

And, of course, it is not adequate to only compare satellites and cables as point-to-point carriers—a kind of communications distribution system which the satellite has rendered nearly obsolete. For it is now possible to communicate with any point on earth without the added cost of expensive land line interconnection of trans-ocean cable terminal and ultimate inland destination. The remotest point on earth, once equipped with an earth receiving station, can be reached as cheaply as a major urban center. As population, trade, and communication needs shift, the satellite merely redirects its beam—the cable owner must be another multimillion-dollar cable. It is almost impossible to compare the costs of a point-to-point system with a system that covers the earth. It is certainly unfair to make economic judgments about the communications satellite as a system for moving information between two fixed points. But the economics of satellite communications are such that even when they are used to provide this uneconomic point-to-point service they are still cheaper than cables.

This is one instance in which consistency is a very expensive hobgoblin. I regret the Commission's insistence on holding to its February invitation.

CONCURRING STATEMENT OF COMMISSIONER KENNETH A. COX

1. I concur in the findings and conclusions reached by the Commission in its memorandum opinion and authorization herein and believe that, with the terms and conditions specified, a grant of the TAT-5 application is completely justified. It appears to me, however, that certain statements in Commissioner Johnson's dissent should not go unchallenged. In addition, the Communications Satellite Corp. (Comsat) in its statement of April 22, 1966, raised certain questions regarding Commissioner Loevinger's and my statement of February 16 which merit consideration.

2. I must confess that I am at something of a loss to understand the thrust of Commissioner Johnson's dissent. He states that the Commission has now simply abandoned its earlier effort to provide economic justification for its action. However, as even a cursory reading of the Commission's earlier letter to A.T. & T. and the record carriers, released on February 16, 1968, will indicate, there was never any statement, or even intimation, that its position was based primarily upon the economic advantages of the proposed TAT-5 cable. Instead, as set forth in that letter, pointed out in my concurring statement and reiterated again in the memorandum opinion and order adopted on May 22, the Commission's conclusions were based on numerous considerations, including the availability of facilities when needed; enhanced ability to satisfy national defense and security requirements; potential benefits of diversity; assurances of prompt and substantial rate reductions by both U.S. carriers and all their foreign counterparts who will make use of the cable; foreign policy requirements; and the desirability of additional nonsatellite facilities which could be used in connection with satellite facilities to reach distant areas not accessible by means of a single satellite in synchronous orbit. Nor should the Commission's statement that it did not feel it necessary to make definitive findings on the relative economic merits of TAT-5 and present satellites, those being constructed or those under consideration for the future, be taken to mean, as Commissioner Johnson intimates, that we ignored the economic and cost data submitted to us. In a situation where the considerations outlined above were controlling, we believe it is sufficient that the data before us indicated that the TAT-5 cable would provide facilities considerably more economical than those now available via satellite or those to be provided by the next generation of satellites which it is expected will be launched sometime in the latter part of this year. In this connection, it is pertinent to note that Comsat, in its lengthy statement on the TAT-5 applications, did not challenge this conclusion in my previous concurring statement but alleged only that the figures I cited were based on dissimilar data (see pars. 6-10 below for a further discussion of this matter).

3. It is undoubtedly true that satellite facilities which are expected to be available later in the 1970's will, in fact, be more economical than TAT-5. However, I believe that a regulatory agency has a basic obligation to authorize facilities to provide efficient economical service when needed, and to meet the other objectives which the Commission outlined and which are set forth herein above. TAT-3, which became operational in 1963, provided facilities at about one-third the cost of TAT-2 which had been opened for service a scant 5 years earlier. Similarly Intelsat III will provide facilities at a very considerable