

COMMUNICATIONS SATELLITE CORP.,  
Washington, D.C.

OCTOBER 17, 1967.

(Attention: Mr. Lewis C. Meyer, Director of Procurement and Contracting).

DEAR MR. MEYER: Reference is made to your letter of October 4, 1967, to the DCA contracting officer in the matter of allocating the 10 satellite circuits between Hawaii and the Philippines under CMSA-6N6ND-60000.

In the light of your letter, this is to advise you not to effect any assignment of any of the 30 satellite circuits until such time as the matter in the Philippines is resolved.

We would appreciate being kept advised as to the future course of events.

Sincerely,

JOHN F. RAWLINGS,  
First Lieutenant, U.S. Air Force,  
DCA Contracting Officer.

MEMORANDUM TO ASHER ENDE, DEPUTY CHIEF,  
COMMON CARRIER BUREAU, FCC,  
October 18, 1967.

DEAR ASHER: In accordance with your telephone request, the attached paper explains the portions of General Klocko's letter which you questioned.

WALTER H. MORSE,  
Counsel.

Enclosure.

It is DOD policy not to have more than one carrier responsible for the operation of a circuit. The basis for this policy is that if there is more than one carrier involved in the operation of a circuit and an outage occurs, it has been the experience of the DOD that attempts to pinpoint the responsibility for the outage results in each carrier blaming the other. Accordingly, in order to avoid this situation, one carrier is made totally responsible for the circuit and separate CSA's are not issued for any segments that may exist in the circuit.

The effect of this policy in the present situation can be seen in the following possibilities that might occur. If Philcomsat stands firm on its position that it wishes Comsat alone to provide satellite circuits to the Philippines and the FCC stands firm on its position that Comsat will not be authorized to provide the service directly to DCA, this will necessitate fragmenting the circuits if DCA wishes the service. That is, since Comsat will not be able to provide the uplink to the satellite it will be necessary for assignments to be made to the international carriers for this link. With respect to the downlink, since the international carriers will not have authority into the Philippines for satellite circuits, it will be necessary to make a separate assignment for the downlink to Philcomsat. If this is done, it will be contra to the existing DOD policy which calls for end-to-end technical sufficiency to be in one carrier since two rather than one CSA will exist for the circuits.

If the 10 circuits to the Philippines were to be fragmented, DCA might then be under pressure from all the international carriers, except RCAC, to also fragment the uplink on the 10 circuits to Thailand and Japan. It will be these carriers' position, and logically so, that if DCA can live with fragmented circuits to the Philippines it should also live with fragmented circuits into Thailand and Japan in order to achieve a more equitable distribution of all of the 30 circuits.

Additionally, if it were decided to make the temporary authority of Comsat for the 10 satellite circuits to the Philippines permanent it would, of course, again disrupt the equitable distribution of the circuits to the international carriers. In fact, it would result in WUI receiving "0" number of circuits since KDD will not permit WUI into Japan and RCAC will have the 10 circuits into Thailand.

Because of the above, it naturally follows that clarification of the situation in the Philippines must precede any equitable assignment of the 30 circuits.