

Station equipment * * * may be furnished by the customer when required for reasons of military necessity * * * or when the Telegraph Company is unable to provide requisite or suitable equipment within a reasonable time.

Mr. ROBACK. What was the issue there? Restate it in a little more pointed form. I'm not too clear from this what the issue was.

General KLOCKO. Western Union viewed the AUTODIN system as a complete and separate communications system. You will recall that this was inherited, the AUTODIN system was inherited and had been developed for logistics purposes, originally. The Air Force Logistics Command started COMLOGNET which was to be a switched data system for use between the various depots. It went through a process of change and eventually was taken over by DOD to serve all DOD agencies, not just one portion of the Air Force.

The original contracts the Air Force made with Western Union were for, in effect, a complete system that passed information from a terminal through a switched network to a terminal on the other end, whether the terminal be teletype or computer or whatever. When the Department of Defense came into the picture and took it over as a defensewide program or system, there were variations in this basic pattern and there were different types of terminal equipments, low speed, high speed, different formats, some using paper tape, some using magnetic tape, all types of inputs and outputs.

Western Union was not prepared to supply the variety of equipments that were needed for this system. However, they did for a while allow the Department of Defense to procure either Government equipment or equipment from other companies, and put these equipments into the system, even though this was not necessarily in strict accord with the original tariffs.

At some point in time, they apparently made a company decision, in which they said we will have to stop this, let's get back into the original basis on which we started, and try to make the Department of Defense come completely through Western Union to get all equipment.

That was the reason for these discussions. So they finally—there was finally an agreement reached, where it was decided that they, the company, Western Union, would supply most of the equipment unless there was a military necessity requirement or they simply said we can't supply you the equipment at the proper time and place.

The situation still is not settled, as you will see later on in the statement. We are still in the process of negotiating. I will cover this in the next paragraph.

In the summer of 1967, DECCO was receiving increasing requests for lease of Univac and IBM equipments for connection to AUTODIN by leased Western Union circuits. In September 1967 Western Union advised DECCO they could provide such equipment within a reasonable time at a price 3 to 4 percent above the price for direct Government lease. They also declined to interconnect Government-leased equipment direct to the AUTODIN switches. The initial question was whether or not lower cost constituted military necessity. Larger questions of procurement, policy, network integrity, and so forth, were then interjected. The problem was examined by OASD (I. & L.). A task group was formed to clarify the relationship between DOD and Western Union pertaining to AUTODIN.