

Draft

→ Mr Lamb

STATEMENT OF CHAIRMAN DEAN BURCH
FEDERAL COMMUNICATIONS COMMISSION
Before the
SENATE SUBCOMMITTEE ON COMMUNICATIONS

Review of Commission Activities

February 22, 1973

Mr. Chairman and Members of the Committee: I welcome the opportunity to review with you today significant Commission activities of the past year. With me are Commissioners Robert E. Lee, Nicholas Johnson, H. Rex Lee, Charlotte T. Reid, Richard E. Wiley, and Benjamin Hooks.

Principal staff members are also here: the Executive Director, John Torbet; General Counsel, John Pettit; Chief Engineer Raymond Spence; the Chief of the Broadcast Bureau, Wallace Johnson; the Chief of the Cable Television Bureau, Sol Schildhause; the Chief of the Common Carrier Bureau, Bernard Strassburg; the Chief of the Field Engineering Bureau, Curtis Plummer; and the Chief of the Safety and Special Radio Services Bureau, James Barr. We will be pleased to provide you with whatever information you may require.

Mr. Chairman, I have a rather lengthy statement and, if it meets with your approval, I would like to offer it for the record and then highlight some of the issues, saving the additional detail for those matters which prove of more particular interest to the Committee.

Let me begin by noting some of the principal issues in the common carrier area.

Domestic Satellites

Our most significant achievement in the common carrier field last year occurred on December 22 when we concluded our Domestic Satellite Inquiry. By this action, we have formulated with finality a framework of policies to govern the establishment of communications satellite systems to serve domestic communications requirements within the United States, including Hawaii, Alaska and Puerto Rico. I will not detail the long and arduous history of this proceeding or the many difficult and controversial issues it involved. I believe that the purpose of these hearings will be served best by outlining the principal policy determinations we have made, considerations that led us to these determinations, and the steps now being taken to implement them.

First, we have determined upon a policy that will permit limited but multiple entry by qualified entities. We believe this policy will lead to the establishment of multiple systems, with the resulting competitive spur benefiting the public in terms of technical innovation, new and improved services, and lower rates.

While our policy favors multiple competitive entry, we have imposed certain conditions on the entry of Comsat and AT&T. We found this to be necessary for a variety of reasons, including AT&T's substantial ownership of Comsat, AT&T's dominant position in the domestic communications market, AT&T's role as the predominant customer of Comsat for international satellite circuits, and Comsat's role and obligations in the international satellite field.

With respect to AT&T, the Commission has limited its initial use of satellites to its monopoly services and service to the U. S. Government. In

essence, we have prohibited AT&T from using satellites to offer services which are competitive with those offered by other carriers for a three-year period. This will provide a "grace" period during which AT&T's dominant terrestrial communications position will not thwart entry and competition by other domestic satellite entrants. This limitation will terminate at the end of three years unless the Commission takes affirmative action to extend it. Termination of this limitation is also subject to a condition that AT&T divest itself of its 29 percent stock ownership in Comsat or that the Commission has approved an acceptable plan for such divestiture.

Congress has recognized that the passage of time has lessened the need for the carriers to be involved in Comsat's internal affairs. Thus, in 1969 you amended the provision of the Satellite Act which provided for six carrier directors on the Comsat Board regardless of the amount of carrier stock ownership so that carrier representation on the Board is now proportionate to their stock ownership. Except for AT&T, all of the major carriers have completely divested themselves of Comsat stock, so that there are now only three carrier directors, all of whom represent AT&T.

The Commission's divestiture requirement is further recognition that the Congressional purpose of encouraging carrier participation in Comsat management has been fully satisfied and Comsat no longer needs the expert internal guidance and assistance which Congress provided for through carrier ownership of Comsat and representation on its Board of Directors. Moreover, we stressed that Comsat's and AT&T's assumption of competitive roles in the domestic satellite field "dictates the need for maximum independence from each other and an arms-length relationship."

With respect to Comsat, the Commission in its final decision withdrew previous objection to a proposal that Comsat launch and operate a domestic system to provide service solely to AT&T. In its earlier decision of June, 1972, the Commission had rejected this proposal, and held that Comsat would have to choose between operating a system as a carrier's carrier serving AT&T and other carriers, by a multipurpose system that would serve groups other than AT&T, including other carriers as well as the general public. Our final decision to permit Comsat to serve AT&T with a separate system took into consideration the withdrawal of Comsat's application to own and operate a multipurpose system. In place of the latter application, Comsat, Microwave Communications, Inc. (MCI) and Lockheed have formed a joint enterprise owned in equal shares to establish a multipurpose domestic satellite system (Comsat/MCIL).

The Commission approved the Comsat/MCIL proposal, finding that the combination of technical, operating and marketing skills would serve the public interest and the Commission's policy objectives by increasing the likelihood of a successful domestic common carrier satellite operation. However, we imposed certain conditions and safeguards designed to obviate or minimize any conflicts of interests or competitive advantages that might result from the corporate and business relationships between Comsat and AT&T. Some of these conditions are designed to insure maintenance of Comsat's minority position in the new enterprise.

The Commission further specified that AT&T could no longer nominate present or former AT&T officers or directors to serve on the Comsat Board, and that procedures must be instituted to preclude AT&T's representatives on the Comsat Board from having access to any confidential business information concerning MCI, one of AT&T's competitors in the domestic communications field.

Another important policy determination concerned the rates charged for communications services between the contiguous states and Alaska, Hawaii and Puerto Rico. Largely because satellite transmission costs are insensitive to distance, we have specified that rates for such services must be integrated into the uniform nationwide domestic rate patterns now applicable to the mainland.

The Commission also has affirmed, over AT&T's objection, a requirement that any terrestrial carrier seeking a domestic satellite authorization must submit, for prior Commission approval, a description of the interconnection arrangements it will make with other domestic satellite system licensees who require access to its terrestrial facilities. We deem this provision essential, since the absence of timely and effective terrestrial interconnection arrangements could, as a practical matter, frustrate efforts to operate a domestic satellite system.

Finally, I would point out that the Commission has made clear that all domestic satellite applicants must, in accordance with prescribed government standards, make provision to protect the public and employees from harmful radiation and must comply with the Commission's environmental protection rules.

As you may know, in addition to the AT&T and Comsat/MCI Lockheed system proposals, we also have five other pending system applications before us. These include Western Union, which was the first to file in response to our First Report and Order in this proceeding; a joint proposal by Hughes Aircraft and General Telephone; a joint application by RCA Globcom and RCA Alascom; Western Tele-Communications; and an application from American Satellite Company, a joint enterprise recently formed by Fairchild Industries and Western Union International.

With the finalization of our policy-making, we are now actively processing those applications that are in conformity with our policy decisions. On January 4 of this year, we granted Western Union authorization to proceed with construction of the space segment of its proposed system. Certain applications still remain to be filed or amended in conformity with our policies.

AT&T Rate Case

Phase I. In the past year, by a decision reached on November 22, we completed Phase I of the AT&T rate case (Docket No. 19129). We denied AT&T's claim that the Bell System should be allowed a minimum return of 9.5% on its overall interstate and foreign operations. We found that a minimum return of 8.5% was warranted under current economic conditions. Since AT&T's earnings were below the 8.5% level, we authorized AT&T to file revised rates which would result in an increase of its pre-tax earnings by \$145 million a year to bring its return to the 8.5%. This increase is in addition to the \$250 million increase resulting from AT&T's rate filing in January 1970 which led to these proceedings.

In our decision, we also held that interstate earnings within a range of 8.5%-9.0% would be reasonable and that if, by improved efficiency and productivity, AT&T could increase its earnings within this range at the particular tariff rates we allowed, we would not take action to reduce earnings. We concluded that our action was in keeping with Administration economic policies to limit price increases on utility services to the absolute minimum required for the attraction of needed capital at reasonable terms and to encourage improved operating efficiency and productivity as the appropriate means of increasing earnings.

AT&T has now filed the \$145 million interstate rate increase we authorized. Increases were imposed on both the interstate Long Distance Message Toll Service (MTS) and the interstate Wide Area Telecommunications Service (WATS). The increases in the MTS service (amounting to about \$135 million) became effective January 22, 1973 whereas the increases in the WATS service (of about \$11 million) are scheduled to go into effect March 13, 1973 unless suspended by the Commission. The increased MTS rates are being collected under an accounting order with provisions for refunds in the event that we should later decide that the rates are excessive in the light of the decisions we shall make on the remaining issues in Phase II of this rate case and in the Private Line Rate Case, Docket Nos. 18128 and 18684. These latter proceedings deal principally with general principles of pricing and cost allocation among AT&T's several classes of interstate services.

The decisions we have made in Phase I are being challenged in court by petitions for review and before us by petitions for reconsideration.

Phase II. The remaining issues in Phase II of the rate case call for examination of those matters that can affect the revenue requirements of the Bell System including the reasonableness of the prices of Western Electric--the manufacturing and supply arm of Bell--and the amounts claimed by Bell for investment and operating expenses and examination of the lawfulness of the internal rate structure applicable to the Message Toll Service. If we should suspend the WATS increases, the lawfulness of the rate structure for WATS would also be in issue in Phase II.

In the past year we have increased our Common Carrier Bureau staff by some 50 positions to conduct the difficult and complex task of making studies and conducting a meaningful examination of Bell's claims under the Phase II issues. The staff is also developing evidence to be adduced on the hearing record based on the investigations and studies it is now engaged in. We have also augmented our staff resources by contracting for services of consultants to help the staff in this effort.

The preparatory aspects of Phase II have taken longer than anticipated because of the difficulties involved in recruiting qualified personnel. There were also a series of procedural problems to be resolved with AT&T and particularly Western Electric involving staff access to needed information. These problems have recently been resolved and the Trial Staff is now operating in high gear in Phase II. No date has been set as yet for commencement of the evidentiary processes in Phase II. However, we hope to be able to begin such hearings by year end.

Private Line Rate Cases

As indicated above, the final determination of the lawfulness of the increased rates for MTS and WATS must await not only our determination of the Phase II issues in the AT&T rate case, but also our decision in the Private Line Rate Case (PLRC) in Docket Nos. 18128 and 18684.

The hearing record in the PLRC was closed during the year and proposed findings and conclusions are due to be submitted by the parties in April, 1973. It is a monumental hearing record and from it we hope to formally establish the principles and guidelines that should govern in the assignment of the Bell System's revenue requirements among its principal classes of interstate and foreign services, including MTS and WATS. These rate decisions will have particular importance to Western Union and other common carriers who are seeking to compete with the Bell System in the rapidly expanding market for specialized communications services. Pursuant to the policy of competitive entry we established in June 1971 in our Special Carrier Inquiry (Docket No. 18920), several new carriers have been authorized by the Commission to construct microwave systems and one of them is already providing service.

Another significant issue in the PLRC is the propriety of Bell's rate structure applicable to the furnishing of private line facilities for the transmission of television program material for television stations and networks.

AT&T has recently sought permission to file revised tariffs that would completely revamp the current rate structure. The proposed tariff would result in a substantial reduction in charges for monthly service to the large TV networks (about \$15 million a year reduction). At the same time AT&T proposes to increase the charges by about \$8 million a year for occasional users (55¢ to \$1.00 per mile for the intercity channels).

This would impose higher charges on spot or special programs (e.g., sports events, telethons, etc.) and we have received a large number of protests against the AT&T application. We have recently requested AT&T to respond to certain questions raised by our staff before we act on AT&T's request for permission to file the revised rate structure.

Interconnection

As you will recall, as a result of our Carterphone decision in 1968, telephone subscribers are now able to use equipment obtained from sources other than the telephone company. This has resulted in an expanded and competitive market for the supply of communications equipment. It also gives the user a wider number of options and conveniences in his use of the nationwide telephone network.

However, all customer-supplied equipment must be connected to the telephone network through various types of interface devices provided, at a charge, by the telephone company ostensibly to protect the network from various types of harm. These interface devices are the subject of considerable controversy in terms of their need and competitive effects. I will not detail the issues here. However, in June 1972 we established a Federal-State Joint Board proceeding within which to consider whether, and under what terms and conditions, these telephone company requirements and restrictions should be relaxed or removed.

We have received certain specific proposals from Advisory Committees that we have set up to assist us in the preliminary stages of this proceeding and from our own Office of Chief Engineer. These proposals recommend the creation of a standards and enforcement program by which the interconnection options of the customers would be expanded beyond those now available under the present tariffs. It is our plan to invite public comments on the Advisory Committee reports and recommendations and the various alternative recommendations. We will refer all such recommendations and comments to the Joint Board for its consideration and recommended decision.

Computers

We denied petitions for reconsideration of our Computer decision. In our decision we ruled that, to foster free and open competition, we would exercise no regulatory jurisdiction at this time over data processing services whether furnished by common carriers or non-common carriers. However, we required carriers to set up completely separate data processing service corporations, with separate facilities, personnel and officers as a condition to carriers selling data processing services to persons or entities other than the affiliated carriers themselves. In a split decision, the Commission also barred carriers from buying data processing services from their separated data affiliates. A minority of the Commission at that time felt that this latter requirement was an unnecessary safeguard. On judicial review of our decision, the Second Circuit Court of Appeals this month affirmed the Commission's decision in all of its essential findings, but ruled that we did not have the power to bar a carrier from buying data

service from its own data affiliate.

Other Common Carrier Issues

In the first part of 1972, Microwave Communications, Inc. (MCI) commenced the provision of its specialized communications services between Chicago and St. Louis. Later, in 1972, the Western Union Telegraph Company filed competitive tariffs matching in large part the rates of MCI. Upon MCI's challenge to the validity of Western Union's rates, we set the Western Union tariffs for hearing to determine the lawfulness issue, including whether and to what extent Western Union's tariffs are in keeping with our regulatory policy and objective of full and fair competition between the established and new carriers.

Western Union was involved in a number of proceedings before the Commission in the past year. Hearings were held but are not yet completed in cases where the government had filed formal complaints against Western Union for reparations in regard to such special services as Autodin, "Bomb Alarm" and Advanced Record Systems. We have permitted Western Union, after hearing, to begin consolidation of its offices in New York City into modern public message centers, in order to reduce costs to the carrier and improve services to the public. Recently, Western Union filed revised Telex and TWX tariffs that would (a) liberalize interconnection of customer-provided terminal devices to the carrier's facilities and (b) substantially increase the charges to the customers for Telex and TWX services. We have under review at this time the question of whether to set these revised tariffs for hearing and to suspend their effectiveness.

International Telecommunications

Revenues from international telecommunications services have continued to grow at a rate well in excess of 10% annually during the past year making this the fastest growing segment in the entire communications field. This growth pattern has brought with it many urgent problems. These problems have been further complicated by the technological advances being made available in the field of international telecommunications and by the divergent demands made upon the Commission by satellite interests and terrestrial interests as well as by AT&T and the international record carriers for rulings and policy statements more clearly defining their respective areas of service. In addition, there has been a great increase in international organizational activity in preparation for the Plenipotentiary Conference of the International Telecommunication Union, the World Administrative Telegraph and Telephone Conference, and implementation of the already approved INTELSAT definitive arrangements.

Because of growing demand, the carriers have filed, and the Commission has pending before it or has acted on, a series of applications to provide additional very high capacity cable and satellite facilities to various parts of the world. Thus, on July 7, 1972, the Commission with the concurrence of the Department of State granted a cable landing license and authorization pursuant to Section 214 to AT&T and other U. S. carriers to install and operate a sixth Atlantic Cable (TAT 6) of most modern design with a capacity of some 4,000 circuits. This is to be compared with the fifth Atlantic cable which has only 840 circuits. There are now pending before the Commission applications for authority to lay another 840 circuit cable between the Mainland, Hawaii, Guam and Okinawa to supplement existing cable facilities. Additional cables

have been authorized to connect Puerto Rico with the Dutch West Indies and Florida with the British Bahamas and AT&T has been authorized to acquire facilities in a cable between Nova Scotia and Bermuda. The TAT-6 authorization also contained provisions for its use by Canada for UK traffic and for U.S. carriers to use as a new Canadian-British cable.

In the satellite field, Comsat has been authorized to participate in another series of satellites (INTELSAT IV-A) to accommodate new earth stations and foreseeable traffic growth beyond mid-1975.

The Commission is now taking steps to re-examine its procedures with respect to authorizing Comsat to participate in the construction and operation of INTELSAT satellite facilities. This re-examination is deemed desirable to afford interested parties the opportunity to comment on the merits of satellite applications of Comsat in the same way that they do on cable applications. INTELSAT and Comsat have now reached a state of maturity where, in the opinion of the Commission, more even-handed procedural treatment of proposed satellites and cables may well be necessary or even desirable.

As the satellite technology continues to improve, additional practical uses for satellite communications are coming to the fore. The Commission is now engaged in formulating appropriate policy with respect to

both aeronautical and maritime satellites. The Commission is concerned that the satellite technology in these fields should be exploited in a manner most compatible with the established organizational structure in this country. Within this structure commercial services and facilities are supplied by privately owned, and where feasible, competitive communications carriers.

With the growth of communication demand and facilities, there have been a number of ad hoc changes in international rates, principally reductions. AT&T is working with our staff in devising new and more rational rate structures for international message telephone calls to take account of economies made available through improvement in technology, labor savings made possible through increased reliance on direct dialing in the international field and the availability of high capacity communication facilities to all parts of the world. It is hoped that an optimum rate pattern will be devised and, after consultation and coordination with the entities operating the foreign ends of the circuits, made effective during the coming year.

The Commission is now engaged in an overall and basic rate proceeding to determine for the first time what a proper rate of return should be for Comsat, what its allowable rate base should be, as well as what proportion of its claimed expenses should be allowed. It is expected that the hearings will conclude within the next few months and a decision should issue before the end of the year.

In the international record field, because of historical reasons and the existence of several competing carriers, there are a series of complex problems awaiting resolution. The first and longest pending is a re-examination of the relationship between the international record carriers and Western Union in the fields of pickup and delivery of international telegram traffic

within the continental United States; the extension of so-called gateway cities where the international record carriers now operate and the division of tolls by Western Union, the domestic telegraph carrier on the one hand, and the international record carriers on the other hand for the domestic handling of international telegram traffic. In addition, it will be necessary to decide the extent to which Western Union may participate in the furnishing of new and different services beyond the contiguous states. Under current consideration for immediate resolution is the question of who is to provide telepost or mailgram service to Hawaii, Puerto Rico and the foreign countries.

There are a series of additional international communication problems which I shall mention only briefly. These involve who should be authorized to provide dataphone services, AT&T--or the record carriers--or AT&T and the record carriers competitively. There are also problems relating to the continued operation of marine coast stations and the charges to be made to the public for providing such service. There are numerous applications pending with respect to charges for bulk facilities and the manner in which voice grade circuits might be subdivided to meet the needs of users.

Cable Television

In the cable television field, the first anniversary of the Commission's new cable regulatory program will occur shortly. Implementation of the new cable rules has greatly increased both the workload of the Cable Television Bureau and the breadth of its regulatory responsibilities. But, despite a critical manpower shortage, the Bureau has processed more than 700 of the 2,000 applications for cable system certificates received since March, 1972. Since a certificate is required before a cable system can commence operations or an existing system can add television signals, rapid processing of applications is crucial if the industry is to grow and assume its proper role as a significant medium of mass communications. Nevertheless, more than nine months are currently required for the average certificate application to be processed.

Significant elements in the Commission's cable policy making process are two Commission-organized cable advisory committees: the Technical Standards Advisory Committee (CTAC) and the Federal-State/local Advisory Committee (FLSAC). The committees include representatives of state and municipal governmental units, the cable television industry, public interest groups, and members of the Cable Television Bureau's staff who provide the day-to-day management. FLSAC's work has focused on studying the allocation of jurisdictional responsibility for a wide variety of "local" cable regulatory matters and on developing and refining cable franchise standards. The committee's final report is expected in early Summer, 1973. CTAC is concerned with evaluating present cable technical standards and making recommendations for additional standards. Since CTAC's work is still in

its initial stages, no final report is expected in the near future; however, initial reports are already being prepared. It is anticipated that all committee reports will be the subject of detailed Commission and private analyses, including oral hearings in some instances, and will lead to further refinement of the Commission's cable program.

Administrative developments within the Cable Television Bureau should also be noted. The Commission, recognizing that its revision and expansion of the cable rules would, in turn, require a complete re-thinking of the Bureau's staffing requirements, organization, and processing procedures, engaged the management consulting firm of Harbridge House Inc. to study these matters. Harbridge House's final report is expected shortly.

Four other areas of cable policy development deserve brief mention. First, the Commission is still involved in examining patterns of ownership in the cable industry. We recently affirmed our ban on cross-ownership between cable systems and television networks, co-located television broadcast stations, and co-located television translator stations. And we are continuing to evaluate proposals for limiting multiple ownership of systems. Second, the Commission has initiated a rulemaking proceeding to study the extent to which it should regulate the importation of radio signals by cable systems. We have proposed that the sports anti-siphoning rules for cable systems be amended to conform to the subscription television rule, namely that sports events may not be cablecast with a per-program or per-channel charge if such events have been televised live on a nonsubscription, regular basis in

the community during any one of the five years preceding their proposed cablecast. The rule presently places only a two-year limitation on such cablecasts. At the same time the Commission is reexamining the rule designed to ban the siphoning to pay-cable of broadcast television's feature film product. That rule provides, generally, that films older than two years are for the most part not available to cable where a per-program or per-channel charge is made. The movie producers are urging that the rule can be modified to make more of this product available to cable without hazard to regular television, and the Commission is examining those arguments in a proceeding now under way.

Children's Television

We have continued to give special attention to issues associated with children's television. Our Communications Economist has prepared an economic analysis of children's television showing production costs and advertising revenues; the feasibility of reducing commercials; possibilities for alternative financing; and the impact of ratings on profits and programming decisions. Our staff has studied Saturday network children's programming, including a 19 year (1954-1972) trend analysis of production techniques (live, animation, and film) and noting a marked increase in animated cartoons in recent years. Another 18 year (1954-1971) trend analysis of program content indicates the peaks and valleys of program diversity and shows that fluctuations in action-adventure programming seem to depend on governmental and citizen pressures. Materials on international broadcasting practices, syndicated offerings

for children, psychological studies, studies on the impact of television viewing on children, and an in-house precis of the Surgeon General's Report on Television and Social Behavior have also been presented to us.

We held three days of public panel discussions in early October bringing together broadcasters, advertisers, educators, child psychologists, and citizen groups to consider a variety of issues -- program diversification, age specific programming, responsive scheduling of children's programs, advertising practices directed toward children, alternative methods for financing children's programs, and problems of self-regulation. These were followed by three days of formal oral argument in January on the ACT petition (Docket 19142). In addition to these proceedings, concerned directly with the ACT Petition, we are considering the needs of children in other proceedings such as license renewal proceedings, review of prime time access rule, and in our cable decisions.

We have also continued to work with NIMH and participated in a research workshop sponsored by them on television and social behavior. This follow-up meeting to the Surgeon General's Report on televised violence was held in June to determine the appropriate course of action for NIMH and future research needs. We will continue to cooperate with those concerned with television violence and children and determine the Commission's appropriate role as we go along.

The industry continues to express interest and concern in this area and has taken a variety of actions, which I won't take time to detail at this time. Overall, I believe there is still much they can do to put their own house in order.

Fairness Inquiry and Political Broadcasting

On June 22, 1972, the Commission issued its First Report in Docket No. 19260, the overall inquiry on fairness, political broadcast, and access matters. This report deals solely with the fairness doctrine as it relates to political broadcasts, and was issued at that time in order to give some guidance well before the commencement of the 1972 general election period. First, on the application of the fairness doctrine to Presidential appearances not coming within the equal opportunities requirement, the Commission stressed that the American people must be reasonably informed concerning the contrasting viewpoints on controversial issues of public importance covered by Presidential reports. It declined, however, to require something more -- something akin to equal time or some set mathematical ratio.

The report discusses the Zapple ruling (23 FCC 2d 707 (1970)), where we pointed out that on some campaign presentations not involving the appearance of the candidate, the requirements of the fairness doctrine become in effect quasi-equal opportunities: If, for example, the DNC were sold time for a number of spots, it is difficult to conceive on what basis the licensee could then refuse to sell comparable time to the RNC. The report states that the Zapple ruling simply reflects the common sense of what the public interest, taking into account underlying Congressional policies in the political broadcast area, requires in campaign situations.

As to the other facets of the fairness inquiry, we have analyzed the voluminous comments received and held extensive oral proceedings. Our Fairness Committee, under Commissioner Wiley, has made considerable progress. We shall not be in a position to adopt final definitive policies in this important area until the Supreme Court rules on the pending BEM case, which was argued October 16, 1972. A decision in that case should be forthcoming shortly and we shall then act promptly to resolve the remaining parts of the Inquiry.

I might add at this point that the 1972 elections presented us with our busiest campaign period ever -- with respect to rulings under section 315 and interpretations of the Campaign Financing Act. I look forward to discussing these matters with the Committee at its hearing on this subject in two weeks.

Broadcast Re-Regulation Study

By Public Notice of April 6, 1972, the Commission announced that it was instituting an extensive study looking toward re-regulation of radio and television broadcasting. Its purpose is to determine whether our regulatory authority is being exercised in a meaningful manner consistent with the public interest. An inherent consideration is whether the interests of the public would be served better by less detailed government regulation and more emphasis on licensee responsibility.

Each existing broadcast rule is being analyzed for current validity. The provision may be continued, modified or deleted. New provisions and

new regulatory concepts may be promulgated to reflect more accurately the present state of broadcast technology and operation. The resulting set of rules will be written and organized in a concise and understandable manner.

The Public Notice inviting comments and suggestions occasioned over 600 replies mostly from licensees in small radio markets. Their main concerns are renewals, thirty minute meter readings, political spending rules, Fairness Doctrine, counter advertising proposals, FCC paperwork requirements and five-day-a-week inspections of transmitting systems, in that order.

Substantial progress has been made. The Task Force study, thus far, has culminated in adoption by the Commission of two Orders on November 1 and December 20, relaxing numerous technical and engineering rules. These changes should relieve the Commission and the licensees of unnecessary operating burdens and result in a better serving of the public interest.

These are merely initial steps in our continuing re-regulation study. A tentative list of other subjects for early consideration in formal proceedings includes automatic transmitters, directional antennae, remote pickup operations, Subsidiary Communications Authorizations, operator testing, logging requirements, selected aspects of radio renewals, records to be filed with the Commission, application forms, FCC and licensee relationships, and reorganization and rewriting of FCC broadcast rules.

Our actions thus far have elicited considerable approval and we fully expect that this will prove to be a most worthwhile undertaking.

AM Freeze

After a four year freeze on the filing of applications for new AM broadcast stations or for major changes in the facilities of existing stations, the Commission on February 14, 1973 terminated that freeze and adopted new rules governing the filing of such applications. In essence, the regulations require that a new station provide a first service to at least 25 per cent of the population or area within its interference free contour or, in the alternative, that the new station supplement inadequate service to a community. Existing service is deemed inadequate if 20 per cent or more of the area or population of the community receives less than two aural services of a grade normally required to be provided by a station assigned to the community.

Since, in many cases, the problems associated with the growth of communities have rendered existing stations unable to serve adequately the communities to which they are assigned, the amended rules make it comparatively easy for such stations to increase power when this can be done consistent with the rules governing interference to other stations. The basic showing required for acceptance of an application from an existing station seeking higher power is a demonstration that service presently provided by the station is inadequate.

We have extended the comparatively liberal application acceptance criteria, which have heretofore been applied only to Alaska, to other outlying states and territories, finding that the more strict requirements applicable in the conterminous United States are not necessary in these cases.

Broadcast License Renewals

The Commission has continued to explore its proposals in Docket No. 19154 looking toward the formulation of policies relating to broadcast renewal applicants stemming from the comparative hearing process. Following the United States Court of Appeals for the District of Columbia Circuit's decision invalidating the Commission's 1970 Policy Statement, the Commission by Further Notice of Inquiry issued on August 20, 1971, invited additional comments on the proposals set forth in Docket No. 19154 which, in sum, establish quantitative standards in the areas of local programming, news and public affairs to measure the degree of performance which would warrant awarding a "plus of major significance" to a renewal applicant in a comparative proceeding involving one or more new applicants for the same facilities. On May 4 and 5, 1972, some 25 interested parties participated in oral argument before the Commission concerning the proposals in that Docket. We are continuing with our consideration of these renewal matters, some of which obviously will be the focus of early Congressional attention.

During the past year the Commission continued to receive a substantial number of petitions to deny directed against license renewal applications. For instance, during FY 1972, 68 petitions to deny license renewal applications were filed against 108 broadcasting stations. Generally speaking, most of these petitions were filed by minority and special interest groups and contain allegations directed toward the licensee's ascertainment efforts, minority programming, and employment

practices. In conjunction with these petitions, the Commission has continued to explore the proposals contained in Docket No. 19153, which are designed to encourage local participation in broadcasting throughout the license term.

Prime Time Access Rule

The "prime time access rule" (Section 73.658(k)) was a controversial proposal before it was adopted in May 1970, and has continued so since it went into effect in October 1971. The rule basically limits to three hours the amount of network programming which stations in the top 50 markets may present each evening. Effective October 1, 1972, the rule also bars, from the time on these stations thus "cleared" of network material, programs which have previously run on one of these networks ("off-network" material) or feature films shown in the market within the last two years. Three petitions, by NBC and two small-market UHF affiliated stations, were filed in the spring of 1972, seeking repeal of the rule.

Because of these petitions, and a number of problems which have arisen with the rule (including more than 70 waiver requests), the Commission in October 1972 instituted a general rule-making and inquiry proceeding into the rule's operation and what changes, if any, should be made in it for the future (Docket 19622). Possible repeal of the rule is one of the matters in issue; but the Commission emphasized that beginning the proceeding did not represent a present Commission view that the rule should be repealed. Comments have been filed, and reply comments are due February 26. We hope to resolve the matter in the next few months.

Spectrum Management

Much progress has been made in the past year in this area, although there have been a number of problems, some of which are still outstanding.

Space was leased for the Chicago Regional Center in Park Ridge, Illinois, a short distance north of O'Hare Airport. The center is staffed with 30 persons, and the first license was issued on January 12, 1973.

Although over a year late, because of technical problems, the mobile monitoring van was delivered. The van is a mobile computerized radio receiver which scans 270 frequencies per second. Use of the van will enable us to obtain an accurate picture of the radio environment.

In addition, the UNIVAC 1106 computer was installed in the Regional Center. We are now in the process of establishing a data base and developing and implementing the frequency assignment programs.

On December 20, 1972, the Commission released a Second Report and Order in Docket 19150, adopting new policies relating to land mobile allocations and assignments for use in regional centers. The Report and Order adopted the principles of interservice sharing proposed in the Notice of Proposed Rule Making. However, sharing assignments will not be made in Chicago until after August 31, 1973. This will give the Regional Center time to build the necessary data base and verify the frequency assignment methodology to be used.

We believe that sophisticated monitoring techniques coupled with computer technology in the frequency assignment process will achieve a measure of the better and more efficient spectrum use that both the Commission and the public seek.

A second major aspect of our spectrum management program is the provision of relief for the land mobile radio services. As you may recall, the Commission recently afforded a significant increase in the amount of radio spectrum available to those services through sharing reallocation of spectrum previously available for UHF television.

Since development and promulgation of rules pursuant to Docket 18261, wherein one or two of the lower seven previously unused UHF channels in the top ten urban areas was made available for the land mobile services, about 62 system assignments in the 470-512 MHz band have been granted by the Commission. Another 23 are presently pending. While it is too early to ascertain the degree of relief obtained, we are confident that our action will prove beneficial.

Although the Commission has not yet taken final action in Docket 18262, the 115 MHz of spectrum proposed therein can be expected to meet land mobile demands through 1985. Because of the large amount of spectrum involved (nearly triple the amount presently available to the land mobile radio services) coupled with the increasing awareness that social, economic and political values are as important as technical consideration in making a spectrum allocation judgment, the Commission's staff is studying the ramifications of that Docket very carefully. Additionally, new systems proposals, particularly the Bell Systems HICAP and Motorola's 3-C, as well as the impact which those systems portend on the structure of the entire land mobile industry pose extremely difficult policy

problems. We hope to make at least initial decisions in this matter in the near future in order to permit systems development to proceed.

While we recognize at least the peripheral impact television has on our society, we also recognize that new technology has already altered the television industry since its inception some twenty-five years ago and promises to accelerate its impact in the immediate future. Satellites, cable, high-resolution television, video tape-recorders, and the potential of a multiplicity of two-way communication services through a home communications center -- all will have their impact. Although many people consider the spectrum impact of television on only the broadcasting aspect, a great deal of radio spectrum is utilized indirectly. For example, cable television is often referred to as using no spectrum. Quite the contrary -- over 100,000 microwave route miles are presently required in order to bring the programs to the distributional head ends. Another 100,000 microwave route miles are leased from common carriers by the networks solely for the purpose of distributing programs to their affiliated stations. Additional spectrum is required for other auxiliary purposes.

In order to carry out our spectrum management responsibilities, therefore, the Commission believes it is necessary to determine not only the scope of communications material which broadcasting is to transmit, but to ascertain the overall system parameters of the distributional network and to determine the amount of spectrum which must be allocated for the purpose.

Management Improvement Efforts

a. Studies

I would like to turn now to efforts we have undertaken to improve the internal management of the Commission. Responding to concern about the objectives of our enforcement program, we contracted with the Georgia Institute of Technology for a study of the role of fixed versus mobile monitoring as enforcement tools, and are currently evaluating their draft computations and recommendations. Another contract, with Arthur D. Little, Inc., has provided us with a draft of a comprehensive Executive Development Program to alleviate a potentially critical situation as more of our top and middle managers reach retirement eligibility. We also have on-going contractual effort aimed at analyzing and revising major repetitive work systems, and auditing our internal report of the Commission's ADP requirements. A cost/benefit analysis of a proposed Commission-wide data processing program is also underway. Much of this effort results from the OMB Study of which I spoke last year.

b. GAO Report

As you are aware, in early November of last year the General Accounting Office issued a report on our enforcement program. We have a combination of contractual and in-house effort underway to evaluate each of the GAO recommendations. I have reported our progress in recent letters to you, Mr. Chairman, and will only emphasize here that our evaluations will be objective, positive, and aimed at a determination of how best to accomplish our many enforcement responsibilities.

c. Program Review

We have begun assembling a small staff to assist the Commission in program and priority review; and the manpower utilization program I spoke of last year will be launched in the next month. We have also established a series of briefings for the Commission to review in detail the programs and operations of each bureau and office. The Commission continues to review these presentations weekly, focusing on priorities, present or anticipated problems, workload and trends, major developing issues and manpower allocations. Through these reviews, all of us on the Commission are better able to assess budgetary requirements and participate more effectively in the development of major program and policy changes at an earlier stage than has heretofore been possible. In a further attempt to strengthen our management processes we are hiring an Internal Auditor, responsible directly to me, who will systematically examine and appraise financial records, reports, management controls, policies and procedures affecting financial conditions, operations and the safe-guarding of government funds.

d. Equal Employment Opportunity Program

We have made significant progress in the area of Equal Employment Opportunity. A full-time EEO Officer has been appointed to administer the internal program of the Commission, and a small staff has been requested in our FY 1974 budget for the General Counsel's office to develop the policies, criteria, and procedures necessary to permit our surveillance of EEO compliance in the industries we regulate. Actual administration of the Commission's EEO policies in regulated industries will be performed by the appropriate operating bureau.

e. Fees

As you know, Mr. Chairman, the goal of our fee collection program is to recover 100 percent of our current budget request in accordance with the interest the Congress has expressed. For Fiscal Year 1972 we collected approximately 24 million dollars (or 76 percent) of our 31.4 million dollar budget for that year. For the current Fiscal Year we expect to again collect approximately 24 million dollars while our budget increased to 35.8 million dollars. In order to bridge-the-gap between our current fee collections and the increased costs of supporting our regulated industries, the Commission has undertaken to revise its fee schedule upward to a level approximating our FY 1974 budget. Currently, the Notice of Proposed Rule Making has been issued and we have targeted July 1, 1973, as the implementation date for whatever new schedule may be adopted.

f. Backlog

We continue to be concerned with backlogs in the various radio services and are working toward reducing these backlogs within the constraints of our available resources.

Our largest volume of applications (97% of the total) is processed by the Safety & Special Radio Services Bureau. By the end of calendar year 1972, we disposed of 230,038, leaving only 501 or .2% in the backlog. We consider in this service that a more significant indicator of operating effectiveness is "speed of service". This represents the time it takes to issue a license from the time work begins on an application. Two areas in this Service which have a significant impact on our economy are the Business and Industrial Radio Services. In both we have increased the speed of service; in the Business Service, from 53 to 35 days during 1972 and in the Industrial Services from 37 to 26 days for the same period.

In order to further improve our performance, we have recently introduced key-to-disc equipment to process Citizens Radio Service applications. This equipment will decrease our processing time in the Citizens Service, as well as in three other Safety & Special services.

We are also concentrating our efforts in the Common Carrier Bureau's Point-to-Point Microwave Services, where as a result of new rules governing specialized common carriers, applications received during 1972 jumped a phenomenal 58% as compared with 1971. Although we were able to dispose of 41% more applications during 1972, the backlog increased accordingly. The stronger economy during 1972 resulted in a 24% increase of applications in the Domestic Public Land Mobile Services. Again, although we disposed of more applications in 1972 than 1971, we have not been able to completely stem the rise of backlog.

Similarly, in the Broadcast Bureau's Assignment and Transfer Branch, good progress was made over the first six months of 1972 in reducing backlog, but the trend reversed itself in the second half of the year. Applications received from January through June averaged 68 per month, while those of July through December reached 100 per month. This increase has slowed down our efforts to reduce the backlog.

Broadcast renewal-applications backlog presents special problems. As I mentioned to you in our meeting a year ago, many of the applications we receive are becoming increasingly complex, requiring extensive financial, legal and engineering analysis; and the public is becoming more actively involved in Commission processes each year. In addition, this year the FCC has initiated in-depth EEO queries to several hundred renewal applicants which have greatly slowed processing time. If we were to compare 1972 with the last comparable renewal year, 1969, we would find that growth in broadcasting services resulted in approximately 400 new stations up for renewal in 1972. We project that we will receive 400 new applications each time the cycle repeats itself under the present 3 year cycle.

We are not satisfied with our current ability to meet future application processing challenges, and in order to make significant progress in backlog reduction, consistent with our limited resources, we are increasing our emphasis on the automation of licensing systems. Currently we process 55,000 applications using our computer, and we plan to expand this operation. I will briefly mention two projects currently underway.

The first is a Broadcast Bureau Interference Study which will allow us to keep up with the growth in Broadcast Service activity, as well as providing valuable aid to the engineering work necessary to approve Broadcast applications.

A second impact effort in the Common Carrier area is our automation of the Individually Licensed Mobile Phone Licenses. This system will provide license renewals for approximately 10,000 licensees this year.

These projects and similar requirements, and the results of the computer related studies which I have discussed, have prompted us to work toward a FY 1975 target for acquisition of a new computer. We feel that the new computer will be crucial to our ability to meet the growing application workload.

###

Positive

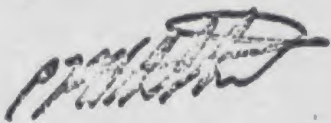
OFFICE OF TELECOMMUNICATIONS POLICY
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20504

ACTION

January 4, 1973

DIRECTOR

MEMORANDUM FOR THE PRESIDENT

FROM: CLAY T. WHITEHEAD 

SUBJECT: FCC Prime Time Rule

The FCC's prime time rule precludes TV stations from carrying network programs between 7:30-8:00 P.M. The rule was intended to break the networks' dominance of prime time entertainment programming and to give Hollywood producers an opportunity to reach directly the mass audiences that have been the exclusive province of the networks.

Contrary to the intent, the rule has hurt Hollywood and has enhanced the networks' economic power. The rule has hastened Hollywood's decline by reducing union employment and studio revenues. It has strengthened the networks by relieving them of three and a half hours each week of costly program production, but has not affected their revenues. They have simply raised their advertising rates to offset the reduced time available for sale.

Although the rule has been in effect only two years, the FCC is already considering its rescision. Hollywood is virtually unanimous for rescision of the rule. The networks have not taken such a uniform view. ABC has been consistent in favoring the rule, since it has benefited from it the most. NBC and CBS have cooled significantly in opposing the rule, privately preferring that it not be repealed by March 1, in time to affect the fall TV season. Still, many broadcasters, including NBC and CBS, would like to see the rule rescinded as a matter of principle.

Discussion:

Favoring repeal of the rule, it has: (1) hurt the Hollywood unions and production industry; (2) resulted in lower quality programs for the viewers; (3) failed to break the dominance of the networks over entertainment programming; and (4) intruded the FCC into station programming judgments.

Opposing considerations are that: (1) the general press and the public may view this as a pro-network step, indicating that the Administration is backing off from its concern with network power; and (2) with the prime time rule out of the way, it may be difficult to keep alive, in Hollywood and elsewhere, the deeper issue of network power and anticompetitive behavior.

Both opposing considerations could be overcome by having the FCC institute a further proceeding on network dominance at the same time it repeals the prime time rule. This could dovetail with the Justice Department's pending network antitrust suits, by proposing new regulation to deal with network power in an effective manner. Proposals to be considered could include mandatory access by non-network program suppliers to network interconnection facilities, non-exclusive affiliation agreements between networks and local TV stations, and an even stronger prime time rule.

The Hollywood unions and producers, together, care more about the repeal of this rule than about limitations on network reruns, although the unions alone probably feel more strongly about reruns. But neither the unions nor the producers support our underlying concerns about network power to mold opinion with their news and information programs. If we fail to convince the FCC to repeal the rule soon, we will lose a measure of credibility and support in Hollywood, and the networks will see it as the Administration's inability to deliver for Hollywood on this issue.

Recommendation:

On balance, I recommend that we actively urge the FCC to rescind the prime time rule, on the grounds that it has been ineffective in dealing with network power and has harmed the industry and public it was to have helped. But this should be done only if coupled with strong FCC action on the deeper problem of network power.

APPROVE/

DISAPPROVE _____

*Colson, Flanigan and Cole concur.

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

OFFICE OF THE DIRECTOR

July 14, 1971

Memorandum to Distribution

From: Linda Smith **LKS**

Re: CTW Trip to Europe

The following is put together as a list of talking topics. All points are meant as suggestions: no conclusions are final.

I would appreciate getting any comments you might have on this, so they can be added for discussion with Tom when he gets back.

Distribution: Linda
Tom ✓
George
Steve
Brian
Dick McCormick
Nino

Possible European Trip

A. Purpose - possible reasons to go and topics to discuss

1. Explain OTP Tat 6 policy to European countries and elaborate on any further developments.
2. Visit countries that did not sign the Intelsat agreement on August 20th to discuss their problems.
3. Explain and discuss U.S. activities at WARC.
4. Explore Aerosat policies and possibly pick up loose ends of the August 3 ministerial meeting in Spain.
5. Simply to meet European ministers, explain OTP to them.
6. Suggest international conference to discuss co-ordination of international communications as mentioned in cable/satellite policy statements.
7. Tour European communications facilities.
8. Meet members of European Space community (European Space Research Organization - ESRO).
9. Receive briefing on NATO/SAC/EUR, i.e. - on NATO and U.S. military communications in Europe from General Goodpaster.
10. Meet members of European TV industry, particularly when different from the ministers of communications.
11. Check in with Voice of America and Radio Free Europe.
12. An initiative with Iron Curtain countries
 - a. discuss with Eastern European countries and the USSR topics such as: the Hot Line, Intelsat/Inter-sputnik cooperation, Intelsat membership.
 - b. explore East-West trade, especially in relation to exchange of computers with USSR.
 - c. NOTE: the above would require White House support and coordination, as well as a highly visible Presidential charge to carry out these missions. The question of whether such support would be forthcoming has been raised. One tack such a charge could take is that the President is interested in the development of world communications and the U.S. role in that development over the next decade. This trip, limited at this time to Europe, would be to explore government and commercial communications.

B. Timing

The trip should take about 2 weeks, and should not start before the middle of September, to allow adequate time for things to crank up again after summer vacation. Probably the best time would be the end of October.

C. Countries to be Visited

The following countries have been suggested, of course dependent on the purpose of the trip. A stay of 2 days in each country to be visited seem to be the concensus.

England
Germany
France
Italy
Spain
Sweden
Denmark
Netherlands
Turkey
Iraq
Yugoslavia
Rumania
Czechoslovakia
USSR

D. Planning Needs

1. Discuss with Department of State which countries, which ministers and at what levels it would be best to visit -- but only after the purpose and timing of the trip are set.
2. Co-ordination with White House on scope, purpose, visibility of trip, and the question of clearing this through to Kissinger has been raised. Ed David, and White House press should be consulted, also Cap Weinstein at OMB.
3. Request State Dep't. "assistance", plus embassy assistance and accompaniment on all official visits; this is standard protocol.
4. Talk with Philip Tresize (Ass't. Sec. of State for Economic Affairs); Samuel de Palma (Ass't. Sec. of State for International Organizations Affairs); Martin Hillenbrand (Ass't. Sec. of State for European Affairs). There may also be people at DOD.
5. Briefings from: State Dept. and Director of the Office of East-West Trade, and Tom Nelson, Director of the Office of Telecommunications, plus country officers of all countries to be visited.

Other Possibilities:

1. Solo tour
2. CTW tours as head of joint group, composed of a representative from State, Commerce, etc.

Pros and Cons

Pro

1. Exposure of OTP and CTW to European governments and industry
2. Tie up WARC ends
3. Aerosat follow-up
4. Give USSR chance to talk re Intelsat membership as State is recalcitrant
5. Addition to international industry structure study

Con

1. Re-open State Dep't. wounds and exacerbate tensions with them
2. Create confusion in Europe about who makes communications decisions for the U.S., and who they should deal with on what basis
3. Aggravate DOD, State and maybe CIA by opening question of trade and technological development in Eastern Europe and USSR
4. Lining up trip with current U.S. policy toward Iron Curtain countries
5. Is this worth putting OTP prestige on the line to obtain necessary White House support?
6. Congressional disapproval as "junketing"
7. Need to be here for Congressional hearings
8. Work to be done in OTP and domestically
9. No really solid reason for trip

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

August 5, 1971

MEMORANDUM FOR MR. WHITEHEAD

FROM: Steve Doyle *SED*

SUBJECT: Proposed European Trip

You asked me to summarize those things which needed to be done in the near future in preparing for your proposed trip to Europe.

Check with Flanigan's Office

I believe you wanted to notify Flanigan that you are planning to talk to Kissinger's and Peterson's offices about this trip.

Check Kissinger's Office on Visit to USSR

You said you wanted to discuss the possibility of a Moscow-East European wing on this trip with Sonnenfeldt. Attached is a brief list of talking points to consider with someone in Peterson's office which may also be useful in your discussion with Sonnenfeldt.

Check with Shakespeare on USIA -- VOA -- RFE

You wanted to tell Frank you are making this trip and offer any assistance, service, or help he may require or request.

Check with Peterson's Office

You wanted to discuss with Peterson the potential value of a tour to explore opening markets and stimulating trade. You mentioned also collaborating with Commerce on their interest in such an effort (Tom Coreless will call you soon for a luncheon date).

Check with Washburn-Scranton for Brainstorming Session

Ab Washburn will be in August ⁴~~10~~ to explore his possible role and he will find out what Scranton's availability will be for a near future meeting between you and Scranton in Washington.

Check with Ed David

The technology export constraints problem should be explored with OST.

TALKING POINTS FOR DISCUSSION WITH PETERSON'S OFFICE

1. Expect to make tour of several European (possible including East European) countries in the fall. Will be discussing operational international communications policy problems and prospects.
2. Potential market for U.S. sale of electronics and communications equipment in Europe not being very aggressively developed. White House interest and impetus, possibly with Commerce Department, would help this situation.
3. Some exploration of development in multi-nation corporation field could be conducted with U.S. industrialists abroad and host government and local foreign industrial officials (this information to supplement Williams Commission Report).
4. CTP has solicited views of electronics and communications hardware manufacturers who are unanimous in urging reduction in U.S. government constraints on foreign trade in their fields. We need to explore validity of anticipated market claims through sources other than U.S. manufacturers and trade associations.
5. East Europeans and Soviets consistently seeking computer technology from all available sources and we are apparently foregoing significant sales opportunities in the interest of national security when comparable capabilities to those we are withholding are being purchased from our Allies. These sales apparently frequently mean our technology being sold to the exclusive benefit of third parties.

Wednesday 7/14/71

TRIP
Oct. 4-15

6:30 Steve had suggested I go ahead and set aside two weeks in October for your trip to Europe.

O.K. for October 4
and October 11

*Go
check
those
tentative
things
out.*

June July

Proposed Schedule for Briefings and European Trips

This memorandum will serve as a record of planning and steps taken to date concerning CTW's European trips. It will be followed at appropriate intervals by updated reports.

We have formally requested from CIA a comprehensive background briefing in connection with the proposed trip to several European countries. The following is a proposed briefing schedule involving several State Department offices in the next several weeks to provide background in preparation for the trips.

Early May -- CIA Briefing

Mid-May -- Briefing by French country officer, Department of State

Late May -- East-West Trade briefing

DOD Briefing on NATO communication programs and French interests and role.

End of May -- Completion of text for Paris talk. (Interagency coordination?)

June 9 -- Speech in Paris

Mid-June -- Briefing by Swiss country officer, Department of State

End of June -- Completion of text for presentation to ITU Plenary at WARC. (Interagency coordination?)

July 10-13 -- Geneva for WARC participation and meetings with foreign principals participating in the WARC

July 14 -- Speech at ABA meeting in London

July 15-16 -- Geneva for conclusion of the WARC

Late July -- Two country briefings by State

Initiate State Department request for appointments
in cities to be visited through embassies

Early August -- Two country briefings by State

Late August -- Two country briefings by State

(Foregoing six countries will include: U.K.,
Italy, Spain, Scandinavian Group, Germany,
and Benelux Group.)

Early September -- ACDA Briefing on status of arms matters
(including hotline)

National Security Council briefing on
European interests and activities

Mid-September -- Initiate trip to London, Paris, Rome, Bonn,
Stockholm, Brussels, Madrid

Wednesday 8/4/71

MEETING

9/8/71

3:00

3:00 We have scheduled another meeting to discuss your European trip at 3:00 on September 8th.

cc: Mr. Doyle

European trip

Wednesday 7/28/71

MEETING

8/3/71

10:00

4:30

We have scheduled the meeting to discuss your European trip on Tuesday (8/3) at 10:00. The following people will attend:

Dr. Mansur

Mr. Doyle

Mr. Lamb

Mr. Scalia

Mr. McCormack (if here)

Mrs. Smith