

With respect to the Philippine circuits, we are aware of the letter dated October 3, 1967, from the Philippines Communications Satellite Corp. (Philcomsat) to Comsat regarding the proposed apportionment of 10 DCA circuits between Hawaii and the Philippines, in which the former states that " * * * we have decided to maintain the current working relationships between Comsat and Philcomsat and at the same time not to disturb the original agreement in handling of the above mentioned 10 DCA circuits." It would appear that the Philcomsat advice is predicated on a misunderstanding of the short term nature of Comsat's authority to provide the 10 circuits in question, an authority which is to be terminated at the earliest practicable date. Accordingly, it is assumed that Comsat is taking prompt action to clarify the matter with Philcomsat, so that it will be in a position to assign these circuits as contemplated by the Commission's order. We would appreciate receiving copies of all relevant exchanges between Comsat and Philcomsat, so that we may be in a position to assist in a resolution of the matter.

May we have your response by next Wednesday, October 18, which, among other things, should advise us of the steps you are taking to effectuate an immediate transfer of the Thailand and Japan circuits, as well as to correct the misunderstanding on the part of Philcomsat as to the interim nature of your authority.

Sincerely yours,

BERNARD STRASSBURG,
Chief, Common Carrier Bureau.

DEFENSE COMMUNICATIONS AGENCY,
October 17, 1967.

MR. BERNARD STRASSBURG,
Chief, Common Carrier Bureau,
Federal Communications Commission,
Washington, D.C.

DEAR MR. STRASSBURG: I am in receipt of your letter of October 13, 1967, enclosing a copy of your letter of Dr. Charyk, president of Comsat, with respect to effectuating the transfer of the 30 Pacific Satellite circuits from Comsat to the international carriers.

As you were advised in our letter of May 8, 1967, we attempt to apportion circuits to insure the maximum possible equity to all authorized carriers, and also, as I believe you know, to assign to a single carrier responsibility for the technical sufficiency of the entire circuit. Accordingly, our letter of September 12, 1967, from the contracting officer advised Comsat to follow these policies. However, we have been informed by Comsat of their inability to comply with the directed assignment of the 10 circuits to the Philippines because of the position taken by Philcomsat on October 3, 1967, that they had "decided to maintain the current working relationships between Comsat and Philcomsat."

It is still our intent to make equitable assignments of the 30 circuits between the carriers and to assign to one carrier responsibility for end-to-end technical sufficiency for each circuit. This won't be possible without clarification of the situation in the Philippines. Therefore, I am instructing the DCA contracting officer to make no assignments for the time being.

I would appreciate any information you may have on this matter as a result of your correspondence with Comsat and others. Should you desire, we are available for discussion, particularly if you feel it is necessary that you must take any additional action.

Sincerely,

RICHARD P. KLOCKO,
Major General, U.S. Air Force,
Deputy Director.