

OFFICE OF TELECOMMUNICATIONS POLICY
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20504
June 27, 1975

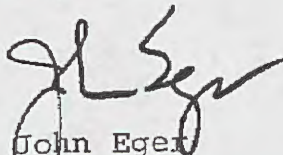
DEPUTY DIRECTOR

MEMORANDUM FOR THE VICE PRESIDENT

SUBJECT: Telephone Espionage

In view of the revelations concerning telephone espionage contained in your report on the CIA, I have recommended to the President that an appropriate policy response is necessary (copy attached).

In view of the complexity and sensitivity of this matter, I recommend that there be effective liason between us on this matter. Mr. Charles Joyce, Assistant Director for Government Communications or I will be available to you or your staff to discuss this matter more fully.



John Eger
Acting Director

Attachment

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

June 30, 1975

DEPUTY DIRECTOR

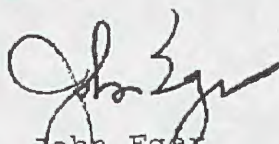
MEMORANDUM FOR THE PRESIDENT

SUBJECT: Telephone Espionage

The Rockefeller Report on the CIA has drawn attention to the capabilities of foreign powers to monitor U.S. domestic telecommunications traffic, both governmental and private. The potential for such monitoring raises concerns related not only to our national security, but also to the privacy and confidentiality of personal affairs and business dealings, and the effective functioning of our economy. Given the recent publicity, a forthright, deliberate and fully considered governmental policy response to this threat is essential.

The issues are complex and far reaching, involving technical, operational and economic factors interrelated with both domestic and foreign policy considerations. Choices are going to have to be made about what type of communications traffic requires protection, and what protection technologies should be employed. Efforts to maximize protection could have very significant impacts on the planning of large segments of the domestic telecommunications industry. For example, choices of emphasis between using "scrambling" technology versus use of underground cable or waveguide facilities will have important impact on industry structure, radio spectrum use, and on the cost of present as well as new domestic services. Decisions could also take on political significance because of the high visibility of the competitive situation involving AT&T and its microwave and satellite competitors, as well as the government's current anti-trust suit against AT&T.

This Office is charged with formulating Executive Branch telecommunications policies and standards, including considerations of privacy and national security. It is my recommendation that we be designated to work with the National Security Council and the Domestic Council Committee on the Right of Privacy to develop appropriate policy options for dealing with the telephone interception threat.



John Eger
Acting Director