

Talks With  
College Students

1)

11/24/69

CTW met with Cornell University  
students

*Letter  
w/ Union  
Group*

June 10, 1970

To: Leonard Garment

From: Tom Whitehead

As requested, I am attaching a list of the students I have seen within the last six months. I have also included a group I saw just prior to that six-month period.

Attachment

cc: Mr. Whitehead  
Central Files

CTWhitehead:ed

MEETINGS TOM WHITEHEAD HAS HAD WITH STUDENTS

November 24, 1969

15 students and 1 professor  
from Cornell University

March 18, 1970

1 student from Yale University

March 20, 1970

1 student from Yale University



MEETINGS TOM WHITEHEAD HAS HAD WITH STUDENTS

November 24, 1969

10 students from Cornell University  
Professor Royal Cole  
(Dept. of Communication Arts)  
Doing a study on Task Force Report  
on Telecommunications

March 18, 1970

Tom Brislin  
(law student)  
Yale University  
(Request of Tom Evans' office  
through Magruder's office)  
Working on a model satellite bill  
and a model Cable TV bill

March 20, 1970

Sue Meyer  
Yale University  
(Request of Bobbie Greene)  
Doing study of domestic satellites

MEETINGS TOM WHITEHEAD HAS HAD WITH STUDENTS

November 24, 1969

10 students from Cornell University  
Professor Royal Colle  
(Dept. of Communication Arts)  
Doing a study on Task Force Report  
on Telecommunications

March 18, 1970

Tom Brislin  
(law student)  
Yale University  
(Request of Tom Evans' office  
through Magruder's office)  
Working on a model satellite bill  
and a model Cable TV bill

March 20, 1970

Sue Meyer  
Yale University  
(Request of Bobbie Greene)  
Doing study of domestic satellites

Wednesday 6/10/70

12:05     Since Garment's memo was dated May 28th --  
            thought maybe you'd want to include the  
            November 24th meeting -- which would only  
            be 4 days outside the six-month period.

            Your choice!

*Clay Mitchell*

THE WHITE HOUSE

WASHINGTON

May 28, 1970

MEMORANDUM FOR THE WHITE HOUSE STAFF

SUBJECT: INTERVIEWS WITH STUDENT GROUPS

John Ehrlichman has asked that I assemble a list of the student groups or delegations or individuals seen by various members of the White House staff over the past six months.

I attach a copy of his memorandum of May 27 together with John's own list which he appends as an illustration of what he wishes.

Would each of you please send me a similar brief list?

*Leonard Garment*  
Leonard Garment

*Eva - I can recall only 2 visits (Yale Law); right?*



THE WHITE HOUSE

WASHINGTON


MAY 27, 1970

FOR LEN GARMENT

Would you please prepare a list of the student groups or delegations or individuals seen by various members of the White House staff over a period of the last six months?

The President wishes for Chancellor Heard to have some feel for the amount of student contact that the White House staff has had during this period.

Attached is a synopsis of my principal student contacts as an example.



John D. Ehrlichman

# EHR LICHMAN MEETINGS WITH STUDENTS

March 13, 1970	Yale Political Union Indian Treaty Room
March 26	Group from Christian/Stevens Colleges White House theatre
April 16	Washington semester students from American University, Washington, D. C. White House theatre
April 22	Four 4-H boys and girls - JDE office
May 1	Four high school students from Bellevue, Nebraska
May 5	6 students from Kent State
May 7	3 students from Washington University (St. Louis)
May 12	2 students from St. Albans , Washington, D. C.
May 13	Assembly at McLean, Virginia - Langley High School
May 14	4 students and 1 professor from the University of Washington

2. 4/5/71 CTW met with Syracuse University students

Wednesday, March 31

meeting  
4/5/71  
2:00

2:30 p.m.

Professor Edwards is aware of location (FOB 7, Room 2003) and time (April 5, 2:00 p.m.) of briefing for the graduate students from Syracuse University.

He says he will have his group there and settled by 1:45 p.m. on Monday.

Nina/C+W



STEVE

Friday 3/26/71

INV.  
4/5/71  
2:00

2:15 Ernest Andrews called re the Syracuse University group coming down.  
Eva told him that someone would meet with them and that Steve would call  
him on Monday to confirm.

(315) 476-5541 (Ext. 2404)

Larry

Mr. Doyle needs a conference room on Monday (4/5) from 2:00 - 4:00 that will accommodate 45 to 50 people.

Would you please see what you can find and tell either Eva or I? *Mr. Doyle?*

Thanks a lot.

Judy

*He is in a hurry to have the Room number - he has a phone call to make.*



# SYRACUSE UNIVERSITY

TELEVISION AND RADIO DEPARTMENT | S. I. NEWHOUSE COMMUNICATIONS CENTER

117 COLLEGE PLACE | SYRACUSE, NEW YORK 13210  
315/476-5541 ext 2402

March 20, 1971

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

Dear Mr. Whitehead:

Syracuse University has a graduate program in television (in which I teach), and these students are interested not only in professional competence but in telecommunications policy since it affects and may be affected by their whole future careers. Each year they come to Washington for a few days to explore areas of their interest. They, and I, are centrally interested in learning all possible of the thinking of the Administration on broadcast policy considerations.

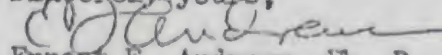
I hope very much that you will be able to meet briefly and informally with this group, about 40 in number. I want to stress that these are serious people who are not interested in dialectic or confrontation but in information and discussion. They will be meeting with officials of various federal departments, broadcasters, correspondents both domestic and foreign, producers and directors and management people. But the fact remains that nothing in our age is more important than making broadcasting serve society and the means found for assuring this.

The logistics of such a trip with such a group make me suggest that Monday afternoon, April 5, is the time we much wish to have this discussion with your office. You will forgive me for suggesting an early (say, 2 p. m.) time because very tight scheduling is necessary. I will be glad if you will have your office call me collect to arrange details. (Perhaps your office is in an area requiring check-in; I can provide a listing of names and participants will have identification-with-photos if necessary.) Certainly we can be present at any suitable conference room near your office so as to minimize time demands.

Our request is not frivolous (I was editor for 15 years of Radio Television News Directors Association national Bulletin and have a background as news director and CBS fellowship holder) and these students are solid citizens who will be entering broadcasting -- in fact, more than half of them have had previous experience in the media.

Therefore, I hope you are able to help us. I will plan to call your office on March 25 to receive your word and arrange details with your people.

Sincerely yours,

  
Ernest F. Andrews, Ph. D.  
Asso Prof, TV-Radio

EFA/tr

Friday 11/19/71

SPEECHES  
12/17-18/71

6:20 Mr. Scalia advises Mr. Whitehead will be giving a lecture at the University of Virginia, Charlottesville, at 7:30 - 9:30<sup>(Fri)</sup> p.m./and again from 9:00 - 11:00 a.m. on Saturday, Dec. 18.

Mr. Scalia will provide for transportation to and from Charlottesville and accommodations for Mr. Whitehead.



Tuesday 9/28/71

SEMINAR  
12/17-18/71

11:00

We have asked Mr. Scalia to prepare the list of reading assignments for the students at University of Virginia.

12/17-18

September 1, 1971

MEMORANDUM FOR

Don Baker  
Will Dean  
Hank Goldberg  
Walt Hinchman  
Bruce Owen

You have all agreed to participate in a seminar on communications policy to be conducted at the University of Virginia Law School this fall. A course description is attached. I will be present at all sessions to add a certain degree of continuity and charm, as well as to evaluate the performance of the students for grading purposes. I will be relying on you, however, to provide the major substantive contribution on the subjects for which you are listed below. I am also listing dates next to your topics. I believe the order I have suggested is the most desirable, but if for some reason you find the date assigned for your participation unacceptable, please let me know as soon as possible.

<u>DATE</u>	<u>TOPIC</u>	<u>LECTURER</u>
Sep 17-18	[Introduction and Legal Framework	Scalia]
	Nature of Radio Spectrum-- Allocations Problems	Dean
Oct 1-2	Structure and Economics of Broadcasting Industry	Owen
Oct 15-16	Control of Broadcast Content	Goldberg
Oct 29-30	Cable Television	Hinchman
[Nov 12-13	Public Broadcasting	Scalia]
Dec 3-4	Antitrust Problems	Baker
[Dec 17-18	Role of Government Regulation	Whitehead]



The format will be two hours of instruction Friday evening, and another two Saturday morning. Ideally, the sessions should consist of relatively little outright lecturing on your part, and a considerable amount of discussion and debate among you and the students. If this is to be achieved, the students must come in with a certain level of basic knowledge--for which purpose reading assignments should be issued in advance of each session. I therefore ask you to submit a list of readings for your topic as soon as possible. If the list is long, you may designate some items as "required" and others as "optional."

There will be no examination in the course, and grades will be based on class participation and short student papers. In order that the students may choose their subjects and begin work on these papers as soon as possible, it would be useful to have a list of suggested topics for distribution at the first class. I therefore ask you to prepare as soon as possible a list of five or more subjects within your assigned topic that could be treated in a 15-20 page paper. These should be narrow enough to permit in-depth treatment, and hopefully the making of a small original contribution to the body of human knowledge. Bear in mind that the majority of students in the class will not be scientists or economists but lawyers. (This does not mean that only narrowly legal subjects are appropriate.)

I would appreciate receiving all of the above from you by Friday, September 10. If you have any further questions about the program, I will be happy to answer them.

Antonin Scalia  
General Counsel

cc: DO Records  
DO Chron  
GC Subj  
GC Chron

AScalia/cc/1Sep71

## PROBLEMS IN U.S. COMMUNICATIONS POLICY--BROADCASTING

This Seminar will examine some of the major policy issues confronting the United States in the field of broadcast communications. Beginning with an examination of the nature of the radio spectrum, the difficulties involved in allocating its use, and the legal framework of broadcast regulation, discussion will proceed to consideration of the structure and economics of the broadcasting industry, issues of content control (including the FCC's "Fairness Doctrine"), the development of CATV, the structure and financing of public (noncommercial) broadcasting, problems of concentration in media ownership, and the role of government regulation in a private broadcasting system. Guest lecturers will include governmental officials from the Federal Communications Commission, the Justice Department and the Office of Telecommunications Policy.

There is no textbook, but outside reading will be assigned. Papers will be required. Grades will be based upon papers and participation.





## TELECOMMUNICATIONS: ITS GROWING IMPORTANCE

Clay T. Whitehead

Long range or "tele-" communications have never been unimportant. To avoid annihilation African tribes depended on the advance warning of the tom-tom.

### MODERN TELECOMMUNICATIONS

But, for this generation and the future, telecommunications have become and will continue to be a vital and indispensable part of our technological society -- inseparable from our broader concerns of society because it interacts so heavily and in so many ways with all aspects of our lives and our industry. TV, satellites, telephones for an increasingly mobile society, electronic media and news dissemination, national security, air traffic control, data processing and its communications needs -- all are indicators of this present and future importance.

Modern communication is on the threshold of a future identical to the recent past of its creator -- electricity. Fifty years ago, an electric power failure was a minor irritant for a few; today it is a catastrophe of monumental proportion, disrupting every phase of life, and posing a serious threat to national security.

The history of transportation is also illustrative of the future of telecommunications.

The automobile, once little more than a noisy, uncomfortable status symbol for the elite, has completely transformed society and the daily habits of every individual.

Similarly, the airplane: Who, on witnessing that first feeble effort of man to get off the ground at Kitty Hawk in 1903, would believe that within 66 years man would travel to the moon, watched by all of us through the miracle of telecommunications? Furthermore, air transportation is no longer a novel industry. It is an entirely new way of life.

Just as electricity, the automobile and the airplane have been social innovators, so telecommunications has been and will be. Over and above technological developments, that are nothing less than fantastic, there are social, cultural and ideological ramifications that elude even the most perceptive crystal-ball gazer. One indication is this:

For the soldier, war has always been what General Sherman said it was. Now, however, combat is "waged" not only amidst the dangers of the battlefield, but in the safety and comfort of every living room in the Nation. An entirely new dimension has been added to public attitudes. Being "not involved" is forevermore impossible.

#### THE NEED FOR POLICY

In a more perilous time on a most perilous issue Abraham Lincoln observed:



"If we can but know where we are and whither we are tending, we can better tell what to do and how to do it."

The need to know "where we are" and "whither we are tending" in telecommunications is of the highest priority.

In transmitting to the Congress his plan for creating the Office of Telecommunications Policy, the President wrote:

"We live in a time when the technology of telecommunications is undergoing rapid change which will dramatically affect the whole of our society. The public interest requires that government policies concerning telecommunications be formulated with as much sophistication and vision as possible."

The Congress is urgently calling for policy formulation. Senator Pastore has said:

"The rapid advance of communication technology including satellite communications and the concomitant increase in the use of communications services have made the formulation of an overall telecommunications policy imperative, if we are to achieve our goal of a nationwide and worldwide wire and radio communication service with adequate facilities at reasonable charges."

The creation by this Administration of the Office of Telecommunications Policy is the important first step in the formation of an overall telecommunications policy for the United States.

#### NEW PERSPECTIVE IMPERATIVE

Before the Commerce Committee of the United States Senate, I said:



"We will do all we can to come up with a telecommunications policy, but in an industry like this, which is so complex, you just cannot come up with a piece of paper and say this is policy."

I would like to emphasize this. Telecommunication in the United States is as complicated and delicate as the nerve system of a man's body. There is virtually no area of our society or economy not touched importantly by telecommunications. And the emphasis is shifting from simple and well-defined communications "needs" to an increasing interaction between communications systems capabilities and the problems and potentials in society and business. Telecommunications has changed from an industry that facilitates commerce to an industry that is inseparable from the commerce of the United States. It has changed from an industry that supports our defense effort to one that our national security is predicated upon. From support of public safety; to part of public safety.

With these changes, a new perspective is imperative. My firm conviction is that it is just as important to get the right perspective as it is to get the right facts.

No longer is electronic communication merely a gadget to be tinkered with or a mechanism to be patched up. Telecommunications today must be regarded as both the "created" and a creator. We have only dimly perceived the implications of the "information economy,"

wide band cable access to the home, and truly widespread mobile communications. This will help shape the future of our society and economy, as well as serving us in that future. Other potentials are even more hidden in the future.

We are in a "new ball game" in telecommunications. All of us who are intimately involved with and responsible for telecommunications need to recognize that recent change has been not only quantitative but fundamentally qualitative. Our perspective must be adjusted accordingly.

#### PARAMETERS OF POLICY

It would seem to be unnecessary to assert that our Nation's telecommunications policy must be positive. But a vocal minority, frightened by complexity and fearful of the unknown, would have us stultify the creative genius of our technological advance. Technology, they say, has created more problems than benefits and has become a veritable monster that ultimately will destroy us. May I suggest, a Nation that harnessed the natural resources of a vast continent shall never become the cowering victim of its own creation. The overwhelming impact of communications will be beneficial. Accordingly, our policy will be positive.

Before the Armed Forces Communications and Electronics Association Convention last June, I said, telecommunications policy "must be broad -- as broad as the users of telecommunications together



with the providers." On that occasion, I also talked of another dimension of broadness. Telecommunications policy can no longer be isolated, "pigeon-holed," or put off into some obscure corner. It is part and parcel of the total process of government policy making. Communications are too important for the policy generalists to continue to ignore. We all must accept the responsibility thrust upon us by our communications specialists, whose diverse creativity has made the formulation of policy both essential and urgent.

It is possible to be broad and shallow. Our Nation's telecommunications policy must have not only breadth, but depth. In this matter of seeking out and defining a national policy for telecommunications, there is nothing of more importance than the difficult mastering of the complexities of this industry.

A French revolutionary once observed, "There goes the mob. I am their leader. I must find out where they are going." Telecommunications policy cannot afford to "lead" in that style. We must be "ahead," not "behind."

President Nixon has recently said:

"The power of new technologies to impose change is beyond dispute. . . . Perhaps, for the first time in history, we are aware that the time to think about the consequences of a technology is before it is very nearly beyond reconsideration."

And Representative Emilio Daddario, Chairman of the Science, Research and Development Subcommittee of the House Science and Astronautics Committee said:

"Our goal is a legislative capability for policy determination in applied science and technology which will be anticipatory and adaptive rather than reactionary and symptomatic."

Telecommunications policy must be anticipatory.

If that policy is not as dynamic as the industry it encompasses, it will bounce like a shuttlecock from one ad hoc decision to another. Without dynamic thinking to match dynamic creativity, we will be saddled with a series of rationalizations, not policy.

Like policy in any field, telecommunications policy must have internal integrity. It must be consistent. It must make sense. It must not be self-contradictory.

However, policy should not be a straightjacket -- it must be flexible. This is not the flexibility of a tattered rag flapping in the wind. But it must be the flexibility of an open mind and of constant review.

#### COOPERATION ESSENTIAL

The formulation of policy must be a cooperative effort. Fratricidal jealousies over vested prerogatives lead only to impotency. A telecommunications policy worthy of this Nation and its people will evolve only as those of us in the Office of Telecommunications Policy work in



harmony with the Federal Communications Commission, private industry, the Congress, other interested departments of government, state and local organizations, and the public.

#### OFFICE OF TELECOMMUNICATIONS POLICY

The Office of Telecommunications Policy will:

- a. Be the President's principal advisor on telecommunications issues;
- b. Enable the executive branch to speak with a clearer voice and be a more responsible partner in policy dialogues with industry, the FCC, Congress and the public;
- c. Formulate policies and coordinate operations for the Federal government's own telecommunications activities.

OTP will not attempt to compete with the FCC or to perpetuate on a grander scale the policies of the past. Issues for major concern or policy statements will be picked with care, not in large numbers. OTP will be engaged in in-depth studies of particular problems as they arise or as policy initiative becomes timely.

The emphasis will be on cooperation and coordination. We will seek to bring communications and communicators into close touch with overall national policy and policymakers.

We will be concerned with developing Federal policies in conjunction with the FCC and the Congress that will encourage vigorous and innovative realization of the potential of telecommunications.

In our responsibility for the Federal government's own communications, OTP will be much concerned with the problem of getting the most effective communications at the least cost to the taxpayer.

There will be a great many barriers to accelerating our progress. For example: Much needs to be done to alleviate the scarcity of frequencies for land mobile purposes. I consider this to be one of our most important problems, and I expect to devote considerable attention to this matter. I am confident that -- in consultation and cooperation with the FCC -- further steps can be taken to ease this problem on both a short-range as well as long-term basis. More flexible and responsive spectrum management -- by both OTP and the FCC -- can do much to alleviate these pressures and to permit more direct communication between Federal and local authorities in time of emergency.

You may expect from OTP lots of questions, interactions, and concern about the uses, capabilities and costs of alternative communication technologies; lots of concern about how we can build an even stronger, healthier, more innovative and more competitive industry; lots of attention to the purposes of telecommunication and its potential for

application in defense, domestic and civilian uses; and lots of attention to permitting communications to innovate and to do its job with a minimum of second-guessing or peeping over the shoulder, but coupled with a constant concern that communications are consonant with the country's needs.

We hope the new OTP will help make it possible for the United States to take full advantage of what telecommunications technology can do for all our people.



TESTIMONIES



STATEMENT OF HONORABLE CLAY T. WHITEHEAD  
DIRECTOR, OFFICE OF TELECOMMUNICATIONS POLICY  
EXECUTIVE OFFICE OF THE PRESIDENT  
FOR THE SPECIAL SUBCOMMITTEE OF THE  
HOUSE ARMED SERVICES COMMITTEE  
FOR THE INVESTIGATION OF THE  
DEPARTMENT OF DEFENSE COMMUNICATIONS

NOVEMBER 19, 1970



STATEMENT OF HONORABLE CLAY T. WHITEHEAD  
DIRECTOR, OFFICE OF TELECOMMUNICATIONS POLICY  
EXECUTIVE OFFICE OF THE PRESIDENT  
FOR THE SPECIAL SUBCOMMITTEE OF THE  
HOUSE ARMED SERVICES COMMITTEE  
FOR THE INVESTIGATION OF THE  
DEPARTMENT OF DEFENSE COMMUNICATIONS

Mr. Chairman and Congressman Hall:

I welcome this opportunity to describe to you the functions of our new office, and our relationship with the Department of Defense and with the Assistant to the Secretary of Defense for Telecommunications.

Since the passage of the Communications Act of 1934, the President has used various arrangements to provide advice and assistance, particularly with respect to his responsibilities for the assignment of radio frequencies to Federal departments and agencies. In 1962, this function was established under an Assistant Director of the Office of Emergency Planning (OEP) who was titled "Director of Telecommunications Management" (DTM). In 1963, the DTM was given additional responsibilities for overseeing the newly established National Communications System (NCS). In this role, the DTM was designated as Special Assistant to the President for Telecommunications. His responsibilities were to be carried out primarily by providing policy guidance to the Secretary of Defense, who was designated Executive Agent for the NCS.

When President Nixon assumed office in 1969, there was a recognized need for stronger central policy formulation and management in the telecommunications area. The General Accounting Office, in its report on the NCS in 1969, recommended stronger central management of the NCS, and specifically suggested that the DTM be established separately from OEP as a new entity. In addition to these concerns about the Federal government's own communications, the accelerated impact of economic and technological change in <sup>the</sup> communications industry has raised a host of issues requiring the development of new or more definitive national policies for telecommunications generally.

Accordingly, on February 9, 1970, President Nixon transmitted to the Congress Reorganization Plan No. 1 of 1970, which became effective in April 1970. This plan established within the Executive Office of the President a new and independent Office of Telecommunications Policy. This office assumes the previous responsibilities of the DTM, consolidating this authority with the responsibility to formulate policy recommendations on national telecommunications policy generally.

Subsequently, the President issued Executive Order 11556, which set forth in more detail the responsibilities of the office. Broadly, these responsibilities are: to serve as the President's principal telecommunications



advisor: to coordinate the telecommunications activities of the Executive Branch of the Federal Government, to manage Federal Government use of the radio spectrum, and to enable the executive branch to speak with a clearer voice and to act as a more effective partner with the Federal Communications Commission and the Congress in the development of national telecommunications policies.

There is virtually no area of our society or economy not touched importantly by telecommunications. The emphasis is shifting from meeting simple and well-defined communication "needs" to dealing with an increasing interaction among the communications systems capabilities and the problems and potentials in the Federal departments and in society and business. The new office will delve into more substantive issues of communications policy than did the former Office of Telecommunications Management. To make this possible, the routine activities performed by the Secretariat of the Interdepartmental Radio Advisory Committee have been transferred to the Department of Commerce where the work will be conducted under the policy guidance and broad supervision of my office. We are in the process of assembling a staff of personnel with the experience and expertise in the disciplines that are needed to cope with the problems that will arise in light of the new perspective of the office.



I am, of course, concerned that the Federal Government have effective communication under all foreseeable circumstances.

Responsibilities assigned to me by Executive Order 11556 include: formulating policies and standards for executive branch telecommunications, evaluating the ability of these systems to meet national security and emergency preparedness needs, reviewing telecommunications programs to evaluate their efficiency, and coordinating emergency preparedness activities in the telecommunications area. In view of these responsibilities, I must be concerned with the effectiveness and efficiency of the telecommunications activities of the Department of Defense which constitute a major fraction of the Government's total telecommunications effort.

I am aware of the criticisms which have been levelled at the management of defense communications by the General Accounting Office and the Blue Ribbon Defense Panel. Some of these have been acted on -- for example, the consolidation of responsibilities within the Office of the Secretary of Defense under the Assistant to the Secretary of Defense for Telecommunications. Also, I understand that moves to strengthen the Charter of the Defense Communications Agency are under consideration. Certainly, fragmentation in the management of Defense Communications has been a problem, and I think these steps which have been taken are in the right direction.

One of the most critical deficiencies in the management of both the Defense Communications System and the National Communications System has been the lack of adequate planning and analysis capabilities. Too often, management decisions on common-user systems and other system design issues have been based on abstract principles or roles and missions, rather than on sound technical and economic analysis. Despite several years of study, we still lack a sound basis for deciding the merits of further unification of government communications systems. Qualitative, operational and management arguments can be provided for both sides of this issue -- but hard facts are missing. We must continue to seek ways to increase the level of competence in system planning and analysis within the Government, and to provide organizational arrangements under which the necessary evaluations can be carried out free from bureaucratic pressures and obstacles.

We intend to take a look at the present organizational arrangements for the NCS to see if changes are needed. I am not now convinced that further centralization of powers in my office, as suggested by the General Accounting Office, is warranted. Before deciding on organizational matters, I hope to arrive at clearer answers to three other questions raised by the GAO. These are: (1) the degree of system unification which is desirable, (2) the soundness of the integrated trunking system



concept, and (3) the appropriate means of interconnecting or combining AUTOVON and the FTS. We are now starting on a review of these questions. In addition, I hope to determine what substantive management principles should be applied in developing the management structure for government communications.

In fulfilling the responsibilities assigned to me, I will look for assistance and cooperation to the Secretary of Defense as both Executive Agent of the NCS and as the largest single Federal communications user.

I also look forward to close working relationships between my staff and appropriate DoD staffs, particularly that of the Assistant to the Secretary for Telecommunications. We have mutual interests in the effectiveness and efficiency of defense communications, and in the soundness of the national telecommunications system.

I am relatively new in this job, having been sworn in on September 22, 1970. At the present time, we are limited by budgetary constraints and I am having some difficulty in assembling the type of staff I need because of that. This will seriously limit our ability to address these important issues and implement needed changes. I hope that this will be resolved in the next fiscal year. This Office has direct responsibility for the areas I have been discussing and I am pleased to work with this Committee now and in the future.





STATEMENT BY  
CLAY T. WHITEHEAD, DIRECTOR  
OFFICE OF TELECOMMUNICATIONS POLICY

Before the  
Subcommittee on Treasury, Post Office  
and General Government  
The Honorable Tom Steed, Chairman  
Appropriations Committee  
U.S. House of Representatives

MAY 13, 1971

WITNESS LIST

OFFICE OF TELECOMMUNICATIONS POLICY

Before the

Subcommittee on Treasury, Post Office and General Government  
The Honorable Tom Steed, Chairman  
Appropriations Committee  
U.S. House of Representatives

May 13, 1971

1. Clay T. Whitehead, Director
2. George F. Mansur, Deputy Director
3. Wilfrid Dean, Jr., Assistant Director
4. Walter R. Hinchman, Assistant Director
5. Charles C. Joyce, Jr., Assistant Director
6. Antonin Scalia, General Counsel



Mr. Chairman and Members of the Committee:

I appreciate this opportunity to appear before you to review the budget estimates of the Office of Telecommunications Policy.

We are requesting total appropriations of \$2,702,000. An appropriation of \$1,702,000 is requested for salaries and associated expenses; this will enable us to grow at a uniform rate over the fiscal year to a level of 65 full-time positions. An appropriation of \$1,000,000 is requested for necessary studies that can be carried out more economically by contract or require highly specialized expertise rather than by in-house staff. Our budget estimates for Fiscal Year 1972 are based on the requirements foreseen at the time the Office of Telecommunications Policy was established, as modified by our first few months of actual operation.

You have before you our budget estimates for Fiscal Year 1972. Since the Office of Telecommunications Policy is new to this Committee--since, in fact, we are rather new to everyone--I think it would be useful in this presentation to discuss briefly what the Office is and what it does.

Essentially, it is our responsibility to develop overall communications policy. First, the Director of the Office is the President's principal adviser on electronic communications policy. Second, the Office enables the Executive Branch to speak with a clearer voice on communications matters and to be a more responsible partner in policy discussions with Congress, the FCC, the industry, and the public. Third, the Office formulates new policies and coordinates operations for the Federal Government's own very extensive use of electronic communications.

## I. HISTORY OF OTP

Electronic communications at this point in our history can no longer be considered a novelty. The first commercial telephone service in this country was initiated almost a century ago, the first commercial radio broadcasting a half-century ago. Congressional regulation of the field began as early as 1866, and the Federal Communications Commission has been in existence since 1934. Until 1970, however, there was no agency within the Executive Branch responsible for establishing executive policies in the communications field or for coordinating the communications activities of the Federal Government itself.

Over recent years, the need for such an agency became increasingly apparent. Communications has rapidly become such an important part of the national economy and of the Federal Government's own operations that it requires continuing and coordinated attention on the part of the Executive Branch. During the last twenty years, the communications industry's contribution to national income increased by over 500 percent. That growth is almost double that of the economy as a whole during the same period and even more in excess of the rate for such important areas such as transportation and trade.



(Chart #1) Communications is, moreover, an industry which requires a constantly increasing share of our national capital investment--\$10 billion of new investment in 1970, compared with approximately \$6 billion for transportation and \$3 billion for mining. (Chart #2)

Such figures demonstrate the economic importance of the industry. They do not suggest its social importance. Communications is no longer just a technology; it is no longer just a service; it is a social force of the first magnitude, affecting what our children learn, how our political processes operate, where our business and industry locate, what our people know and perhaps what they believe in. There is virtually no area of our life which it does not touch.

It is, moreover, a force which is constantly changing, and in changing, it creates a series of new and important policy problems and issues. This era of change is not coming to an end; it seems to be barely beginning. A graphic representation of the dates that principal communications innovations first entered into commercial use will show most of them crowded into the last 25 years. (Chart #3) The rate of innovation is accelerating. It was only in 1956, for example, that we were first able to make transatlantic telephone calls by submarine cable; prior to that, the calls were subject to the poor quality and unreliability of shortwave radio transmission. Yet less than 10 years later, we were making transatlantic calls by satellite.

Presidents Truman and Eisenhower conducted studies of this accelerating trend and the need for improved executive organization. President Kennedy ordered a limited reorganization for emergency communications in 1963. President Johnson established a task force on communications policy that proposed, as one of its major recommendations, the establishment of a new entity within the Executive Branch--"a long-range planning, policy-formulating and coordinating, and mission-support capability which can serve to integrate the various roles in which the Executive Branch is presently engaged." When the present Administration took office, it initiated extensive discussions on this subject among representatives of Government and industry, and carefully examined the merits of alternative reorganization forms. Last year President Nixon submitted, and the Congress approved, Reorganization Plan No. 1 of 1970, establishing the Office of Telecommunications Policy. The functions of the Office were further specified in Executive Order 11556.

## II. FUNCTIONS

The specific responsibilities assigned to OTP are set forth in the Reorganization Plan and the Executive Order, copies of which I submit for the record and will be happy to distribute if you wish. You already have our budget estimates before you which go into our specific programs in some detail. For the balance of this presentation I would like to give you some examples of the



matters which currently occupy our attention in the three major subject areas with which we deal.

A. Government Communications:

We are responsible for establishing policies and procedures for the management of the Federal Government's own communications systems. Federal communications systems serve a variety of purposes, ranging from telephone service communication between fire prevention personnel in national forests to command and control of our strategic missile systems. It has been estimated that the Government's investment in communications equipment is almost \$50 billion. The annual expenditure for these systems is somewhere between \$5 and \$10 billion; the imprecision of this estimate is testimony to the absence, prior to OTP, of any agency which could focus upon overall Government expenditures.

Some of the major policy issues with which we are presently concerned in the field of government communications are the following:

(1) National Warning and Alert Systems:

It is imperative that the nation have a warning system, available for use in the event of attack or natural disaster, in which the public can have absolute confidence. The recent failure of the Emergency Broadcast System (EBS) has shaken that confidence, and has raised serious questions about our ability to respond to major emergencies. This Office is now in the process of subjecting both EBS and our National Warning System to an intensive review to assure their reliability and responsiveness to varying needs.

(2) Oversight of Federal Communications Expenditures:

As the expenditures of the Federal Government for communications--including research and development in the field--have grown to their current level, it has become both increasingly important and increasingly difficult to avoid duplication and waste. An example is the relationship between AUTOVON and FTS: The Federal Telecommunications System (FTS) is a voice and data communications system, managed by the General Services Administration and used by all Federal Government agencies. In addition, the Department of Defense maintains a separate voice communications network (AUTOVON) and a separate data communications network (AUTODIN). Interconnection between FTS and AUTODIN has been achieved, but at the present time the Department of Defense voice system has no access to, and is not accessible from, the voice communications systems serving the rest of the Government. This situation is not only inconvenient but perhaps very costly. This Office, working with the General Services Administration, the Department of Defense and the Office of Management and Budget has undertaken to determine what improvements and economies can be achieved.



(3) Spectrum Allocation Procedures:

Approximately half of the radio frequency spectrum is now allocated to the Federal Government and used by the various agencies of the Federal Government. I am responsible for the appropriate allocation of this Federal Government use of the spectrum, and in carrying out that responsibility, I rely heavily upon the advice and assistance of the Interdepartment Radio Advisory Committee composed of representatives of 17 Federal agencies that make extensive use of the spectrum. The spectrum is a limited--and therefore valuable--resource. Highly complex and very difficult decisions must be made about who will be allowed to use what frequencies, for what purposes, where. As the demands on the spectrum for various public and private uses multiply new methods of spectrum planning and management will be required. OTP is exploring such methods jointly with the FCC which allocates the spectrum to non-Federal users.

B. Private Domestic Communications:

The United States has the largest communications industry in the world. Our per capita expenditure on communications services of all kinds exceeds the total per capita income of many nations. Almost 5% of our gross national product is devoted to electronic communications. Except for health services and education, it is the most rapidly growing sector of our economy. OTP is responsible for clarifying the significant policy issues concerning electronic communications and for formulating and presenting the Administration's positions in this field to the Congress, the FCC, and the public. Some of the current and important issues are the following:

(1) Specialized Carriers:

Advances in electronic technology have created the need for, and made possible, many new kinds of communications services in addition to the familiar telephone and telegram services. Having quantities of data and methods of doing business at the disposal of small companies may equalize the competitive advantage held by larger corporations. Microwave relay and satellite systems can carry enormous amounts of information, including television signals, computer data, and facsimile; new low-cost information machines make these large quantities of data and information widely available. Such new systems present the nation with the policy question whether the common-carrier monopoly historically held by telephone companies should be extended to some or all of these new fields; whether new common or quasi-common carriers should be allowed to enter this field; or whether competition should be allowed. If competition is to be allowed, we must decide what pricing limitations should be imposed upon the protected-monopoly common carriers.



(2) Mobile Communications Services:

Ours is a mobile society. As a result, our communications systems must become mobile as well. This is already a reality in the area of broadcast communications--the car radio, the pocket radio, and the TV set small enough to take to the beach. There are increasing demands for similar flexibility in our person-to-person communications--personal paging devices such as many doctors now have, radio-dispatched vehicles for the small businessman, and pocket or car telephones for everyone. Mobility, however, stretches the capability of the wire; most of these new services must utilize the radio frequency spectrum. A pressing issue at the present time is how space is to be found for mobile person-to-person communications on an already crowded radio frequency spectrum.

Even more importantly for the long run we must develop a sound technological and institutional framework that will permit a substantial growth in mobile communications not possible under current arrangements.

(3) The Fairness Doctrine:

In exercising its responsibility to insure that broadcasting meets the "public interest, convenience and necessity," the FCC has over the years developed the "Fairness Doctrine." This refers to what is becoming an increasingly detailed and confusing set of rules and decisions, intended to assure that broadcasters present fairly both sides of controversial issues of public importance and provide opportunity for response to personal attack. There is concern that what was originally intended to spur public debate and increase public awareness has now come to have the opposite effect, since the risk of violating the Fairness Doctrine can be reduced by minimizing discussions of public issues. The time has come for an overall reassessment of the doctrine and its effects--including its application to the political field and the threat of governmental content control.

(4) Protection of Private Rights in the Computer Culture:

Computers make it possible to accumulate data banks which contain vast quantities of data with considerable proprietary value and information concerning millions of our citizens. Electronic communications make this information readily accessible to people in remote locations. The way in which it is assembled, used, and distributed may profoundly affect lives, careers, and incomes. On occasion, the assembled information may be inaccurate. Should the individual have some right to learn about this and correct it? What restrictions should be imposed upon the communications of such accumulated information to other persons? What procedural and privacy safeguards should be required?



(5) Cable TV and Over-The-Air Broadcasting:

One of the new technologies, coaxial cable, permits the distribution of television signals by wire--and a much larger number of signals than over-the-air broadcasting. Cable seems to have the technological potential of providing a new diversity, flexibility, and quality in television programming. There may be some danger, however, that it could destroy our present system of over-the-air television without providing a satisfactory substitute. At the present time, some cable systems are permitted to import "distant signals" from broadcast stations many miles away without making any payment for the use of such material, either to the broadcasters or to the copyright owners from whom the broadcasters have purchased performance rights. There is general agreement that this is wrong, but no consensus as to how the payment should be required. The FCC has required cable systems above a certain size to originate programs. Some feel that the desirable policy would be the direct opposite of this--that origination of programming by the cable system owner should be positively forbidden so that an anti-competitive common control of program production and telecast distribution will not develop. Cities, counties, and states in addition to the FCC have all imposed upon the new medium varying, often confusing, degrees of regulation which may conflict now or in the future. These and many other problems pertaining to cable do not fit existing regulatory molds and almost certainly will require new legislation.

(6) Domestic Satellites:

American technology launched the first commercial communications satellite for international use in 1965. Six years have passed, and even though American private industry has been willing and able, the American public still does not have the benefit of even a satellite system for national communications. The problem has not been money or technology, but simply governmental delay and indecision concerning how domestic systems should be authorized. Should there be one company granted monopoly rights from the outset, or should the field be open, at least initially, to all entrants? Should telephone common carriers be permitted to enter the field? Should Comsat? What special requirements should be imposed, or special privileges granted, to assure service to Alaska and Hawaii?

C. International Communications:

International communications traffic has historically grown at an annual rate of about 15%. Americans now spend more than \$530 million a year for this purpose and are expected to be spending more than \$5 billion by 1980. International communications are not only important for the conduct of overseas business; in the open world which we seek, they heavily affect the way



in which nations view one another. It is now possible to call London from New York City by simply dialing the number. Last week, a world championship boxing match taking place in Monte Carlo was watched by United States sports enthusiasts on network television. In an era when so many new technologies seem only to facilitate war, creative development of the new technologies of communications is a great chance for peace. Such development requires the resolution of many policy issues, on which OTP will be developing proposals and working closely with the Congress and the FCC.

(1) Structure of the Industry:

At present this country's international private communications are handled by several companies--most of the telephone traffic by AT&T, and most of the data traffic by ITT World Communications, RCA Global Communications and Western Union International. By decision of the FCC, AT&T divides its telephone traffic originating in this country between submarine cables and satellite circuits leased from the Communication Satellite Corporation (Comsat). Comsat is a private corporation authorized by Federal statute whose Board includes Presidentially appointed directors and representatives of other U. S. carriers that buy service from Comsat. The complexity and conflicting incentives built into this industry structure may increase the cost to the public of overseas messages; they certainly place the United States at a severe disadvantage in negotiating with other countries, each of which is usually represented by a single entity. There have been questions raised about this structure for many years; with the tenfold increase in traffic projected by 1980, the Congress and others have been calling for a review of existing legislation and the development of new policy.

(2) The Balance between Satellites and Underseas Cables:

No landing of an undersea communications cable may be made within the United States nor may any communications satellite be placed into service without governmental approval, determined by the FCC. Because of our regulatory structure, if insufficient or excessive capacity is authorized, or if an unreliable or technologically outmoded system is authorized, the private and public consequences are serious. There are at times sharp disputes concerning projected capacity, as well as the relative merits of cables and satellites. These disputes are routinely resolved, in one way or another, in the context of a particular cable or satellite application, but they arise from a failure to address fundamental questions of long-range planning on which the views of industry and several governmental agencies must be sought and coordinated.

(3) International Negotiations:

International communication requires international agreement. Two-way systems need governmental approval at both ends--for cable landings or



satellite earth stations, for rate structures, for connection into the national communications networks. Even one-way broadcasting requires international agreement, since interfering spectrum uses must be avoided. The first permanent forum for such international arrangements was the International Telegraph Union, established in 1865. Its successor is the International Telecommunications Union, established by the Madrid Conference of 1932 and recast into its present form by the Atlantic City Conference of 1947. This organization holds Plenipotentiary Conferences at approximately 5-year intervals, and sponsors much more frequent Administrative Conferences to negotiate changes in the International Radio Regulations and the International Telephone and Telegraph Regulations. In addition to ITU proceedings there are frequent special negotiations with one or more foreign nations--such as those now in progress here in Washington among the members of the International Telecommunications Satellite Consortium (INTELSAT). Such negotiations can have significant commercial, social, and political consequences for the United States. OTP is responsible for providing communications policy guidance for these negotiations to the Department of State.

In all of the areas I have discussed above--and in particular the private domestic and international fields--it is not my intention to create the impression that OTP is the final policy maker. Communications policy in this country is ultimately made by the Congress. It is interpreted and applied by the FCC in the exercise of its regulatory responsibilities. As in other fields, however, the Executive Branch has an important role to play--by making known to Congress, the FCC, and the public its considered views on communications policy matters and their relationship to the broad scope of national concerns; by proposing legislation to the Congress where necessary; by providing a forum for the opinions of the public and industry; and by stimulating national discussion on issues of national consequence. In the field of management of the Government's own communications systems my Office does exercise considerable authority though even there we feel strongly that our approach, insofar as possible, should be to coordinate rather than to control insofar as possible. In the field of non-Government communications, on the other hand, we are merely a partner in the policy-making process, dealing in behalf of the Executive Branch with the Congress, the public, the industry and the FCC. (Chart #4)

### III. ACCOMPLISHMENTS OF THE OFFICE

The most important thing we have done in our first six months is, frankly, to organize the office and form the nucleus of a staff capable of dealing with the kinds of policy problems I have just discussed. I am sure you are aware that the job of building a new agency and establishing its relationship with other Government agencies is enormously time consuming. When OTP was originally



established, it was contemplated that it would have a staff of 65 people. The present budget request would enable us to continue our orderly growth in the coming year until we have reached that original minimal level. I may add parenthetically that we do not anticipate ever growing much beyond that level. The Office was intentionally structured in such a way as to avoid the building of a new bureaucracy. Consequently it was located within the Executive Office of the President; technical support is provided by staff units in various Government departments. In particular, the Department of Commerce has the mission of supplying OTP with broad technical support and with administrative support in the frequency management process. I am pleased to report that we are now beginning to function effectively in the role that the President and the Congress set for us.

While in the process of building our organization, we have felt it important to press forward on a number of substantive issues. Some of these are still underway, but I might mention two completed projects of some importance. First was the establishment of an aeronautical satellite policy for the United States. It had been apparent for several years that the rapid increase in aircraft traffic on international routes and the limited capability of existing communications systems would soon require the use of satellite communications for aeronautical navigation over the Atlantic and Pacific Basins. There had nevertheless been extended delay in making the necessary arrangements, because of disagreement on technical matters among Federal agencies and within the private sector, and because of the absence of any single forum in which the Federal decision could ultimately be made. The National Aeronautics and Space Administration and the Federal Aviation Administration were about to proceed with overlapping and incompatible programs which could have wasted a substantial amount of money. One of the first accomplishments of our office was the establishment of a Government policy for aeronautical satellite communications, arrived at after consultation with representatives of various Federal agencies, private airlines and foreign governments. It sets a time frame for development of the system, establishes the outlines of Government-industry cooperation, and such guidelines for international cooperation. This policy was announced last January. Since that time OTP has been following through to see that it is promptly implemented. This is an example of the type of policy which OTP will be developing--not policy in the abstract, but a specific definition of management relationships to hasten the conversion of new technology to benefit the public and to conserve public funds.

The second major project which has been substantially completed is coordination of United States preparation for the World Administrative Radio Conference on Space to be held in Geneva next month. The process of establishing detailed United States positions is a lengthy one, requiring consultation with industry, Federal agencies ranging from HEW to DOD and, of course, the Department of State. The decisions reached in these international negotiations will be submitted to the Senate for ratification as a treaty; they



will affect the growth and development of space communications over the next decade. Our major positions have at this point been established. The briefings of the Chairman to our delegation have been commenced, and we look forward to a successful session in Geneva.

I should also make mention of three policy proposals which will be announced in the near future. One is legislation for the long-term financing of the Corporation for Public Broadcasting and for the support of educational broadcasting in general. The second is an Executive Branch policy statement concerning the planning of satellite and cable facilities for transatlantic communications. And the third is an updating and amplification of the Executive Branch policy on domestic satellites which was originally announced before formation of this Office, a year ago January.

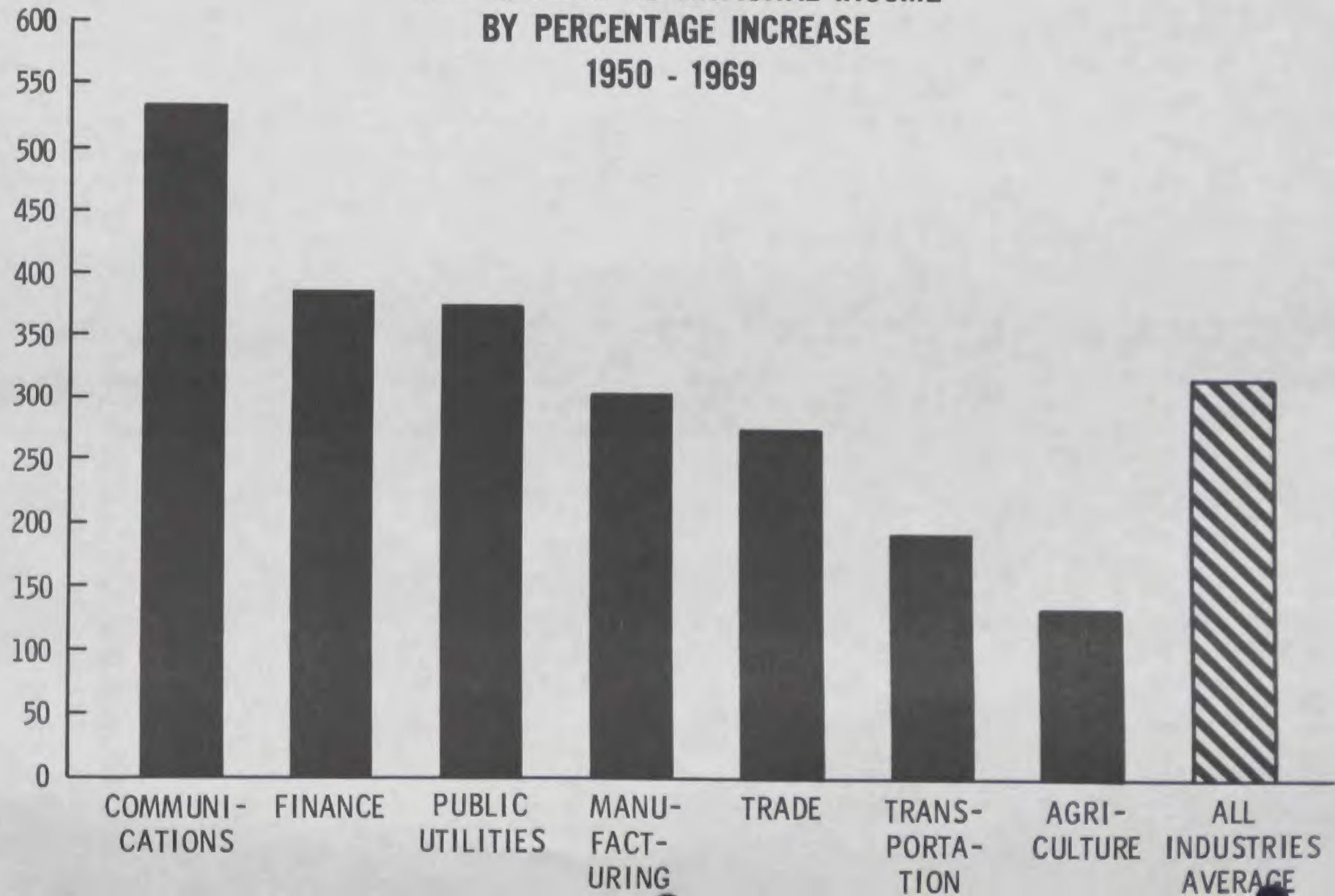
---

I have thought it most important, at this first formal appearance before this Committee, to give you this overview of what the Office of Telecommunications Policy is and what it does. Needless to say, I have not made mention of everything we are engaged in, nor have I gone into much detail. I hope, nevertheless, it was enough to give you the general sense of what this Office is meant to do. I will now be happy to reply to any questions you may have concerning the Office and its budget proposal.

# GROWTH RATES

## CONTRIBUTION TO NATIONAL INCOME BY PERCENTAGE INCREASE 1950 - 1969

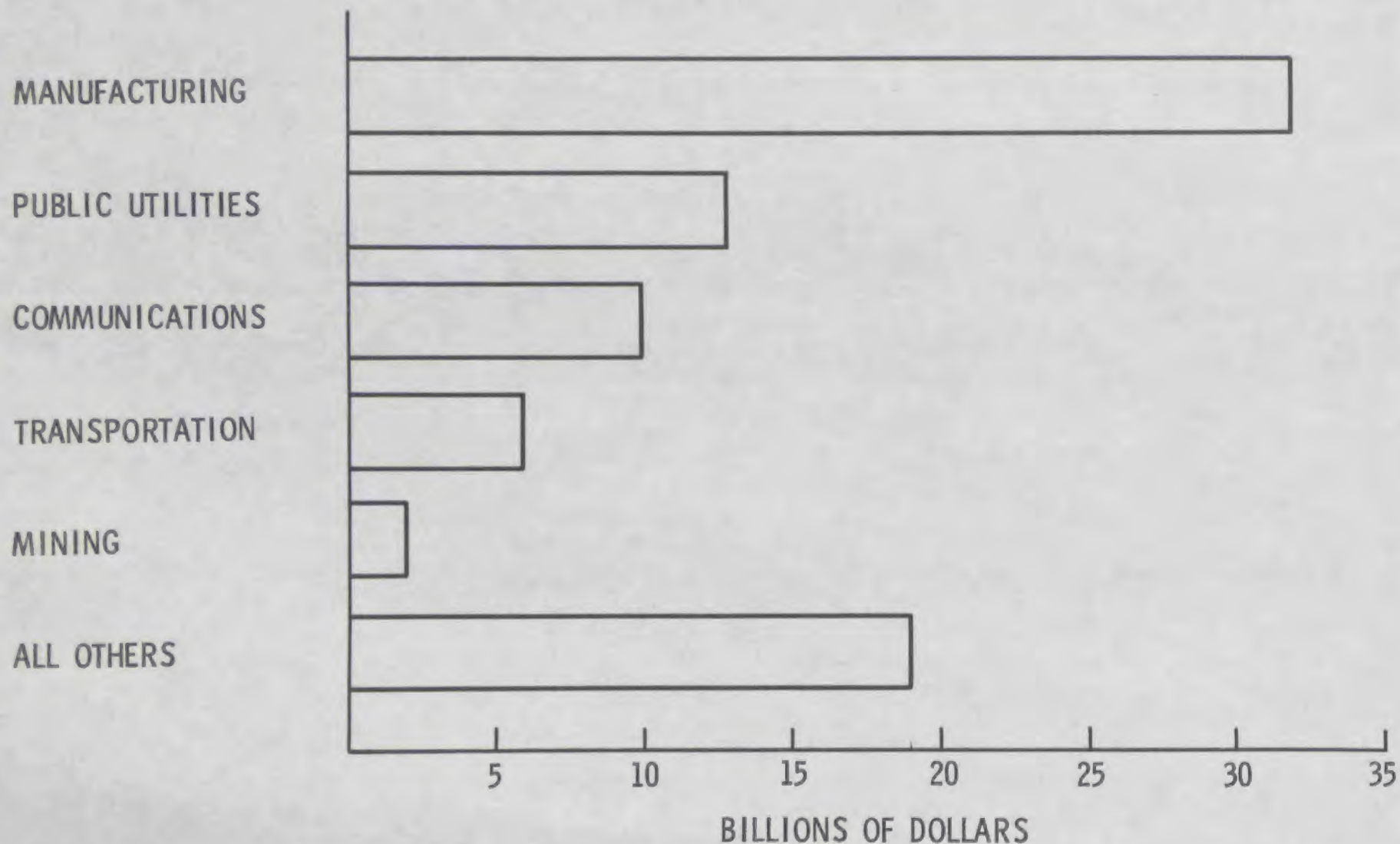
CHART 1



# NEW CAPITAL INVESTMENT IN PLANT AND EQUIPMENT

CHART 2

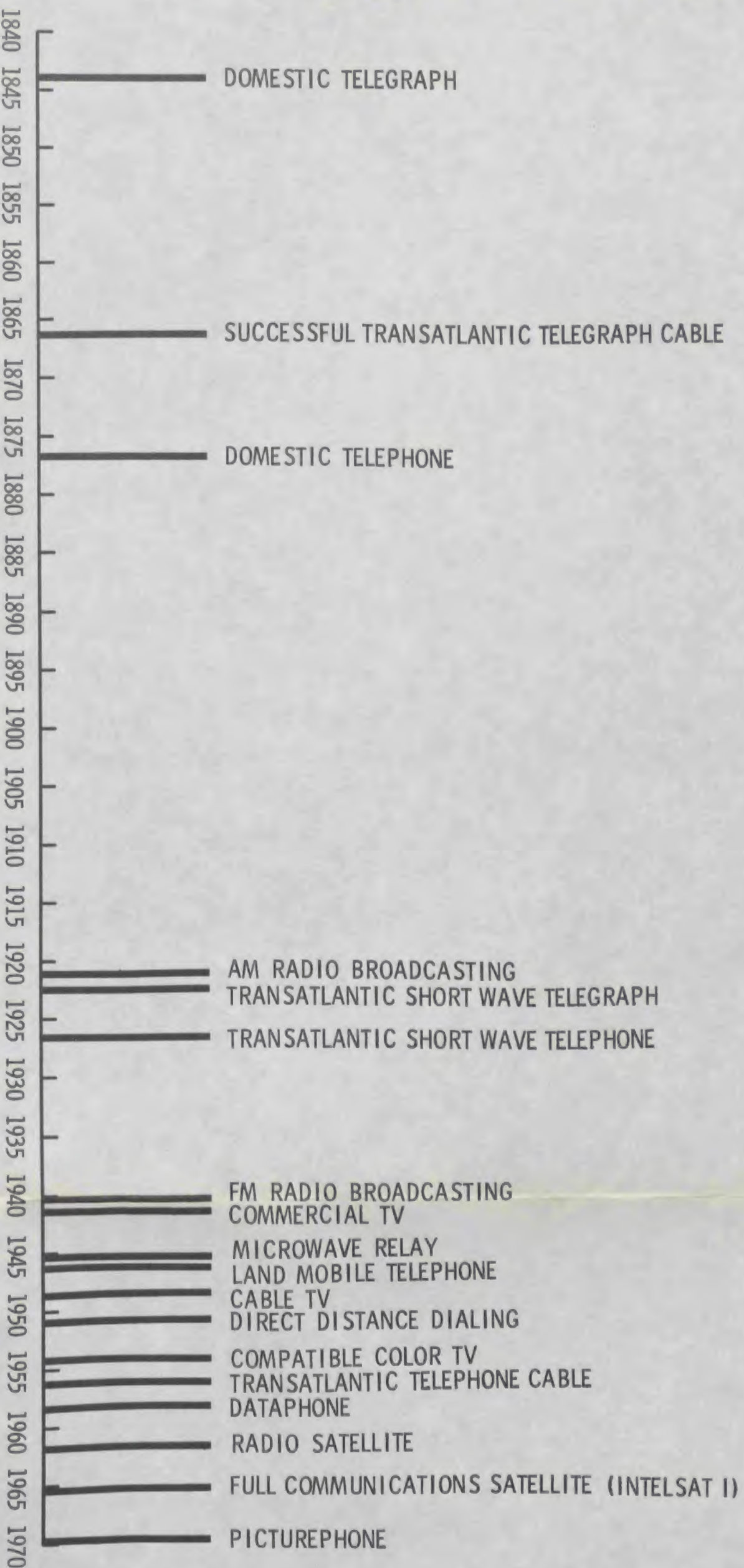
1970





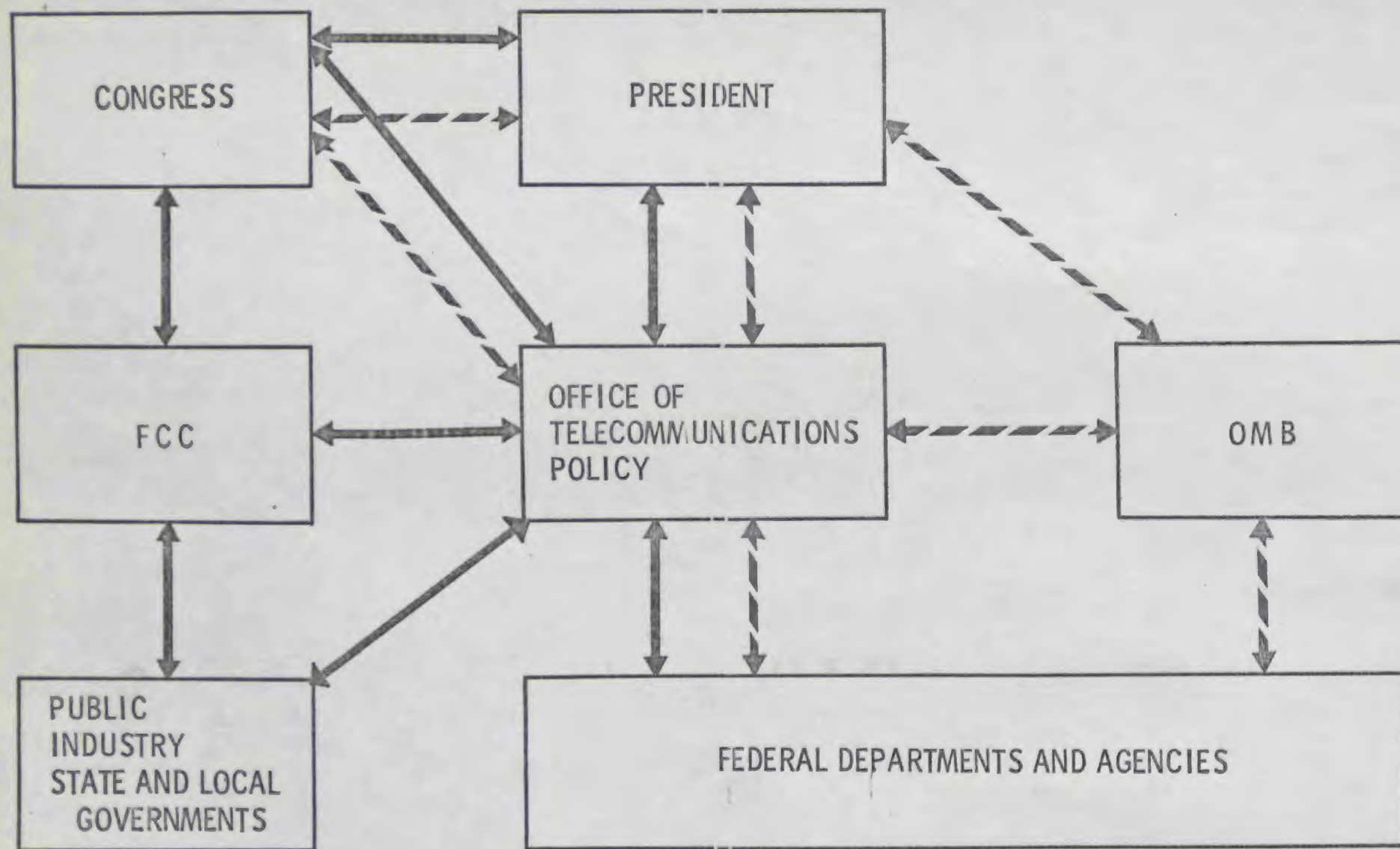
# DEVELOPMENTS IN ELECTRONIC COMMUNICATIONS

CHART 3



# OFFICE OF TELECOMMUNICATIONS POLICY RELATIONSHIPS

CHART 4



--- Policy For Federal Government Communications  
== Policy For Other Communications





STATEMENT BY  
CLAY T. WHITEHEAD, DIRECTOR  
OFFICE OF TELECOMMUNICATIONS POLICY

before the

Subcommittee on Treasury, Post Office, and General Government  
The Honorable Joseph M. Montoya, Chairman  
Appropriations Committee  
United States Senate

May 19, 1971



WITNESS LIST

OFFICE OF TELECOMMUNICATIONS POLICY

before the

Subcommittee on Treasury, Post Office, and General Government  
The Honorable Joseph M. Montoya, Chairman  
Appropriations Committee  
United States Senate

May 19, 1971

1. Clay T. Whitehead, Director
2. George F. Mansur, Deputy Director
3. Wilfrid Dean, Jr., Assistant Director
4. Walter R. Hinchman, Assistant Director
5. Charles C. Joyce, Jr., Assistant Director
6. Antonin Scalia, General Counsel

Mr. Chairman and Members of the Committee:

I appreciate this opportunity to appear before you to review the budget estimates of the Office of Telecommunications Policy.

We are requesting total appropriations of \$2,702,000. An appropriation of \$1,702,000 is requested for salaries and associated expenses; this will enable us to grow at a uniform rate over the fiscal year to a level of 65 full-time positions. An appropriation of \$1,000,000 is requested for necessary studies that can be carried out more economically by contract or require highly specialized expertise rather than by in-house staff. Our budget estimates for Fiscal Year 1972 are based on the requirements foreseen at the time the Office of Telecommunications Policy was established, as modified by our first few months of actual operation.

You have before you our budget estimates for Fiscal Year 1972. Since the Office of Telecommunications Policy is new to this Committee--since, in fact, we are rather new to everyone--I think it would be useful in this presentation to discuss briefly what the Office is and what it does.

Essentially, it is our responsibility to develop overall communications policy. First, the Director of the Office is the President's principal adviser on electronic communications policy. Second, the Office enables the Executive Branch to speak with a clearer voice on communications matters and to be a more responsible partner in policy discussions with Congress, the FCC, the industry, and the public. Third, the Office formulates new policies and coordinates operations for the Federal Government's own very extensive use of electronic communications.

## I. HISTORY OF OTP

Electronic communications at this point in our history can no longer be considered a novelty. The first commercial telephone service in this country was initiated almost a century ago, the first commercial radio broadcasting a half-century ago. Congressional regulation of the field began as early as 1866, and the Federal Communications Commission has been in existence since 1934. Until 1970, however, there was no agency within the Executive Branch responsible for establishing executive policies in the communications field or for coordinating the communications activities of the Federal Government itself.

Over recent years, the need for such an agency became increasingly apparent. Communications has rapidly become such an important part of the national economy and of the Federal Government's own operations that it requires continuing and coordinated attention on the part of the Executive Branch. During the last twenty years, the communications industry's contribution to national income increased by over 500 percent. That growth is almost double that of the economy as a whole during the same period and even more in excess of the rate for such important areas as transportation and trade.



(Chart #1) Communications is, moreover, an industry which requires a constantly increasing share of our national capital investment--\$10 billion of new investment in 1970, compared with approximately \$6 billion for transportation and \$3 billion for mining. (Chart #2)

Such figures demonstrate the economic importance of the industry. They do not suggest its social importance. Communications is no longer just a technology; it is no longer just a service; it is a social force of the first magnitude, affecting what our children learn, how our political processes operate, where our business and industry locate, what our people know and perhaps what they believe in. There is virtually no area of our life which it does not touch.

It is, moreover, a force which is constantly changing, and in changing, it creates a series of new and important policy problems and issues. This era of change is not coming to an end; it seems to be barely beginning. A graphic representation of the dates that principal communications innovations first entered into commercial use will show most of them crowded into the last 25 years. (Chart #3) The rate of innovation is accelerating. It was only in 1956, for example, that we were first able to make transatlantic telephone calls by submarine cable; prior to that, the calls were subject to the poor quality and unreliability of shortwave radio transmission. Yet less than 10 years later, we were making transatlantic calls by satellite.

Presidents Truman and Eisenhower conducted studies of this accelerating trend and the need for improved Executive organization. President Kennedy ordered a limited reorganization for emergency communications in 1963. President Johnson established a task force on communications policy that proposed, as one of its major recommendations, the establishment of a new entity within the Executive Branch--"a long-range planning, policy-formulating and coordinating, and mission-support capability which can serve to integrate the various roles in which the Executive Branch is presently engaged." When the present Administration took office, it initiated extensive discussions on this subject among representatives of Government and industry, and carefully examined the merits of alternative reorganization forms. Last year President Nixon submitted, and the Congress approved, Reorganization Plan No. 1 of 1970, establishing the Office of Telecommunications Policy. The functions of the Office were further specified in Executive Order 11556.

## II. FUNCTIONS

The specific responsibilities assigned to OTP are set forth in the Reorganization Plan and the Executive Order, copies of which I submit for the record and will be happy to distribute if you wish. You already have our budget estimates before you which go into our specific programs in some detail. For the balance of this presentation I would like to give you some examples of the



matters which currently occupy our attention in the three major subject areas with which we deal.

A. Government Communications:

We are responsible for establishing policies and procedures for the management of the Federal Government's own communications systems. Federal communications systems serve a variety of purposes, ranging from telephone service communication between fire prevention personnel in national forests to command and control of our strategic missile systems. It has been estimated that the Government's investment in communications equipment is almost \$50 billion. The annual expenditure for these systems is somewhere between \$5 and \$10 billion; the imprecision of this estimate is testimony to the absence, prior to OTP, of any agency which could focus upon overall Government expenditures.

Some of the major policy issues with which we are presently concerned in the field of government communications are the following:

(1) National Warning and Alert Systems:

It is imperative that the nation have a warning system, available for use in the event of attack or natural disaster, in which the public can have absolute confidence. The recent failure of the Emergency Broadcast System (EBS) has shaken that confidence, and has raised serious questions about our ability to respond to major emergencies. This Office is now in the process of subjecting both EBS and our National Warning System to an intensive review to assure their reliability and responsiveness to varying needs.

(2) Oversight of Federal Communications Expenditures:

As the expenditures of the Federal Government for communications--including research and development in the field--have grown to their current level, it has become both increasingly important and increasingly difficult to avoid duplication and waste. An example is the relationship between AUTOVON and FTS: The Federal Telecommunications System (FTS) is a voice and data communications system, managed by the General Services Administration and used by all Federal Government agencies. In addition, the Department of Defense maintains a separate voice communications network (AUTOVON) and a separate data communications network (AUTODIN). Interconnection between FTS and AUTODIN has been achieved, but at the present time the Department of Defense voice system has no access to, and is not accessible from, the voice communications systems serving the rest of the Government. This situation is not only inconvenient but perhaps very costly. This Office, working with the General Services Administration, the Department of Defense and the Office of Management and Budget has undertaken to determine what improvements and economies can be achieved.



(3) Spectrum Allocation Procedures:

Approximately half of the radio frequency spectrum is now allocated to the Federal Government and used by the various agencies of the Federal Government. I am responsible for the appropriate allocation of this Federal Government use of the spectrum, and in carrying out that responsibility, I rely heavily upon the advice and assistance of the Interdepartment Radio Advisory Committee composed of representatives of 17 Federal agencies that make extensive use of the spectrum. The spectrum is a limited--and therefore valuable--resource. Highly complex and very difficult decisions must be made about who will be allowed to use what frequencies, for what purposes, where. As the demands on the spectrum for various public and private uses multiply new methods of spectrum planning and management will be required. OTP is exploring such methods jointly with the FCC which allocates the spectrum to non-Federal users.

B. Private Domestic Communications:

The United States has the largest communications industry in the world. Our per capita expenditure on communications services of all kinds exceeds the total per capita income of many nations. Almost 5% of our gross national product is devoted to electronic communications. Except for health services and education, it is the most rapidly growing sector of our economy. OTP is responsible for clarifying the significant policy issues concerning electronic communications and for formulating and presenting the Administration's positions in this field to the Congress, the FCC, and the public. Some of the current and important issues are the following:

(1) Specialized Carriers:

Advances in electronic technology have created the need for, and made possible, many new kinds of communications services in addition to the familiar telephone and telegram services. Having quantities of data and methods of doing business at the disposal of small companies may equalize the competitive advantage held by larger corporations. Microwave relay and satellite systems can carry enormous amounts of information, including television signals, computer data, and facsimile; new low-cost information machines make these large quantities of data and information widely available. Such new systems present the nation with the policy question whether the common-carrier monopoly historically held by telephone companies should be extended to some or all of these new fields; whether new common or quasi-common carriers should be allowed to enter this field; or whether competition should be allowed. If competition is to be allowed, we must decide what pricing limitations should be imposed upon the protected-monopoly common carriers.



(2) Mobile Communications Services:

Ours is a mobile society. As a result, our communications systems must become mobile as well. This is already a reality in the area of broadcast communications--the car radio, the pocket radio, and the TV set small enough to take to the beach. There are increasing demands for similar flexibility in our person-to-person communications--personal paging devices, such as many doctors now have, radio-dispatched vehicles for the small businessman, and pocket or car telephones for everyone. Mobility, however, stretches the capability of the wire; most of these new services must utilize the radio frequency spectrum. A pressing issue at the present time is how space is to be found for inobile person-to-person communications on an already crowded radio frequency spectrum.

Even more importantly for the long run we must develop a sound technological and institutional framework that will permit a substantial growth in mobile communications not possible under current arrangements.

(3) The Fairness Doctrine:

In exercising its responsibility to insure that broadcasting meets the "public interest, convenience and necessity," the FCC has over the years developed the "Fairness Doctrine." This refers to what is becoming an increasingly detailed and confusing set of rules and decisions, intended to assure that broadcasters present fairly both sides of controversial issues of public importance and provide opportunity for response to personal attack. There is concern that what was originally intended to spur public debate and increase public awareness has now come to have the opposite effect, since the risk of violating the Fairness Doctrine can be reduced by minimizing discussions of public issues. The time has come for an overall reassessment of the doctrine and its effects--including its application to the political field and the threat of governmental content control.

(4) Protection of Private Rights in the Computer Culture:

Computers make it possible to accumulate data banks which contain vast quantities of data with considerable proprietary value and information concerning millions of our citizens. Electronic communications make this information readily accessible to people in remote locations. The way in which it is assembled, used, and distributed may profoundly affect lives, careers, and incomes. On occasion, the assembled information may be inaccurate. Should the individual have some right to learn about this and correct it? What restrictions should be imposed upon the communications of such accumulated information to other persons? What procedural and privacy safeguards should be required?



(5) Cable TV and Over-The-Air Broadcasting:

One of the new technologies, coaxial cable, permits the distribution of television signals by wire--and a much larger number of signals than over-the-air broadcasting. Cable seems to have the technological potential of providing a new diversity, flexibility, and quality in television programming. There may be some danger, however, that it could destroy our present system of over-the-air television without providing a satisfactory substitute. At the present time, some cable systems are permitted to import "distant signals" from broadcast stations many miles away without making any payment for the use of such material, either to the broadcasters or to the copyright owners from whom the broadcasters have purchased performance rights. There is general agreement that this is wrong, but no consensus as to how the payment should be required. The FCC has required cable systems above a certain size to originate programs. Some feel that the desirable policy would be the direct opposite of this--that origination of programming by the cable system owner should be positively forbidden so that an anti-competitive common control of program production and telecast distribution will not develop. Cities, counties, and states in addition to the FCC have all imposed upon the new medium varying, often confusing, degrees of regulation which may conflict now or in the future. These and many other problems pertaining to cable do not fit existing regulatory molds and almost certainly will require new legislation.

(6) Domestic Satellites:

American technology launched the first commercial communications satellite for international use in 1965. Six years have passed, and even though American private industry has been willing and able, the American public still does not have the benefit of even a satellite system for national communications. The problem has not been money or technology, but simply governmental delay and indecision concerning how domestic systems should be authorized. Should there be one company granted monopoly rights from the outset, or should the field be open, at least initially, to all entrants? Should telephone common carriers be permitted to enter the field? Should Comsat? What special requirements should be imposed, or special privileges granted, to assure service to Alaska and Hawaii?

C. International Communications:

International communications traffic has historically grown at an annual rate of about 15%. Americans now spend more than \$530 million a year for this purpose and are expected to be spending more than \$5 billion by 1980. International communications are not only important for the conduct of overseas business; in the open world which we seek, they heavily affect the way



in which nations view one another. It is now possible to call London from New York City by simply dialing the number. Last week, a world championship boxing match taking place in Monte Carlo was watched by United States sports enthusiasts on network television. In an era when so many new technologies seem only to facilitate war, creative development of the new technologies of communications is a great chance for peace. Such development requires the resolution of many policy issues, on which OTP will be developing proposals and working closely with the Congress and the FCC.

(1) Structure of the Industry:

At present this country's international private communications are handled by several companies--most of the telephone traffic by AT&T, and most of the data traffic by ITT World Communications, RCA Global Communications and Western Union International. By decision of the FCC, AT&T divides its telephone traffic originating in this country between submarine cables and satellite circuits leased from the Communication Satellite Corporation (Comsat). Comsat is a private corporation authorized by Federal statute whose Board includes Presidentially appointed directors and representatives of other U. S. carriers that buy service from Comsat. The complexity and conflicting incentives built into this industry structure may increase the cost to the public of overseas messages; they certainly place the United States at a severe disadvantage in negotiating with other countries, each of which is usually represented by a single entity. There have been questions raised about this structure for many years; with the tenfold increase in traffic projected by 1980, the Congress and others have been calling for a review of existing legislation and the development of new policy.

(2) The Balance between Satellites and Underseas Cables:

No landing of an undersea communications cable may be made within the United States nor may any communications satellite be placed into service without governmental approval, determined by the FCC. Because of our regulatory structure, if insufficient or excessive capacity is authorized, or if an unreliable or technologically outmoded system is authorized, the private and public consequences are serious. There are at times sharp disputes concerning projected capacity, as well as the relative merits of cables and satellites. These disputes are routinely resolved, in one way or another, in the context of a particular cable or satellite application, but they arise from a failure to address fundamental questions of long-range planning on which the views of industry and several governmental agencies must be sought and coordinated.

(3) International Negotiations:

International communication requires international agreement. Two-way systems need governmental approval at both ends--for cable landings or



satellite earth stations, for rate structures, for connection into the national communications networks. Even one-way broadcasting requires international agreement, since interfering spectrum uses must be avoided. The first permanent forum for such international arrangements was the International Telegraph Union, established in 1865. Its successor is the International Telecommunications Union, established by the Madrid Conference of 1932 and recast into its present form by the Atlantic City Conference of 1947. This organization holds Plenipotentiary Conferences at approximately 5-year intervals, and sponsors much more frequent Administrative Conferences to negotiate changes in the International Radio Regulations and the International Telephone and Telegraph Regulations. In addition to ITU proceedings there are frequent special negotiations with one or more foreign nations--such as those now in progress here in Washington among the members of the International Telecommunications Satellite Consortium (INTELSAT). Such negotiations can have significant commercial, social, and political consequences for the United States. OTP is responsible for providing communications policy guidance for these negotiations to the Department of State.

In all of the areas I have discussed above--and in particular the private domestic and international fields--it is not my intention to create the impression that OTP is the final policy maker. Communications policy in this country is ultimately made by the Congress. It is interpreted and applied by the FCC in the exercise of its regulatory responsibilities. As in other fields, however, the Executive Branch has an important role to play--by making known to Congress, the FCC, and the public its considered views on communications policy matters and their relationship to the broad scope of national concerns; by proposing legislation to the Congress where necessary; by providing a forum for the opinions of the public and industry; and by stimulating national discussion on issues of national consequence. In the field of management of the Government's own communications systems my Office does exercise considerable authority though even there we feel strongly that our approach, insofar as possible, should be to coordinate rather than to control insofar as possible. In the field of non-Government communications, on the other hand, we are merely a partner in the policy-making process, dealing in behalf of the Executive Branch with the Congress, the public, the industry and the FCC. (Chart #4)

### III. ACCOMPLISHMENTS OF THE OFFICE

The most important thing we have done in our first six months is, frankly, to organize the office and form the nucleus of a staff capable of dealing with the kinds of policy problems I have just discussed. I am sure you are aware that the job of building a new agency and establishing its relationship with other Government agencies is enormously time consuming. When OTP was originally



established, it was contemplated that it would have a staff of 65 people. The present budget request would enable us to continue our orderly growth in the coming year until we have reached that original minimal level. I may add parenthetically that we do not anticipate ever growing much beyond that level. The Office was intentionally structured in such a way as to avoid the building of a new bureaucracy. Consequently it was located within the Executive Office of the President; technical support is provided by staff units in various Government departments. In particular, the Department of Commerce has the mission of supplying OTP with broad technical support and with administrative support in the frequency management process. I am pleased to report that we are now beginning to function effectively in the role that the President and the Congress set for us.

While in the process of building our organization, we have felt it important to press forward on a number of substantive issues. Some of these are still underway, but I might mention two completed projects of some importance. First was the establishment of an aeronautical satellite policy for the United States. It had been apparent for several years that the rapid increase in aircraft traffic on international routes and the limited capability of existing communications systems would soon require the use of satellite communications for aeronautical navigation over the Atlantic and Pacific Basins. There had nevertheless been extended delay in making the necessary arrangements, because of disagreement on technical matters among Federal agencies and within the private sector, and because of the absence of any single forum in which the Federal decision could ultimately be made. The National Aeronautics and Space Administration and the Federal Aviation Administration were about to proceed with overlapping and incompatible programs which could have wasted a substantial amount of money. One of the first accomplishments of our office was the establishment of a Government policy for aeronautical satellite communications, arrived at after consultation with representatives of various Federal agencies, private airlines and foreign governments. It sets a time frame for development of the system, establishes the outlines of Government-industry cooperation, and such guidelines for international cooperation. This policy was announced last January. Since that time OTP has been following through to see that it is promptly implemented. This is an example of the type of policy which OTP will be developing--not policy in the abstract, but a specific definition of management relationships to hasten the conversion of new technology to benefit the public and to conserve public funds.

The second major project which has been substantially completed is coordination of United States preparation for the World Administrative Radio Conference on Space to be held in Geneva next month. The process of establishing detailed United States positions is a lengthy one, requiring consultation with industry, Federal agencies ranging from HEW to DOD and, of course, the Department of State. The decisions reached in these international negotiations will be submitted to the Senate for ratification as a treaty; they



will affect the growth and development of space communications over the next decade. Our major positions have at this point been established. The briefings of the Chairman to our delegation have been commenced, and we look forward to a successful session in Geneva.

I should also make mention of three policy proposals which will be announced in the near future. One is legislation for the long-term financing of the Corporation for Public Broadcasting and for the support of educational broadcasting in general. The second is an Executive Branch policy statement concerning the planning of satellite and cable facilities for transatlantic communications. And the third is an updating and amplification of the Executive Branch policy on domestic satellites which was originally announced before formation of this Office, a year ago January.

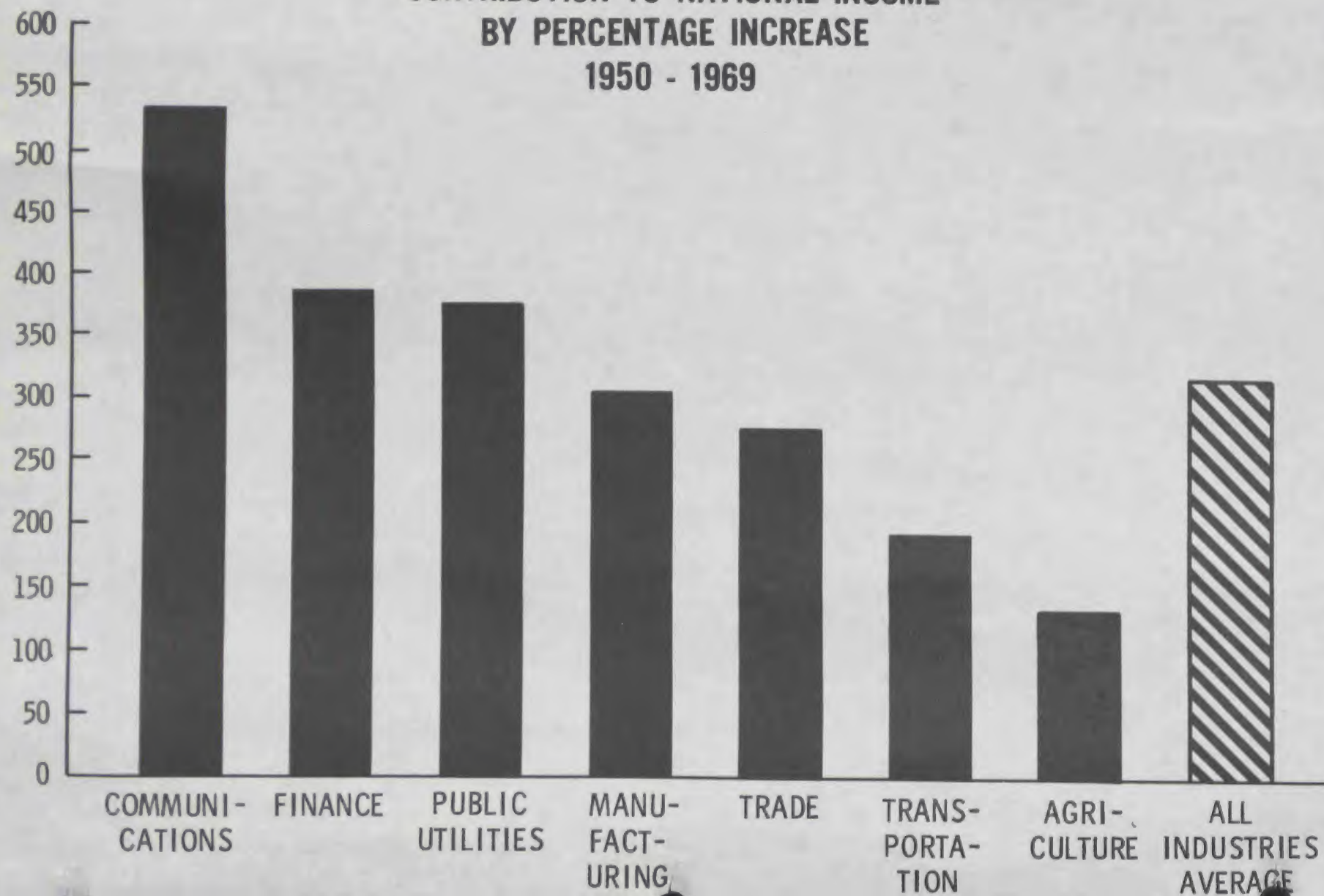
---

I have thought it most important, at this first formal appearance before this Committee, to give you this overview of what the Office of Telecommunications Policy is and what it does. Needless to say, I have not made mention of everything we are engaged in, nor have I gone into much detail. I hope, nevertheless, it was enough to give you the general sense of what this Office is meant to do. I will now be happy to reply to any questions you may have concerning the Office and its budget proposal.

# GROWTH RATES

CHART 1

CONTRIBUTION TO NATIONAL INCOME  
BY PERCENTAGE INCREASE  
1950 - 1969





# NEW CAPITAL INVESTMENT IN PLANT AND EQUIPMENT

CHART 2

1970

MANUFACTURING

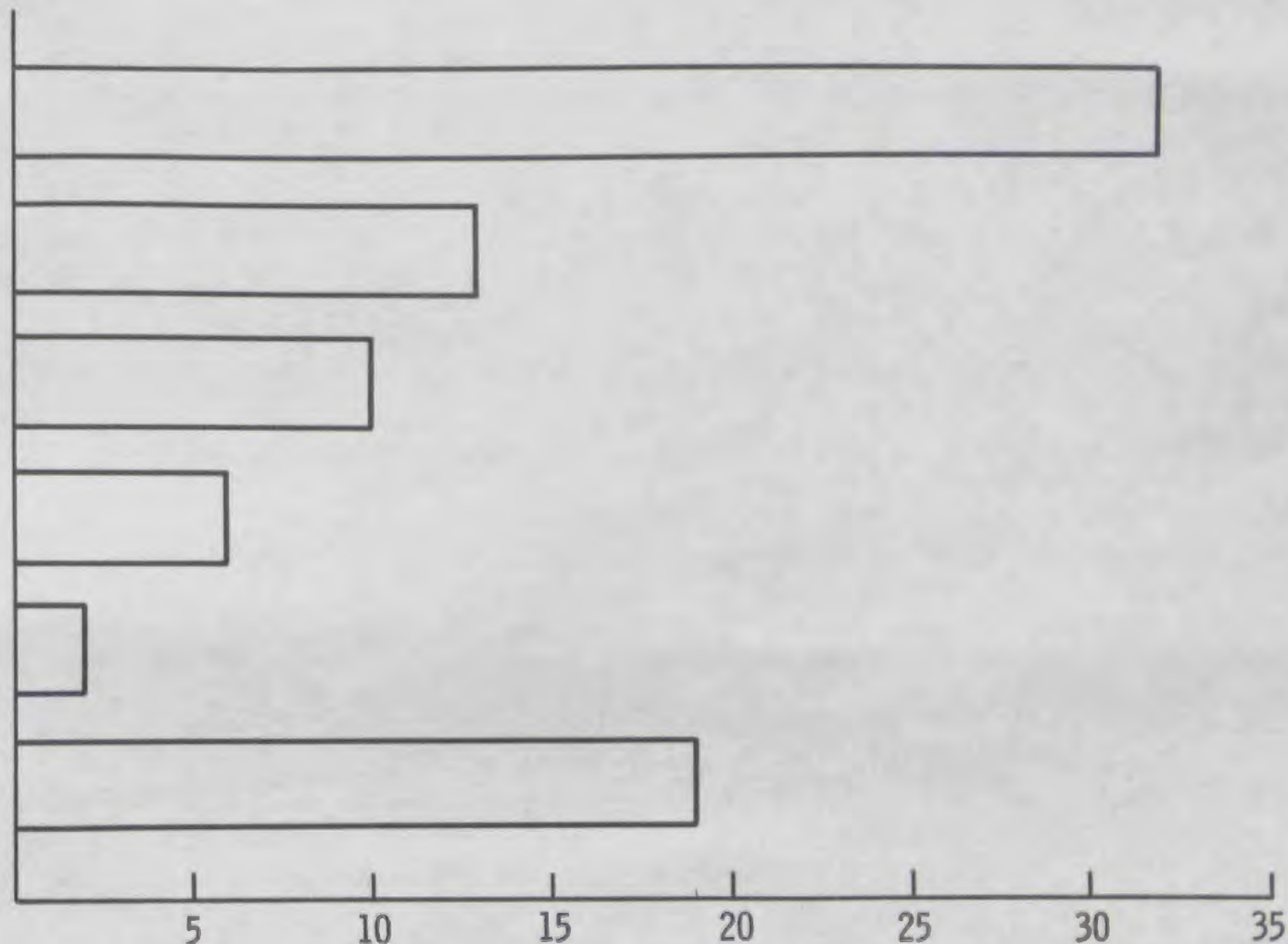
PUBLIC UTILITIES

COMMUNICATIONS

TRANSPORTATION

MINING

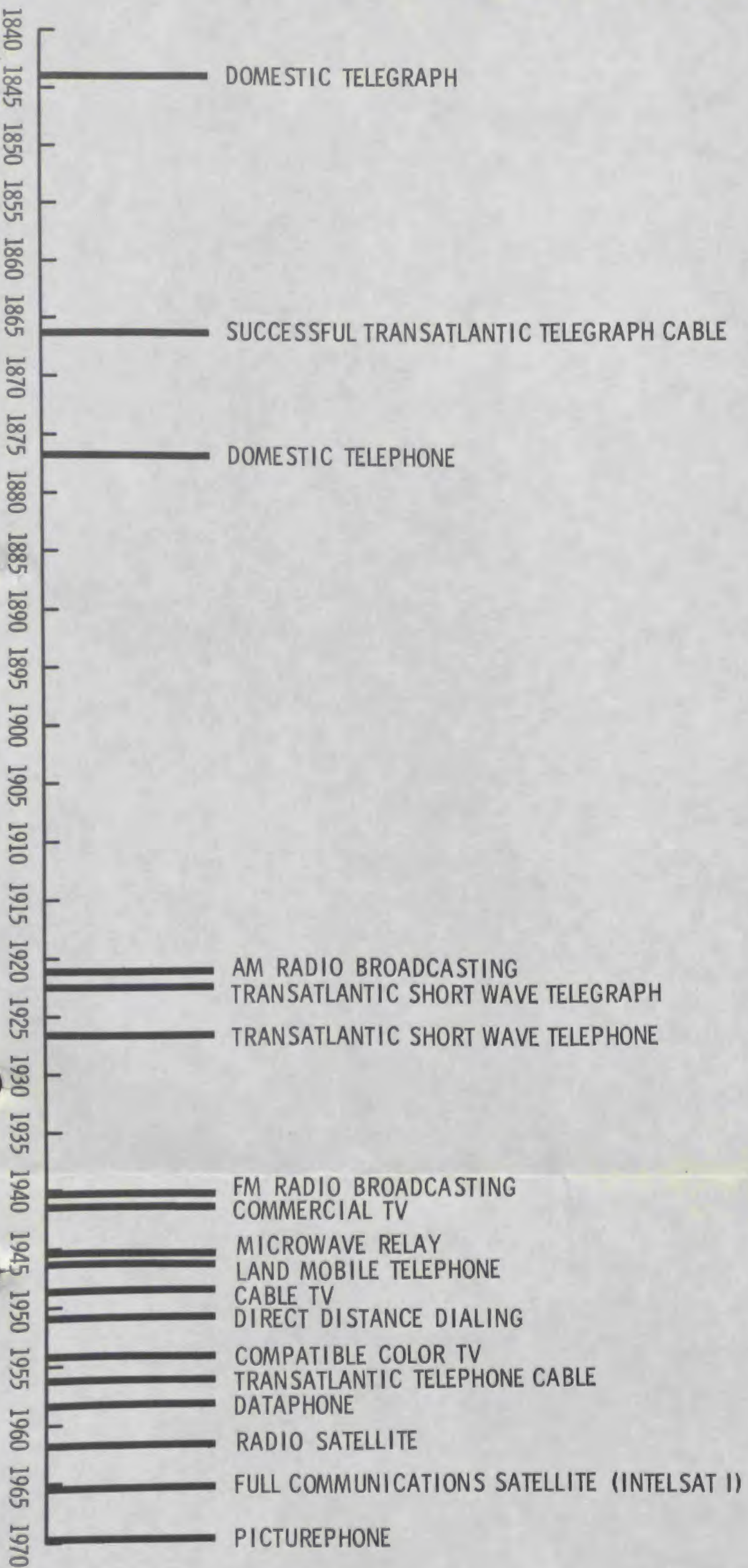
ALL OTHERS



BILLIONS OF DOLLARS

# DEVELOPMENTS IN ELECTRONIC COMMUNICATIONS

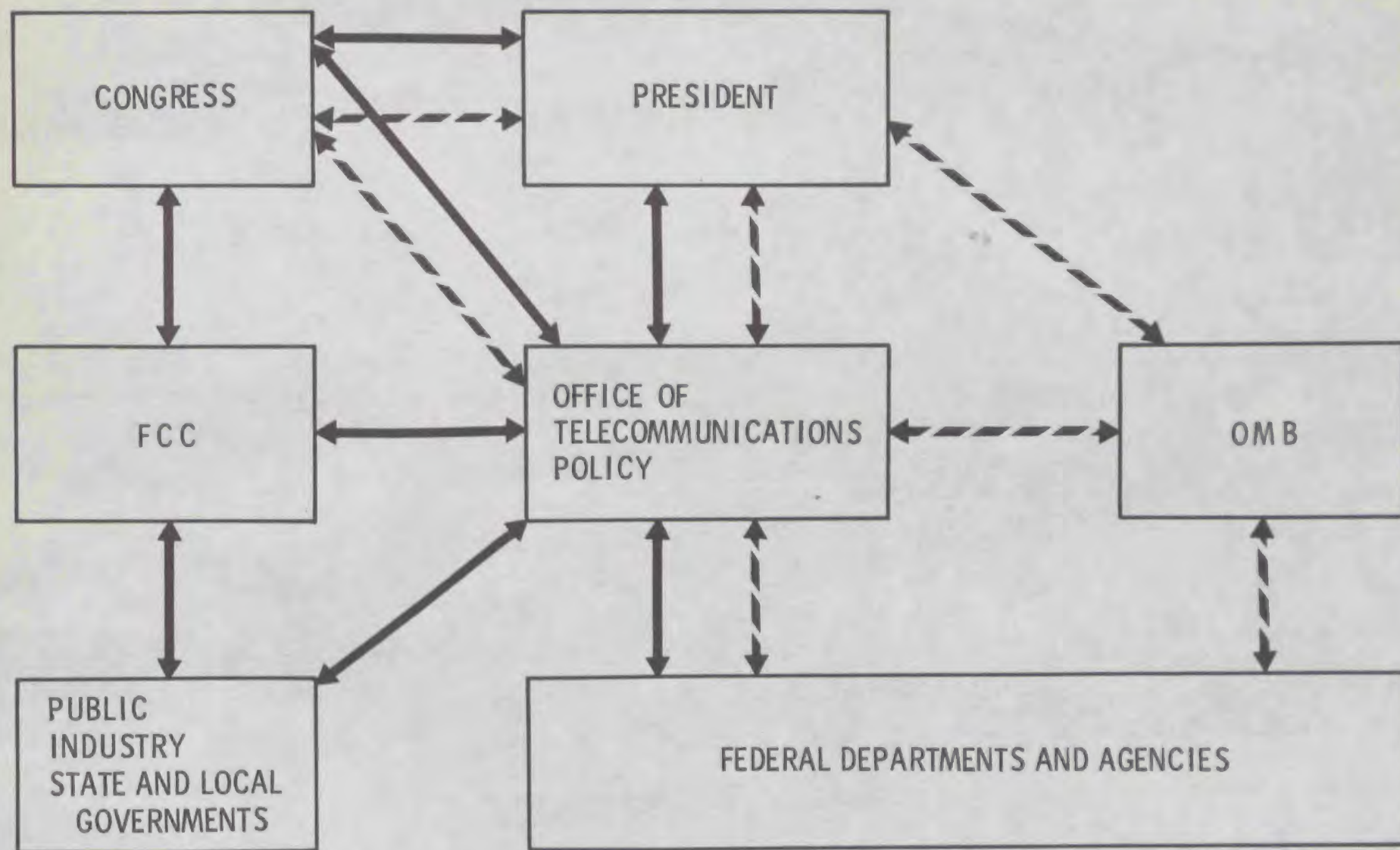
CHART 3





# OFFICE OF TELECOMMUNICATIONS POLICY RELATIONSHIPS

CHART 4



--- Policy For Federal Government Communications  
— Policy For Other Communications