

COMMUNICATIONS SATELLITE CORP.,  
Washington, D.C., October 18, 1967.

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

DEAR MR. STRASSBURG: Reference is made to your letter of October 11 relative to the matter of the 10 satellite circuits between Hawaii and Thailand, the 10 satellite circuits between Hawaii and Japan, and the 10 satellite circuits between Hawaii and the Philippines, which service is being provided to the Defense Communications Agency (DCA).

Your letter indicates that the Commission is unaware of any reasons why the assignment of the Thailand and Japan circuits should not be effectuated forthwith. Such assignment clearly requires the acquiescence of the Defense Communications Agency. As you know, we have prepared all of the documents related to the assignment but have looked to appropriate instruction in this connection from the DCA. We are informed by message dated October 17 from John F. Rawlings, DCA contracting officer, that no transfers are to be effected until the matter with respect to the Philippine circuits is resolved. Accordingly, we are unable to take the actions with respect to the Thailand and Japan circuits which you suggest.

In connection with the Philippine circuits, I do not believe that the Philcomsat advice is predicated on a misunderstanding of the Commission's memorandum opinion, order, and certificate released February 9, 1967 (file No. T-C-2014 et al.). On the contrary, I believe Philcomsat is completely familiar with the nature of the present authority. In any event, the matter potentially raises questions which may involve relationships between the Governments of the Philippines and the United States. Accordingly, we have felt that it would be inappropriate for Comsat to seek directly to alter the decision by Philcomsat without first receiving appropriate guidance from the Department of State. We are informed by the Department that in the light of potential international implications, we should refrain from any direct contacts with Philcomsat in this connection until the Department has had an opportunity to fully review the matter. We will inform you promptly of any advice we receive in this respect. In the meantime, we will not plan to make any direct contact with Philcomsat in this matter.

If the actions proposed above do not meet with your complete concurrence, please advise us as soon as possible.

Sincerely,

JOSEPH V. CHARYK.

DEFENSE COMMUNICATIONS AGENCY,  
DEFENSE COMMERCIAL COMMUNICATIONS OFFICE,  
Scott Air Force Base, Ill., April 30, 1968.

COMMUNICATIONS SATELLITE CORP.,  
Washington, D.C.  
(Attention: Mr. Lewis C. Meyer).

DEAR MR. MEYER: This is in reference to your letter of April 25, 1968.

The original signed copy of the novation agreement, dated April 25, 1968, has been executed on behalf of the Government and is forwarded to your office for appropriate distribution.

If you have any questions regarding the above, please contact Capt. John F. Rawlings at AL 6-2378, area code 618.

Sincerely,

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

This novation agreement made and entered into this 25th day of April 1968, by and among the United States of America, acting through the Defense Communications Agency of the Department of Defense (hereinafter referred to as "DCA"); the Communications Satellite Corp., a corporation duly organized and existing under the laws of the District of Columbia (hereinafter referred to as the "assignor") and the following U.S. international carriers (hereinafter collectively called the "assignees"): Hawaiian Telephone Co. (also herein referred