

32. Finally, Comsat expresses concern that there is no statement in the application regarding the possible use of Time Assignment Speech interpolation (TASI) equipment or similar equipment on the TAT-5 cable. Comsat requests that we act to preclude the use of such equipment unless authorized by us. We have included such provisions in previous authorizations and will do so herein. If and when any application is filed for authority to use such equipment, Comsat will have an opportunity to make its views known and we will take such action as the public interest requires, including the imposition of such conditions as are then appropriate if such authority is in fact granted.

ALLOCATION OF CIRCUITS AMONG U.S. CARRIERS

33. The applications disclose that the U.S. carriers are in agreement with respect to the number of circuits to be acquired by each carrier in the TAT-5 and the MAT-1 cable system for service between the United States, on the one hand, and Italy, Spain, and Portugal, on the other hand. The circuits each carrier is to acquire in the cable systems for these purposes are listed in categories I, II, and III of appendix B. It further appears that the parties have agreed that the European parties will obtain circuits as specified in appendix B (see categories IV, V IX, XI, and XII) for service between (1) Portugal and Italy, (2) Spain and Italy, (3) Spain and points beyond Portugal, (4) Spain and points beyond the United States, (5) Italy and points beyond the United States, and (6) Italy and points beyond Portugal or Spain. The U.S. carriers and the European partners have also agreed on the total number of circuits (categories VI, VII, and VIII) to be assigned to the U.S. carriers jointly for services between (1) the United States and points beyond Portugal, (2) the United States and points beyond Spain (except via Italy), and (3) the United States and points beyond Italy. The total number of transatlantic circuits assigned to these services, respectively, are 185, 69, and 149, with matching extensions beyond Spain to Portugal and to Italy. The applications also set forth that, without prejudice of the rights of ITTWC, RCAC, and WUI to maintain that the number of circuits in categories VI, VII, and VIII remaining for allocation among them is not sufficient, the allocation of such circuits to A.T. & T. will be as follows: (1) 149 circuits in category VI, leaving 36 for the record carriers, (2) 58 in category VII, leaving 11 for the record carriers, and (3) 76 in category VIII, leaving 73 for the record carriers. On this basis, the total number of United States-Spain circuits remaining for allocation among the record carriers would be 120.

34. In their supplemental filings, each of the record carriers indicates that this number of circuits will be insufficient to meet their needs. It is pointed out that we previously provided that the telegraph carriers should be able to acquire 50 percent of the circuits in the TAT-4 cable, that existing transatlantic cables are already saturated, in less than 4 years after TAT-4 was allocated, and that record carriers now find it necessary to lease from A.T. & T. at tariff charges to meet capacity needs. RCAC makes the only suggestion for a specific number of circuits to be allocated jointly to the telegraph carriers, namely 132. RCAC also points out that if 132, rather than 120, circuits are allocated to the telegraph carriers A.T. & T. would still receive 67 percent of circuits in categories VI, VII, and VIII.

35. It is clear that, despite apparent agreement on the allocation of circuits beyond the European terminal points of the system, A.T. & T. and the record carriers have in fact not reached a meeting of the minds. The record carriers desire circuits in addition to the 120 specified in the application. Furthermore, as set forth below, the record carriers have not agreed among themselves as to how circuits assigned to them for traffic beyond the European terminals in categories VI, VII, and VIII should be divided.

36. We note that in their responses to the Commission's letter of October 4, 1967, the record carriers indicated that the circuits then in use by them (for service to Europe, Africa, and the Middle East) were, respectively, RCAC, 57 (46 percent); ITTWC (excluding radio circuits), 38 (31 percent); and WUI, 28 (23 percent). These responses further show that, based on revenues, RCAC has 43 percent of the record carriers' total to Europe, Africa, and the Middle East; ITTWC has 27 percent; and WUI has 30 percent. In its filings, RCAC asks the Commission to resolve the allocation question by taking into account the carriers' present relative use or share of business, and the effect of the planned rate reductions for service, which it claims indicates that its share of such rate reductions will be 44 percent of the total for the record carriers. RCAC also claims to have unique requirements for transfer of substantial