

telephone companies. The Canadian portion will be lease operation from Canadian companies. The switches are entering operation on an incremental basis with 42 in operation at this time. The total 74 are scheduled for completion in 1972.

The DCA and Canadian forces headquarters have negotiated an agreement defining the implementation, operation, and management procedures for the introduction of the nine Canadian switches (Canadian switched network) into the CONUS AUTOVON system. This agreement provides for the cost sharing of facilities under existing continental air defense integrated network (CADIN) agreements. The agreements also detail cost sharing of backbone and trunking costs. The agreement was executed by the Canadian forces headquarters representative on April 21 and the Director, DCA, on May 2, 1968.

Mr. ROBACK. What is the role of the companies in that agreement? They have to agree also, don't they?

General KLOCKO. No. The companies work directly with the Canadians and the Canadians work with their companies the same as we do with ours, so the agreement was between the Canadian forces and DCA, both representing their respective Governments.

Mr. ROBACK. If you arrive at an agreement with the Canadian Government on cost sharing, that automatically becomes accepted by the companies, because they have to work out certain cost-sharing arrangements too, don't they?

General KLOCKO. That's right. The Canadians pay for their portion of the network in Canada, which is used internally in Canada. There are some other arrangements which have been made for the portion of the system which is used in the air defense role.

Mr. ROBACK. Does that have a separate billing system? A separate cost allocation?

General KLOCKO. There is a separate system of costing it.

In other words, on those particular communications, the United States pays two-thirds of the cost for our air defense, and the Canadians pay one-third, but the billing is—

Mr. ROBACK. Does this go back to the SAGE and—

General KLOCKO. Yes, sir.

Mr. ROBACK. Was that the way it was before?

General KLOCKO. Yes. It is an integrated communications system in support of Norad—North American defense.

Then there is a balancing of the books between the Canadians and Americans once a month, I believe.

Mr. ROBACK. Do they have transfers of payments?

General KLOCKO. Yes, sir. That is done through DECCO, Defense Commercial Communications Office, Scott Air Force Base.

The overseas portion will be Government-owned and operated. The initially approved program called for 22 switches. However, relocation from France and other considerations has necessitated restudy to relocate these switches. Proposed relocation of one has been temporarily deferred by the Secretary of Defense and proposed siting for a second is awaiting his decision. Tentative locations for two others have been selected and responsible commands in the selected areas are collecting supporting data. Plans for these locations will be developed shortly. The fifth will be installed in the DCA system engineering facility soon to be activated.