

services from high frequency radio to TAT-5/MAT-1 circuits. RCAC further suggests that, if the Commission decides to allocate 132 circuits to the record carriers, but not now allocate all 132 among such carriers, a minimum of 112 should be allocated, with 48 (43 percent) to RCAC and the remaining 64 between ITTWC⁵ and WUI, with 20 circuits being reserved for allocation on the basis of subsequent needs.

37. ITTWC states that requirements for each of the carriers must be estimated on the basis of future growth trends, which are changing. It suggests, however, that, assuming an allocation of 120 circuits in these categories to the record carriers, the Commission allocate 30 circuits to each carrier, with the remaining 30 circuits, or such higher number as the Commission may allocate to the record carriers, to be owned jointly by the record carriers and subsequently assigned to each carrier on an "as needed" basis.

38. WUI states that its present share of the total transatlantic revenues of the three record carriers is already 33 percent, and is on a definite upward trend. On the basis of certain message and telex statistics, which it cites, WUI asserts that it is now the leading carrier of transatlantic record traffic to Europe, and that it has higher growth trends and greater requirements in the Atlantic basin than either of its two competitors (RCAC and ITTWC). WUI proposed that, assuming 120 circuits are allocated to the record carriers for the categories VI, VII, and VIII, it would agree, in a spirit of cooperation, to a minimum of 40 of the 120 circuits as its share, subject to the conditions that (1) the Commission retain jurisdiction to allocate additional circuits to WUI as future circumstances may warrant, and (2) each of the other two international record carriers agrees to accept no more than 40 circuits.

39. We are, therefore, confronted with two problems: (a) The manner in which available circuits in categories VI, VII, and VIII should be divided between A.T. & T. and the record carriers as a group, and (b) the manner in which circuits available to the record carriers should be divided among them. However, we recognize that attempts now to allocate discrete numbers of circuits among the several carriers for service with particular points can vary from those actually required at the time service is instituted, in view of inherent uncertainties in forecasting. In view of this, we believe that we should hold a limited number of circuits in reserve as between A.T. & T. and the record carriers, on the one hand, and as among the record carriers, on the other, to be assigned in the future on the basis of their proven need.

40. As to the first allocation, A.T. & T. appears to concede that at least 120 circuits should be made available to the record carriers, while only RCAC, of the record carriers, quantifies their requirements, suggesting 132 circuits. We think it best, therefore, to reserve 12 circuits sought by A.T. & T. for service beyond Spain, Italy, and Portugal until negotiations by applicants with their foreign correspondents beyond those nations have further progressed, and we are in a better position to evaluate needs. With this reservation, we shall assign to A.T. & T. 142 circuits in category VI, 56 circuits in category VII, and 73 circuits in category VIII.

41. We have carefully reviewed all of the foregoing contentions of the record carriers concerning relative circuit use and future requirements. We believe that, to the extent practicable, we should give some recognition to all the factors the carriers ask us to consider. We particularly note that RCAC apparently has in use the largest number of circuits and derives more revenues from the areas involved than the other two carriers. We also note that while ITTWC has in use a larger number of circuits than WUI (38 versus 28 as discussed above), WUI, on the other hand, has a greater share of the revenue than ITTWC (30 percent versus 27 percent). Taking all the foregoing factors into consideration, we believe we should initially allocate circuits in the three categories involved to the record carriers so as to recognize RCAC's larger current share but to make due allowance for the faster growth rate of WUI. On balance it also appears that WUI and ITTWC should have the same percentages at present. All of these factors lead us to conclude that of the circuits to be allocated now to the record carriers, the percentages should be approximately 38 percent to RCAC and 31 percent each to ITTWC and WUI.

42. We turn now to the question of the number of circuits to be allocated now and the number to be held in reserve for future allocation. On the one hand, a sufficient number must be allocated now to allow meaningful use by the many

⁵ And its subsidiary, Press Wireless, Inc.