which might both provide a viable system and easier terms for adherence by the less developed countries. The technical and economic problems shall be pursued in sufficient detail to provide a clear understanding of the possible alternatives and recommended areas requiring further and more detailed investigation shall be identified.

The work shall be performed generally in accordance with the Contractor's proposal dated September 27, 1965, with the exceptions noted below. In case of a conflict between the Contractor's proposal and the above description of work, the description of work shall govern.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NASW-1357

6

The following changes are made in the Contractor's proposal:

Page 15, para. 1e

Preparation of new forecasts year by year to 1972 using appropriate and tested techniques.

Page 15, para. 1f

Review of all forecasts in the light of economic and political realities.

Page 23, para. E

It is proposed that, among others, correlation analysis be used to develop mathematical relationships between demand for external communications as the dependent variables and a number of indicators having a bearing on such demand as independent variables. As appropriate regression equations will be calculated to express these relationships for each country. Although it is expected that it will be possible to group countries with similar characteristics so as to reduce the number of computations, the sufficiency and linearity of these regression equations will be tested for a number of cases by modified differential time-series techniques to be suggested by the technical monitor. Forecasts will also be tested against country data of developing areas not necessarily limited to the areas defined in this study; e.g., Puerto Rico or the Philippines. Tests will also be made against forecasts developed for representative areas by conventional extrapolation of historical data, marketing research and other known techniques. Following this and after consideration of certain political, economic and cultural factors, year by year demand forecasts to 1972 will be prepared employing the techniques which prove most suitable.

Page 26, Phase III

Delete the first paragraph and substitute and following in lieu thereof:

In this phase forecasts would be prepared for all external communications regardless of direction or destination. This forecasting will be based on the techniques derived and tested through the procedures of paragraph E, page 23. Demand forecasts will be prepared for each year to 1972 employing techniques which prove most suitable.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NASW-1357

7

Page 27, para. 2a

Add the following sentence to the second unnumbered paragraph under this item:

Every effort will be made to simplify presentation of this data.

Page 30, last paragraph

Add the following sentence:

Area analyses will be reviewed by the technical monitor at this point.

Page 31, first paragraph

Add the following sentence:

This summary will be not more than one paragraph in length.

Page 43, paragraph F

Add the following sentence:

The analyses developed under this paragraph will be reviewed with the technical monitor before proceeding.

Page 45, first paragraph, second sentence

The second sentence shall read as follows:

Satellite ground terminal costs will be estimated on the basis of the most recent information for terminals meeting COMSAT-consortium specifications.

Page 46, paragraph D

Add the following sentence:

Calculations will not be carried beyond the point where yearly operating profit seems assured.

Page 49, para. 1, last sentence shall be changed to read:

Those elements which can be deleted or replaced with less complex elements, within the rather stringent time limits imposed by the Apollo communications system target date of January 1, 1967, or alternatively a date as soon as possible thereafter, will be noted with a minimal ground station configuration defined.

~~CONFIDENTIAL~~

Page 50, para. 2, first sentence

Delete first full paragraph and substitute the following:

The target date for the proposed Apollo communications system is January 1, 1967. The contractor will consider the practicability of the establishment of a minimum satellite communications system by this date, or alternatively as soon as possible thereafter. Determination of practicability would involve consideration of the lead time to be allowed for the following steps:

Page 52, para. 3.

The first sentence shall be changed to read as follows:

Demand forecasting techniques described under Task I or other such techniques deemed appropriate in view of the time limitations and possible inadequacies of data will be applied to the African situations.

Page 54, para. 1.

Delete paragraph and substitute the following:

The final step is preparation of the contractor's best estimates as to the commercial viability of each ground station proposed in Africa.

ARTICLE IV. PRESENTATION OF STUDY RESULTS

Reporting of the results of this study shall be in accordance with paragraphs "A" through "F" below. All reports hereunder shall be delivered in 10 copies to the Technical Monitor. In addition, a reproducible master copy of the Summary Volume (paragraph F below) shall be provided. With the exception of the monthly progress reports; all reports shall be submitted in draft form to the Technical Monitor for review and comment prior to final submission.

A. Informal, letter-type monthly progress reports shall be submitted within five days following each month of performance under this contract. Such reports shall indicate problems encountered, approaches taken to these problems, conclusions reached, and contacts made during the month in connection with performance of the research work under this contract.

The reports shall include a cumulative read-out of professional manhours expended by the contractor and the major subcontractor broken down by task, geographic area or such other meaningful basis as may be agreed upon.

B. An interim report shall be submitted three months from the date of contract which report shall deal with the practicability and requirements for establishing some minimum program of satellite communications for Africa by January 1, 1968, as defined in Article III, Task II hereof.

C. Upon completion of Task III, a comprehensive country-by-country handbook shall be submitted presenting for each the results of the entire study through Task III. This handbook shall be for the use of planners faced with applications from individual countries or regions for economic assistance. Recommended regional

NASW-1357

groupings shall be discussed and the data presented in a separate section. Each country, group or area presentation shall also contain, in addition to study results, a brief, factual table of pertinent demographic, economic and social factors sufficient to characterize the present state of economic, social and political development. Liberal use shall be made of maps, charts and tables to further a concise presentation of essential data.

D. A separate report on the results of Task IV and recommendations, if any, for further avenues of study.

E. A separate report on Brazil (Task III) and the potential of satellites as a solution to internal communications problems within that country. The general form of presentation shall be the same as that of the country handbook.

F. A summary volume written in clear, concise, non-technical language presenting the results of the overall study understandable to policy-makers familiar neither with the technology of satellite communications nor with the detailed problems of each country. This discussion should include a brief, non-technical description of satellite communications system and of the problems posed by multiple access and by ground terminal size and sophistication. The presentation should be sober and factual but at the same time highly readable.

ARTICLE V. ESTIMATED COST AND FIXED FEE

The estimated cost of this contract is \$134,897, exclusive of the fixed fee of \$9,429. The total estimated cost and fixed fee is \$144,326.

ARTICLE VI. PAYMENT OF FIXED FEE

The fixed fee shall be paid in monthly installments based upon the percentage of work completed hereunder, as determined by the Contracting Officer; provided, however, that such payment shall be subject to the provisions of the clause hereof entitled "Allowable Cost, Fixed Fee, and Payment".

ARTICLE VII. AUDIT

This contract shall be subject to a final audit of costs by the Government prior to approval of the final/completion invoice or voucher.

ARTICLE VIII. TECHNICAL DIRECTION

Wherever the term "technical direction" appears in this contract, it shall be construed to mean written or verbal direction or guidance provided to the Contractor by a designated Government official which fills in details or otherwise interprets or clarifies the work to be performed, as described in this contract. Such direction or guidance must specifically relate to the scope of work set forth in this contract and may not be of such a nature as to affect estimated cost, fixed fee, period of performance, or any other provision of this contract.

~~CONFIDENTIAL~~

NASW-1357

10

Performance of work under this contract shall be subject to the technical direction of the following official, or his designee:

Mr. John Iams
Office of Policy Planning
NASA Headquarters - Code APP
Washington, D.C. 20546

ARTICLE IX. INSPECTION AND ACCEPTANCE

Final inspection and acceptance of all services and/or materials, including reports, submitted in fulfillment of this contract, shall be performed by the Government official, or his designee, cited in the Article hereof entitled "TECHNICAL DIRECTION".

ARTICLE X. GENERAL PURPOSE EQUIPMENT

The Contractor shall not fabricate, purchase, rent, or otherwise acquire any general purpose equipment, the acquisition cost of which is to be charged directly to the performance of this contract, unless prior written approval to do so is obtained from the Contracting Officer. For the purpose of this Article, general purpose equipment is defined as any property with a useful life of more than one year, which can be used in the production, administration, research, or test of a product or service outside this contract.

ARTICLE XI. FINANCIAL REPORTING REQUIREMENTS

If this contract is within the scope of either category (a) or category (b) below, the requirements noted for the appropriate category are applicable to this contract.

(a) Contract with an estimated cost in excess of \$500,000.00

The Contractor shall submit each month, in triplicate, the Financial Management Report (NASA Form 533) with all columns completed in accordance with the instructions on the reverse side of that form. One copy shall be submitted to each of the officials listed in Section (c), below.

(b) Contract with an estimated cost between \$25,000.00 and \$500,000.00.

The Contractor shall submit each month, in triplicate, the Financial Management Report (NASA Form 533). The information to be provided thereon shall be limited to Entries 1 through 5, Columns 6, 7A, 7B, 9A, 10 and 11. The information to be reported under these columns shall be on the basis of total contract costs rather than subdivisions of work and/or elements of cost. One copy shall be submitted to each of the officials listed in Section (c) below:

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NASW-1357

11

- (c) Contracting Officer
NASA Headquarters - Code BCA
Washington, D.C. 20546
- Technical Monitor
NASA Headquarters - Code APP
Washington, D.C. 20546
- NASA Headquarters - Code BFH
Headquarters Accounts & Reports Branch
Washington, D.C. 20546

ARTICLE XII. DATE OF INCURRENCE OF COSTS

The Contractor shall be entitled to reimbursement for costs incurred in an amount not to exceed \$5,000 on or after November 1, 1965 which, if incurred after this contract had been entered into, would have been reimbursable under the provisions of the contract.

ARTICLE XIII. SPECIAL SECURITY PROVISIONS

- A. All work performed under this contract shall be treated in the same manner as CONFIDENTIAL-NOFORN. Any reference to the contract shall be treated in the same manner.
- B. The Contractor shall furnish written certification, and shall require its subcontractors and consultants to so certify, to NASA Headquarters, Code APP, that all work under this contract and references to such work shall be held within the immediate organizational units responsible for contract performance and shall not be transmitted outside such units.

ARTICLE XIV. SPECIAL APPROVAL REQUIREMENTS

- A. The Contractor shall obtain prior written approval from NASA Headquarters, Code APP, before undertaking any overseas travel and before communicating with any foreign national within or outside the United States.
- B. The Contractor shall obtain prior written approval from NASA Headquarters, Code APP, before incurring costs in excess of \$500.00 for computer services.

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The rights and obligations of the parties to this contract shall be subject to and governed by the Schedule and the General Provisions. To the extent of any inconsistency between the Schedule or the General Provisions, and any specifications or other provisions which are made a part of this contract by reference or otherwise, the Schedule and the General Provisions shall control. To the extent of any inconsistency between the Schedule and the General Provisions, the Schedule shall control.

The Contractor represents that aggregate number of employees of the Contractor and its affiliates is: ☐ 500 or more, ☒ less than 500.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

Date: _____

By _____
(Signature)

(Contracting Officer)

CONTRACTOR

(Name of Company or Individual)

Date: _____

By _____
(Signature)

(Typed Name)

(Title)

(Address)

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

OFFICE OF
THE ADMINISTRATOR

DEC 6 1965

General J. D. O'Connell
Special Assistant to the President
for Telecommunications and
Director for Telecommunications Management
The White House
Washington, D. C.

Dear General O'Connell:

Thank you for your letter of November 24 enclosing a copy of your memorandum to the President regarding satellite communications for Africa.

As you know, A.I.D. is cooperating with NASA on a study of this subject. The contract for the study was awarded on November 15, 1965 to Checchi and Company, who will be assisted by Philco on the technical aspects of the study. Work is already underway and a preliminary report on the initial steps that may be appropriate for Africa is due on February 15, 1966. After reviewing the report, we will be better able to determine what position this Agency should take in response to any requests from African nations for capital or technical assistance in the introduction of ground stations. The contractor's final report, which is due on November 15, 1966, should provide us with a basis for determining our longer range policy in assisting African nations in the development of both satellite and conventional means of international telecommunications.

While we have instructed the contractor to give priority attention to the economics of ground installations in Lagos and Addis Ababa, including both benefits and costs, we have also made it clear that the analysis is not to be restricted to these two locations, even for the purposes of the preliminary report.

In your memorandum to the President you state that no direct U. S. financial aid is presently expected to either Ethiopia or Nigeria for satellite communications. While we have not as yet received any

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E.O. 12958, Sec. 3.4

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

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General J. D. O'Connell

- 2 -

request for such assistance, I would be somewhat surprised if this Agency were not approached by either or both of these countries for financial assistance. A principal purpose of the present study is to enable us to act promptly upon such requests when and if they are received, whether from these two countries or from others.

I shall be pleased to keep you informed of progress on the study and of any other relevant developments.

Sincerely yours,

David E. Bell

David E. Bell

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THE WHITE HOUSE
Washington

November 24, 1965


Honorable David E. Bell
Administrator
Agency for International Development
Washington, D. C. 20520

Dear Mr. Bell:

The enclosed copy of my recent Memorandum for the President is furnished for your information.

I will appreciate your continuing to keep my office informed concerning your views on the subject and your recommendations concerning desirable action to accelerate the early provision of communications satellite service to developing nations.

Sincerely,



J. D. O'Connell
Special Assistant to the President
for Telecommunications
and

Director for Telecommunications Management

Encl.

cc: S. Nelson
W. G. Carter

Same letter to:
James E. Webb, NASA
Chairman Henry - FCC
Dr. J. Charyk - Comsat
Hon. Anthony M. Solomon - State

Public Broadcasting

Hours, March 1973

CTW

Brief Book

Table of Contents

- A. President's Veto Message
- B. Comparison of Public Broadcasting Bills
92nd and 93rd Congress
- C. CPB Budgetary Information
- D. Programming Information
- E. Highlights from Congressional Hearings and Reports
- F. Questions

TAB A

JUNE 30, 1972

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE HOUSE OF REPRESENTATIVES:

I find it necessary to return without my approval H. R. 13918 which is intended to provide increased financing for the Corporation for Public Broadcasting and to modify the Public Broadcasting Act of 1967 by making various changes in the structure of the non-commercial, educational broadcasting system.

Public broadcasting can and does make important contributions to our Nation's life by presenting educational and cultural programs of diversity and excellence. Programs such as "Sesame Street" and "The Electric Company" already have begun to repay the far-sighted decision the Nation made in the 1950s when channels were reserved for educational purposes. Public broadcasting deserves to be continued, and to be strengthened.

The legislation before me, however, offers a poor approach to public broadcast financing. It ignores some serious questions which must be resolved before any long-range public broadcasting financing can be soundly devised, and before the statutory framework for public broadcasting is changed.

There are many fundamental disagreements concerning the directions which public broadcasting has taken and should pursue in the future. Perhaps the most important one is the serious and widespread concern -- expressed in Congress and within public broadcasting itself -- that an organization, originally intended only to serve the local stations, is becoming instead the center of power and the focal point of control for the entire public broadcasting system.

The Public Broadcasting Act of 1967 made localism a primary means of achieving the goals of the educational broadcasting system. Localism places the principal public interest responsibility on the individual educational radio and television stations, licensed to serve the needs and interest of their own communities. By not placing adequate emphasis on localism, H. R. 13918 threatens to erode substantially public broadcasting's impressive potential for promoting innovative and diverse cultural and educational programming.

The public and legislative debate regarding passage of H. R. 13918 has convinced me that the problems posed by Government financing of a public broadcast system are much greater than originally thought. They cannot be resolved until the structure of public broadcasting has been more firmly established, and we have a more extensive record of experience on which to evaluate its role in our national life.

This Administration has demonstrated its dedication to the principle of public broadcasting by increasing appropriations to the Corporation sevenfold in the past three years, from \$5 million in FY 69 to \$35 million in FY 72. On top of this, I have requested an additional 30 percent increase for next year to \$45 million. The funding proposed in H. R. 13918 which almost doubles next year's appropriation, and more than doubles the following year's appropriation over FY 1972, is unwarranted in light of the serious questions yet unanswered by our brief experience with public broadcasting.

I urge the continuation of carefully measured annual funding for the Corporation, under the existing statutory framework, subject to regular budgetary oversight and review. Specifically, I ask the Congress to follow my budget recommendation by enacting a one-year extension of the Corporation's authorization and providing it \$45 million. Since interim funds for the Corporation are included in a continuing resolution currently before the Congress, there should be no interruption of the Corporation's activities.

RICHARD NIXON

THE WHITE HOUSE,

June 30, 1972

TAB B

COMPARISON OF PUBLIC BROADCASTING BILLS IN THE
92ND and 93RD CONGRESSES

92ND Congress

Administration Bill

Amounts Authorized

- (a) \$40 million for fiscal year 1973
- (b) additional federal amounts matching the amount received during fiscal year 1973 by the CPB from non-federal sources -- up to \$5 million.

Allocation

\$15 million allocated to local stations in following manner:

- (a) \$2 million to public radio stations
- (b) \$13 million to public TV stations as follows:
 - (1) Each station gets a minimum grant of \$50 thousand or an amount equal to 25% of the station's operating budget during fiscal year 1971, whichever is lesser.
 - (2) Each station also gets a supplemental grant equal to the proportion which the station's operating budget bore to the total of all such station's operating budgets during fiscal year 1971; provided the station's operating budget is not in excess of \$2 million.

Facilities, Grants, Provisions

None

92ND Congress

H.R. 13918

(Vetoed by President June 30, 1972)

Amounts Authorized

- (a) For fiscal year 1973, the lesser of: \$65 million, or \$45 million plus an amount which equals one-half of the non-federal support for public broadcasting received during fiscal year 1971.
- (b) For fiscal year 1974, the lesser or \$90 million or \$40 million plus an amount which equals one-half of the non-federal support for public broadcasting.

Allocation

Each year CPB shall distribute to local stations not less than 30% of the CPB's total appropriation (exclusive of facilities grants).

Facilities, Grants, Provisions

For fiscal 1973, \$25 million

Administration Opposition to HR 13918 Because:

- \$155 million, two-year appropriation too much because of severe budget pressure.
- Inadequate hard, factual data for bill's high funding level.
- Implicit ceiling of 30% distribution to local stations.
- No formula to guarantee local station receipt of CPB 30% fund distribution.
- Drastically increased funding signifies all is OK and perpetuates centralization.

93RD Congress

Magnuson-Pastore
(S. 1090)

Amounts Authorized

- (a) \$55 million for fiscal year 1974
- (b) \$75 million for fiscal year 1975
- (c) Additional federal amounts matching the amount received during fiscal years 1974 and 1975 by the CPB from non-federal sources -- up to \$5 million per year.

Allocation

No provisions

Facilities, Grants, Provisions

For fiscal years 1974 through 1977, \$25 million each year.

93RD Congress

Administration Bill

(H.R. 4560 Mr. Staggers)

(S. 1228 Mr. Magnuson)

Amounts Authorized

- (a) \$40 million for fiscal year 1974
- (b) Additional federal amounts matching the amount received during fiscal year 1974 by the CPB from non-federal sources -- up to \$5 million.

Allocation

No provisions

Facilities, Grants, Provisions

None

93RD Congress

Tiernan Bill

(H.R. 2742)

Identical Bill: Hastings (H.R. 5045)

Amounts Authorized

- (a) For fiscal year 1973 and each fiscal year thereafter: an amount equal to twice the amount by which non-federal public broadcasting support for the second fiscal year preceding such fiscal year exceeds \$50 million.
- (b) Provided that the amount appropriated for fiscal year 1973 does not exceed \$60 million; for FY 1974 \$ 80 million
FY 1975 \$100 million
FY 1976 \$120 million
FY 1977 \$140 million.

Allocations

No Provisions

Facilities, Grants, Provisions

None

TAB C

Percent Distribution Analysis of Community Service Grants
(amounts in thousands)

Percent of Community Service Grants to Total Budget

	FY72		FY73	
	<u>% of Total</u>	<u>\$</u>	<u>% of Total</u>	<u>\$</u>
Total Budget		40,193		40,430
Television	11.6		12.4	
Radio	3.9		4.0	
	<u> </u>		<u> </u>	
	15.5%		16.4%	
	FY74		FY75	
	<u>% of Total</u>	<u>\$</u>	<u>% of Total</u>	<u>\$</u>
Total Budget		65,000		85,000
Television	20.8		27.1	
Radio	8.5		10.2	
	<u> </u>		<u> </u>	
	29.3%		37.3%	

Percent Distribution Analysis of Community Service Grants
(amounts in thousands)

Percent of Community Service Grants of Federal Appropriation

	FY72		FY73	
	<u>% of Total</u>	<u>\$</u>	<u>% of Total</u>	<u>\$</u>
Federal Appropriation		35,000		35,000
Television	13.3	4,646	14.3	5,000
Radio	4.5	1,587	4.6	1,626
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	17.8	6,233	18.9	6,626

	FY74		FY75	
	<u>% of Total</u>	<u>\$</u>	<u>% of Total</u>	<u>\$</u>
Federal Appropriation		60,000		80,000
Television	22.5	13,500	28.8	23,076
Radio	9.3	5,555	10.9	8,682
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	31.8	19,055	39.7	31,758

Percent Distribution Analysis of Community Service Grants
(amounts in thousands)

Percent of Total Community Service Grant Funds by Television & Radio

	FY72		FY73	
	<u>% of Total</u>	<u>\$</u>	<u>% of Total</u>	<u>\$</u>
Total Community Service Grants		- \$ 6,233		- \$ 6,626
Television	74.5		75.5	
Radio	25.5		24.5	

	FY74		FY75	
	<u>% of Total</u>	<u>\$</u>	<u>% of Total</u>	<u>\$</u>
Total Community Service Grants	70.8	8,906	72.7	
Television	29.2		27.3	

Federal Appropriations

- FY 1969	\$ 5 million	- FY 1971	\$23 million
- FY 1970	\$15 million	- FY 1972	\$35 million
		- FY 1973	\$35 million

CPB Distribution of all Funds to Local Stations

- FY 1969 - FY 1972 \$11.9 (13%) of \$91.7 million

Examples of CPB Centralization

- 91% of prime time programs (in 1971-1972 season) produced by 7 out of 219
- 25% of prime time programs (in 1971-1973 season) produced by NET
- 70% of cultural and performance programs in 1972-1973 season produced by NET
- 50% of news and public affairs in 1972-1973 season produced by WETA and NET
- 18.5 hours/week live interconnection during prime time
- \$2.7 million advertising expenditures

ANALYSIS OF CPB BUDGET FOR
FY 1972, 1973, 1974*

*CPB budget estimates for FY 1974
based upon \$65 million which
includes \$5 million in private
grants and contributions.

• PROGRAMS FOR PUBLIC T.V.
(in thousands)

FY 1972 (Actual)

- <u>Production</u>	\$15,430
- <u>Distribution</u>	
-Interconnection	9,969
-Library	175
-TOTAL PROGRAM	\$25,474

FY 1973

- <u>Production</u>	\$15,892
-Augmented by \$19,563 from non-Federal source to support estimated 866 hours	
-average production cost/hour	40
-available to 240 stations	
- <u>Distribution</u>	
-Interconnection	\$ 9,000
-28.5 hours/week	
-17.5 new hours of program	
-38.5% repeat programming	
-TOTAL PROGRAM	\$25,142

FY 1974

- <u>Production</u>	\$23,148
-Increase of \$7,256 over FY 1973	
-Augmented by \$20,000 from non-Federal sources	
-1027 hours new programs	
-average production cost/hour	42
-available to 255 stations	
- <u>Distribution</u>	\$11,407
-Interconnection	\$11,007
-Increase of \$2,157	
-30.4 hours/week	
-TOTAL PROGRAM	\$34,555

• PROGRAMS FOR PUBLIC RADIO (NPR)
(in thousands)

FY 1972 (Actual)

-Production

-NPR	\$1,827
-Stations	364

-Distribution

745

-TOTAL PROGRAM

\$2,936

FY 1973

-Production

\$2,590

(available to 600 stations)

-Distribution (interconnection)

910

-24.6 interconnection hours/week

-145 interconnection stations

- 16 hours/week of taped programming to
250 stations

-TOTAL PROGRAM

\$3,500

FY 1974

-Production

\$3,187

-Increase of \$597 over FY 1973

-Distribution (interconnection)

\$1,131

-Increase of \$221 over FY 1973

-Increase of \$350 interconnected program hours

-167 interconnected stations

-18 hours/week of taped programming to 275 stations

-TOTAL PROGRAM

\$4,318

• PLANNING, RESEARCH AND EVALUATION
(in thousands)

FY 1972 (Actual)

- <u>Corporate Planning</u>	\$ 15
-Engineering and Technical	
- <u>Development</u>	\$ 216
-Communications and Audience	
- <u>Research</u>	\$ 408
-TOTAL	\$ 639

FY 1973

- <u>Corporate Planning</u>	\$ 100
-Engineering and Technical	
- <u>Development</u>	\$ 100
-Communications and Audience	
- <u>Research</u>	\$ 402
-TOTAL	\$ 602

FY 1974

- <u>Corporate Planning</u>	\$ 90
-Engineering and Technical	
- <u>Development</u>	\$ 250
-Communications and Audience	
- <u>Research</u>	\$ 655
-TOTAL	\$ 995

• DEVELOPMENT AND SUPPORT
(in thousands)

FY 1972 (Actual)

- <u>Improving Quality</u>	\$ 514
- <u>Supporting Stations</u>	\$6,690
-Community Service Grants	\$6,243
-TV	\$4,646
-Radio	\$1,586
-Technical and Management Training	\$447
- <u>Increasing Awareness</u>	\$1,297
-TOTAL	\$8,501

FY 1973

- <u>Improving Quality</u>	\$ 263
-Projects	
(National Center for Experimental TV, National Endowment on the Arts)	
- <u>Supporting Stations</u>	\$6,907
-Community Service Grants	\$6,637
-TV	5,000
-Radio	1,626
-Technical and Management Training	\$270
- <u>Increasing Awareness</u>	\$1,397
-Station communications, annual reports	\$148
-Advisory Comm. on National Organization	\$ 37
-PBS	\$900
-NPR	\$312
-TOTAL	\$8,567

• DEVELOPMENT AND SUPPORT
(in thousands)

FY 1974

- <u>Improving Quality</u>	\$ 400
-Increase of \$137 over FY 1973	
-Projects	
(National Center for Experimentation	
in TV; National Endowment on the	
Arts)	
- <u>Supporting Stations</u>	\$20,216
-Increase of 13,309 over FY 1973	
-Community Service Grants \$19,066	
-TV \$13,500	
-Radio 5,555	
-Technical and Management	
Training \$1,000	
-Meetings \$ 150	
- <u>Increasing Awareness</u>	\$ 1,516
-Increase of \$119 over FY 1973	
-Station communications,	
annual reports \$175	
-Advisory Comm. for	
National Organizations \$ 90	
-PBS \$751	
-NPR \$500	
-TOTAL	\$22,132

TAB D

Program Classifications
FY 1973 - FY 1974

- In the past, public broadcasting programming has fallen into four categories. Those were:
- o Children's
 - o Performance/Cultural
 - o News/Public Affairs
 - o Others
- For FY 1973 - 1974, however, CPB has reclassified these program categories. These are:
- o Cultural Service
 - Information and Documentary
 - Current Issues
 - o Performing Arts (Drama)
 - o Magazine
 - o General Service
 - Classroom
 - Other (CTW Health Series, Pilots)
- Therefore, one is led to believe that CPB has offered wider diversification and reduced news and public affairs. Despite the new format, the following are accurate breakdowns of programming percentages, based upon previous CPB categories. These should be kept in mind in reviewing the CPB Program Classifications for FY 1973-1974:

FY 1973

o Children's	44.4%
o Performance/Culture	24.0%
o News/Public Affairs	26.6%
o Other	5.0%
	<u>100.0%</u>

FY 1974

o Children's	47.8%
o Performance/Cultural	13.9%
o News/Public Affairs	24.5%
o Other	13.8%
	<u>100.0%</u>

	<u>1973</u>	<u>1974</u>	
<u>Cultural Service</u>			
Performing Arts (Music & Dance)			
Opera (WNET)	\$ 226	\$ 200	
The Boarding House (KQED)	90	
Soul! (WNET)	<u>290</u>	<u> </u>	
(3.7%)	\$ 516	\$ 290	(2.2%)
<u>Performing Arts (Drama)</u>			
Theatre in America (WNET)		\$ 1,000	
Playhouse New York (WNET)	\$ 363		
Hollywood Television Theatre (KCET)	<u>1,080</u>	<u> </u>	
(10.2%)	\$ 1,443	\$ 1,000	(7.7%)
<u>Magazine</u>			
Sesame Street (CTW)	\$ 2,300	\$ 2,300	
Mister Roger's Neighborhood (FCI)	550	650	
Zoom (WGBH)	707	565	
Bookbeat (WTTW)	114	127	
Step-ups	197	100	
Specials	<u>370</u>	<u> </u>	
(30%)	\$ 4,238	\$ 3,742	(28.8%)
<u>General Service</u>			
<u>Information & Documentary</u>			
Religious America (WGBH)		\$,200	
The Men Who Made Hollywood (WNET)		100	
Science Unit (WGBH)		500	
An American Family (WNET)	,743		
Documentary Series on Current Issues (WETA)		800	

	<u>1973</u>	<u>1974</u>	
<u>General Service</u>			
Bill Moyers' Journal (WNET)	\$,482		
A Public Affair/America '73 (WETA)	513		
A Public Affair/Election '72 (WETA)	<u>.306</u>		(12.2%)
	(14.5) \$ 2,044	\$ 1,600	(12.2%)

<u>Current Issues</u>		\$, 85	
Wall Street Week (WMPB)	85		
Washington Week in Review (WETA)	220		
World Press (KQED)	670		
Firing Line (SECA)	433	533	
The Advocates (WGBH)	345	345	
Black Journal (WNET)	228		
Special Events (WETA)	68		
10 Minutes With... (WETA)		305	
Reserve for Black Programming	400	400	
Reserve for Local Production			
Reserve for Other Minority Programs	<u></u>	<u>200</u>	
	(17.4%) \$ 2,449	\$ 1,868	(14.5%)

Classroom Service

<u>Classroom</u>			
The Electric Company (CTW) (19.2%)	\$2,700		(20.8%)
<u>Other:</u>		\$1,000	
Reserve - CTW Health Series	700	800	
Reserve - for Pilots	<u>700</u>	<u>1,800</u>	(13.8%)
(5%)			

\$14,090

\$13,000

TAB E

PUBLIC BROADCASTING

Public Television Act of 1967

S. 1160 Hearings - April 11, 12, 13, 14, 25, 26, 27, and
28, 1967

P. 56 Pastore: "In response to a question to Secretary Gardner re partial advertising on PTV such as announcements that a program is due to a grant by such and such ... Isn't that out-and-out commercialism? The minute you begin to advertise a grant, even though philanthropic, it is advertising. I don't think it is contemplated under this Bill at all."

P. 64 Hartke: Quoting from Broadcasting (April 3) regarding interconnection and Federal funds... (Broadcasting) "If adopted in the form of its submission, Lyndon Johnson's Public Television Bill would establish the mechanism for a Federal television system responsive to the prevailing center of power."

Pastore: "In other words, it almost assumes that the President of the United States, in every instance, is a rascal. For some reason or another, it is becoming fashionable to indicate that the one man who is elected by all the people of this country can't be trusted, even to the extent of nominating 15 people who are going to be confirmed by the Senate of the United States. Of course, it is ridiculous."

P. 136 Killian: "The local stations must be the bedrock upon which public television is erected... the Corporation...should provide grants and enter into contracts for programs, but should not itself engage in program production. It should serve the stations, but no control the stations."

P. 184 Pastore: "...that the more public money you put into this (public TV), the more you endanger the freedom of expression."

Fred Friendly: "What I am saying--and I would be glad to say it a thousand times--is that I am against--and I hope we all are--Federal money from general revenues going into news and public affairs broadcasting."

Friendly: "If it cost \$275 million a year to run public television, which is the Carnegie figure, I would be against it...I think all we would have then was a license to fail."

P. 7 "At the same time, however, it should be remembered that local stations are the bedrock of this system...it is not intended, therefore, that these stations be mere conduits for the productions of other stations or other outside sources."

"The Corporation will be prohibited from engaging in political activity or applying political tests in any personnel actions or endorsing political candidates; will assist in the development of an interconnection system and make high quality programs available to educational broadcast stations; will contract for the production and procurement of programs and make payments to stations to support local programs and other costs; will have no authority itself to own or operate any stations, interconnections or production facilities; will submit an annual report to the President for transmittal to Congress."

P. 8 "The Office of Telecommunications Management and DHEW are urged not to delay in providing the initiative and expertise required for a coordinated effort to serve the public's interest through effective development and utilization of public television and other telecommunications media."

"Among its activities, the Corporation is authorized to contract or make grants to program production entities, individuals, and selected noncommercial educational broadcast stations for the production or procurement of programs for national or regional distribution to noncommercial educational broadcast stations."

P. 15 The committee was persuaded that the Corporation needed this flexibility and discretion not to establish a fixed-schedule network operation but to take advantage of special or unusual opportunities that warrant the Corporation directly contracting for interconnection facilities. Even under these circumstances, however, it should be made clear that the decision to broadcast such a program remains with the local station. Therefore, the committee has modified subsection (g) (2) (E) so as to give the Corporation the necessary authority with regard to interconnection facilities. This does not mean that others -- such as a group of noncommercial stations or national educational television -- could not also arrange for interconnections and receive financial assistance from the Corporation for it. The provisions of this legislation permit this to be done.

P. 15
In order to assure an effective working relationship among the Corporation, the various production centers, the individual local stations, and all other parties concerned, the committee feels that a number of alternative methods are available to avoid misunderstanding on the use of interconnections; it might for example appoint an advisory committee, including representatives of local educational broadcast stations, to suggest to it policies for the handling of interconnection or to review the interconnection decisions which it had made over a stated period. As another approach, the Corporation might exercise its interconnection responsibility by special contractual arrangements. It might wish to aid in the formation of a new organization or advisory group, including representatives of the local stations and the program suppliers, to handle day-to-day decisions on interconnection. Whatever special administrative arrangements it makes in exercising its option, the Corporation must retain ultimate responsibility.

FLOOR DEBATE

Public Broadcasting Act of 1967
May 17, 1967

Pastore (Floor Manager)

Title II "...[CPB] to improve and strengthen local stations and to encourage diverse and high quality programming of regional and national interest...Local or regional educational broadcast stations must be free to accept or reject the programs and services which the Corporation will make available.

HOUSE REPORT ON PUBLIC BROADCASTING ACT

Section 39(g)(3) precludes the Corporation from owning or operating "any television or radio broadcast stations, system or network ***." It is assumed that, in compliance with this prohibition, the Corporation will not have a staff of producers, commentators, announcers, and others directly associated with program production: a system of fixed schedule broadcasting; ownership or operative authority over program production equipment, studios, or interconnection facilities; or station affiliates.

The bill reserves the question of permanent financing for consideration during the next session of Congress. It is felt that since there are no precedents upon which to base judgments, a clearer view than is possible at the present time as to the Corporation's future needs can be obtained after it has gained operational experience.

CONFERENCE REPORT ON PUBLIC BROADCASTING ACT

The managers on the part of the House feel that the Corporation needs this flexibility, not to establish a fixed-schedule network operation, but in order to take advantage of special or unusual opportunities that warrant the Corporation directly contracting for interconnection facilities. Even under these circumstances, however, it should be made clear that the decision to broadcast any program for which interconnection is provided by the Corporation remains entirely within the discretion of the local station. In addition, it should be pointed out that this change does not mean that others--such as a group of noncommercial educational broadcast stations or a noncommercial educational radio or television network--could not also arrange for interconnection and receive financial assistance for it in the form of a grant or contract from the Corporation. The conference substitute would permit this to be done.

P. 294 CTW: "We expect to solve this problem [financing] before the end of fiscal 1973."

"Reduced to their essentials my concerns are that:

1. The independence of the local stations has suffered because CPB has not devoted sufficient funds to station support grants for purely local program production.
2. Local station autonomy has been undercut by the CPB and PBS use of interconnection facilities to establish a fixed schedule, real-time networks, contrary to the intent of 1967 Act.
3. Program diversity has not been enhanced, since national programs are produced or acquired in effect by CPB's 'in-house' production entities, which are also broadcast stations. Moreover, the national programming seeks a mass audience for news, public affairs, and entertainment programs.

Nominations 1972 of 5 new members to CPB , JUNE 1972

P. 1 Pastore: "We looked to the Federal Treasury only as a temporary source, but nothing has been forthcoming from either this Administration or the previous Administrations as to how the Corporation should be financed on a permanent basis. I think myself more serious thoughts ought to be given to long-range financing because we are somehow getting into the area of programming. As long as you put taxpayer's money in anything, it is the responsibility of Congress to determine how the money is spent."

P. 14 Pastore: "Has this come about because you have no authority to do any operational work?"

Macy: "The creation of the PBS was a necessity from the point of view of CPB, because in the statute, we are not permitted to own or to operate any facilities."

P. 15 Pastore: "I think in that area [public affairs]-- I am addressing myself now to the Board--you have got to be very careful, because there is a tremendous sensitivity that this is a Corporation that is being supported by taxpayer's money. It was never intended to do the job that can be done by the commercial stations and the commercial networks...people are going to say we don't need this, we don't need a fourth network."

TAB F

Questions

- Q. Where does OTP get its mandate to criticize public broadcasting?
- o CTW letter to Pastore after Mansur hearings (Nov. 23, 1970) set forth public broadcasting financing as area of OTP responsibility.
 - o Senate Report on S. 1160 (May 11, 1967), p. 8 directed HEW and OEDM'to provide the initiative and expertise required for a coordinated effort to serve the public's interest through effective development and utilization of public television and other telecommunications media. "
- Q. Aren't you just against network news and public affairs, whether public or commercial?
- Q. What's the President's authority to make recess appointments?
- o COMSAT recess appointments.
 - o Curtis recess appointments.
- Q. Why only a one-year authorization?
- Q. Where are you in developing a long-range financing plan, one that will insulate public broadcasting from political pressures? Have you given up on long range financing?

- Q. What's the FCC's role to ensure balanced public television programming?
- Q. What about institutional advertising on public television?
- Q. What about all these BBC programs? Does this adversely affect Hollywood?
- Q. What about CPB salaries -- too high, not high enough? What about Sandy Vanocur, or Buckley?
- Q. Where did John Macy go wrong?
- Q. How will cable -- pay TV -- affect public broadcasting?
- Q. What about reduced AT&T rates for interconnection? Domsats?
- Q. Hasn't the number of public TV stations grown much faster than their appropriations? You know we've got 233 of them. Has their funding grown apace?

- Q. How can public TV adequately plan when all you want to give them is a one-year authorization? With the commercial stations you want to give them 5-year licenses, give them more stability. Is this consistent?
- Q. What about NASA's attempt to pressure PBS into carrying the last moonshot? Did your Office play any part in this pressuring?
- Q. What about the Ford Foundation and these other tax-exempt organizations getting involved in public TV? Is your Office studying possible changes in the tax laws?
- Q. Now Dr. Whitehead, you've appeared on public TV yourself with Bill Buckley -- do you think programs like the one in which you appeared are slanted, elitist?
- Q. Now Dr. Whitehead, you talked a lot about CPB, until you got your own people in. But for the longest time now you've been strangely silent. Does this mean that your people are doing a good job?
- Q. Now Dr. Whitehead, we all saw that nude ballet on public TV, and the violence, and all -- what are you doing to keep this tax-supported pornography and violence out of the parlors of America?