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APPENDIXES APPENDIX 1.—DEPARTMENT OF DEFENSE CORRESPONDENCE

THE SECRETARY OF DEFENSE, Washington, February 13, 1967.

Chairman, Subcommittee on Military Operations, Committee on Government Hon. CHET HOLIFIELD, Operations, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: With your letter of October 27, 1966, you transmitted, for my consideration, a copy of House Report No. 2318 entitled "Government Use of Satellite Communications," prepared by the Military Operations Sub-committee under your direction. This report has been carefully studied by my staff and by other appropriate elements of the Department of Defense. I am attaching comments pertaining to those recommendations of the subcommittee in

this report which affect activities of the DOD.

With particular reference to the second pargaraph of your letter, we have carefully studied the question of assignment to conventional carriers of the Defense Communications Agency's contract with the Communications Satellite Corp. for 30 cricuits in the Pacific. This was delineated in your Recommendation No. 6 and further proposed in your letter on the basis of across-the-board rate reductions which would effect net savings to the Department. The Department of Defense intends to assign this contract to one or more of the international record carriers shortly after the initiation of service through the Communication Satallite Communication Satallite Communication of Satallite Communication of Satallite Communication of Satallite Communications and Satallite Communication of Satallite Communications and Satallite Communications of Satallite Communications and Satallite S tion Satellite Corp. This was stated by the Federal Communications Commission in their Public Notice No. 95477 of February 2, 1967.

You, your subcommittee, and your staff are to be complimented on the compre-

hensive and objective assessment of this complex subject.

Sincerely,

ROBERT S. MCNAMARA.

COMMENTS PERTAINING TO THE COMMITTEE RECOMMENDATIONS OF HOUSE REPORT No. 2318, "GOVERNMENT USE OF SATELLITE COMMUNICATIONS"

The following comments are referenced to the committee recommendations of H.R. 2318. Each recommendation of H.R. 2318 requiring comment is extracted and stated before each comment for ready reference.

NO. 1, INITIAL SYSTEM READINESS

"To serve urgent communications needs to South Vietnam and other points in the Far East, the Department of Defense should take all possible steps to bring to a state of operational readiness its initial military system for satellite communications. The most immediate, pressing problem is to correct the deficiencies in transportable ground stations and to place operable terminals at required overseas points. The committee endorses the recent action taken by the Army during our hearings to give top priority to critical components for these terminals."

The Department is fully aware of the need for additional communications Comment support to Southeast Asia and of establishing increased satellite communications to that area as rapidly as possible. As noted by the committee, the Army has actions underway to correct deficiencies in the deployed ground terminals; these actions are being monitored and supported by DCA and D.D.R. & E. and are resulting in a consistent increase in terminal reliability as experience is gained in actual field operation. The Department will continue to move toward providing