

COMSAT HISTORY PROJECT

Interview with Abbott Washburn

Interview conducted by Nina Gilden Seavey

Interview with  
Abbott Washburn  
4622 Broad Branch Road, N.W.  
Washington, D. C.  
September 19, 1985  
10:35 a.m.

Nina Gilden: What I'd like to do briefly is to just get a brief outline of your tenure as it relates to COMSAT.

Abbott Washburn: Well, I was interested in COMSAT from the very beginning and actually bought some stock for our daughter when the corporation was formed. But I didn't actually get involved in a work situation until the negotiations of the definitive arrangements for INTELSAT.

I had worked in the Eisenhower Administration and had come to know the Vice President quite well, at that time, because he was very interested in international communications activities and I was Deputy Director of the U.S. Information Agency, during most of the Eisenhower period. So, when Mr. Nixon was elected President--and I had worked on his campaign--I was called to the White House in January, early January '69--and asked by Mr. Robert Ellsworth, who was an assistant to the President particularly in the area of economic matters, Bob Ellsworth asked me if I would go to the upcoming INTELSAT plenipotentiary meeting and act as an observer there for the White House. Leonard Marks had been appointed by [President]

Lyndon Johnson as the Chairman of the U. S. Delegation to that negotiating conference, which was about to convene at the State Department. Leonard, who was an old friend, had the idea that those negotiations could be completed in one plenipotentiary meeting. Well, as it turned out, that was, to say the least, an optimistic appraisal.

NG: Somewhat.

AW: Actually, it took us 27 months to reach an agreement on definitive arrangements for INTELSAT. After observing that first planning potentiary [meeting], the White House asked me if I would try to find somebody to replace Leonard Marks since they wanted their own Chairman of that delegation.<sup>1/</sup> I suggested Bill Scranton, former Governor of Pennsylvania. Bob Ellsworth said, "Well, the President has asked Scranton to serve as Secretary of State and he has declined, so it's not likely that he would undertake this assignment." I said, "Well, I know Bill and I think he might undertake this where he wouldn't undertake the larger assignment, and there is no harm in asking him." So Ellsworth called him and he didn't get a

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<sup>1/</sup> delete: of that delegation

definite "no" and he called me and he said, "Will you work on Bill and maybe we can persuade him to do it?" Well, we sent Scranton a lot of materials and whetted his interest, and he had some interest in radio stations in this country and was interested in communications, so he ended up doing it.<sup>2/</sup> He said, when questioned why he would turn down the Secretary of State appointment and still become Chairman of the U.S. Delegation to the INTELSAT negotiations, he said that he wanted to have his name associated with this organization because he thought that way off into the next century it was going to be serving billions of people all over the world and he wanted to be associated with that kind of a venture.

NG: Now, why is it that you wouldn't have been asked initially to lead the delegation after Leonard Marks?

AW: Well, I think they felt they had to have some national name or somebody of considerable prestige, and I had suggested that we try Bill. He did say, however, that he would serve for

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<sup>2/</sup> change to: Well, we sent Scranton a lot of materials and whetted his interest; he had some investments in broadcasting stations and was interested in communications, so he ended up doing it.

only one year.

NG: Right.

AW: Indeed, he would serve only until the end of that year, 1969. And the President said, "Well you fellows can...." I became his [Scranton's] deputy then in this venture. The President said, "Well you fellows can certainly wind it up by then." Well, he was also overly optimistic.<sup>3/</sup>

NG: Famous last words.

AW: Yeah. But Governor Scranton did serve as the Chairman of our delegation until December of '69, at which time the President appointed me to succeed him as Chairman of the delegation. And shortly thereafter the Conference elected me as overall Chairman of the negotiations. So I was wearing two hats during that final year and a third. We were finally

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<sup>3/</sup> change to: When he said he would serve only until the end of that year, 1969, the President said, "Well, you fellows can...."(I had been named his [Scranton's] deputy.) The President said, "Well, you fellows can certainly wind it up by then." We was also overly optimistic.

successful...well we had a major breakthrough in May, I believe it was of '70, 1970, when the Japanese and Australian delegations put together a package of solutions to a number of our problems.<sup>4/</sup> This package was adopted by the Conference, but there were a number of areas that were still in doubt and in debate. It took until May of '71, to resolve those and this came about in what was called the "mini-package," that was offered in the Spring of '71.

NG: Well, let's go back then, before we get into this resolution to the problems to some of the development of the problems and let's go back to your first recollections of... well, the first plenipotentiary meeting where you were an observer. How is it that you saw the nascent operation in it's working form? What were the initial offerings of the various parties, i.e., the Third World, the Americans, and the Europeans at the time? Where did they sit juxtaposed one to each other at the very beginning?

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<sup>4/</sup> change to: We were finally successful....we had a major breakthrough in May, 1970, when the Japanese and Australian delegations put together a package of solutions to a number of our problems.

AW: Well, the central element in the negotiation was the transition of an organization that had been in existence for about six years. The central issue, the central theme of the negotiations, was whether and how this organization would be internationalized because it had been for six years very much a creature of the United States and it had been run by COMSAT which was a private organization--is a private organization--but franchised by the United States Congress to go out and build a world-wide commercial global<sup>5/</sup> satellite system. It started with initially eleven countries and I think actually the founding members were up to around 18 or 19 countries. These were mostly the industrialized countries with United States leadership, United States technology, and the initial steps were taken with Early Bird launched in '65. But in the interim agreements--the interim satellite agreements--under which the organization started, one of the provisions was that after five years a negotiating conference would be called of all the members of INTELSAT at that time to try to write ground rules, definitive arrangements, permanent arrangements for the organization. By that time there were some 69 members and, of course, they were more interested in

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5/ delete: global

having it then become an international organization rather than a U.S. dominated one. And so the key issue was, to what extent would the United States agree to this and how would it be done? That, I think, is one of the reasons it took so long; and we did resolve it under the democratic procedure of the negotiations.

NG: Well, inasmuch as the United States position changed from the beginning of the negotiations to their formal acceptance of the final definitive arrangements, what do you think were the key issues that the U.S. finally had to compromise on? What were the major concessions that the United States ended up having to make?

AW: Well, one of the questions was, what would be the role of the key U.S. entity in this effort--namely COMSAT--which, from the beginning, had been the U.S. signatory to the special agreement, the interim agreement, and the manager of the system.<sup>6/</sup> Of course, the other countries wanted the

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<sup>6/</sup> change to: One of the questions was, what would be the role of the key U.S. entity in this effort--namely COMSAT--which, from the beginning, had been the U.S. signatory to the interim agreement, and the manager of the system.



organization to be internationalized.<sup>7/</sup> That question on the COMSAT matter was resolved by the provision of the definitive agreements which said that COMSAT would continue to manage and run the organization except for financial and some administrative matters which would be given to the Executive Organ of the new permanent organization of INTELSAT. COMSAT would continue under a contract during those six years.<sup>8/</sup> And the nature of that contract had to be spelled out in the operating agreement. You know there are two agreements?

NG: Right.

AW: The intergovernmental agreement and the operating agreement.<sup>9/</sup> At the end of that six year period, the executive organ and the secretariat of the new INTELSAT organization would take over responsibility for operating the system which COMSAT had been doing, would have been doing

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7/ delete: Of course, the other countries wanted the organization to be internationalized.

8/ change "those six years" to "the next six years"

9/ change to: The intergovernmental agreement signed by the governments, and the operating agreement signed by the signatories, i.e. the operating telecommunication entities.

during those six years, but there was a provision that the new organization would, at that time, contract out to the maximum extent practicable, these operating duties.<sup>10/</sup> So that COMSAT would continue to have a role for quite a long time to come, and this was a hard thing to get agreement on.

NG: You mean a hard thing to get agreement within the United States delegation or within the international community?

AW: Yes, yes.<sup>11/</sup> And the other side as well, wanted the executive organ to get control faster and, there was a question of how large that executive organ would be.<sup>12/</sup> That's rather

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<sup>10/</sup> change to: At the end of that six year period, the Executive Organ (the secretariat of the new INTELSAT organization), would take over responsibility for operating the system which COMSAT had been doing, but there was a provision that the new organization would, at that time, contract out to COMSAT "to the maximum extent practicable," these operating duties.

<sup>11/</sup> change to: The latter.

<sup>12/</sup> change to: The other delegations wanted the executive organ to take control faster, and there was also a question of how large that executive organ should be.

a typical example of how you could sit down for days and even weeks on what was going to be in these ground rules.<sup>13/</sup>

Another question was regionalization, because certain countries wanted the opportunity at least, down the road, to set up regional systems that would serve their particular areas. Back then it was Europe that particularly wanted not to be excluded from the possibility of having a satellite that would serve Europe separate from the global system. And so we had to have the ground rules for that: number one, would it be permitted? The United States came into the agreements not wanting anything but a single system. So we eventually had to compromise and agree to regional systems, and then the question was: how would they be handled? And the famous Article XIV (d), which is very much in the limelight now because of the issue of separate private systems, which the FCC has just approved.<sup>14/</sup> Under Article XIV (d), The new...any regional system...any countries wanting to mount a regional system had

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13/ change to: So you could sit down for days and even weeks arguing on what was going to be in some of these ground rules.

14/ change to: This was resolved in the famous Article XIV (d), which is very much in the limelight now because of the issue of separate private systems, which the FCC has just approved.

to bring it's technical characteristics before the Board of Governors and the Board of Governors would give a recommendation to the Assembly of Parties as to whether the regional system would be of significant economic harm to INTELSAT or not or whether it would be compatible technically with the INTELSAT system.<sup>15/</sup> Then we argued a long time over whether there would be sanctions of some sort if Article XIV (d) were ignored, or the findings of the Assembly of Parties under Article XIV (d) were ignored.<sup>16/</sup> And it was finally agreed that the findings would be recommendatory and not mandatory. That's a very key point right now.

NG: Now it is, yes.

AW: Because when the separate systems that have been

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<sup>15/</sup> change to: Under Article XIV (d) any country or countries wanting to mount a regional system must bring its technical characteristics before the Board of Governors, and the Board of Governors is charged with giving a recommendation to the Assembly of Parties as to whether the proposed regional system would be "of significant economic harm" to INTELSAT and whether it would be compatible technically with the INTELSAT system.

<sup>16/</sup> change to: We debated a long time over whether there should be sanctions of some sort if Article XIV (d) were ignored, or if the findings of the Assemble of Parties under XIV (d) were ignored.

approved<sup>17/</sup> by the FCC go through the Article XIV (d) procedure, and if they are found to be of significant economic harm to INTELSAT, and, in other words, turned down by the organization which now numbers 110 countries, then the United States can go ahead, because there are no sanctions. The United States would not be thrown out of INTELSAT for example, if it does that.

NG: That's right.

AW: So, it could<sup>18/</sup> go ahead, but if it does so, it will be in effect thumbing its nose at all the other countries of the world practically who do not want to see INTELSAT weakened or even worse, its original use for enormous usefulness destroyed.<sup>19/</sup> But that whole question of regional systems took a lot of time--weeks and weeks of negotiation actually--over those 27 months. Well, there were lots of other

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17/ change "have been approved" to "have just been approved"

18/ change "could" to "can"

19/ change: "its original use for enormous usefulness destroyed" to "its original purpose and enormous usefulness destroyed"

things but those are two things.<sup>20/</sup>

NG: Sure. Well, what about your role as the U.S. negotiator? What at the time was your relationship with COMSAT, for example? How did you work with COMSAT as a private entity for which you negotiated--well, you negotiated essentially for them--and on the behalf of the United States when the United States position wasn't necessarily unified with COMSAT, State Department, FCC position? How did that work itself out?

AW: We had representatives of COMSAT on our U.S. delegation to the negotiating conference. We had representatives of the FCC. We had representatives of the State Department. We were meeting constantly together in delegation meetings, and the different members of the delegation were on various subcommittees that were drafting articles with the other countries represented. Now, if we couldn't reach agreement in our own delegation and we had some long hours of discussion where we didn't agree on things, we would finally work out a

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<sup>20/</sup> delete: Well, there were lots of other things but those are two things.

position.<sup>21/</sup> I was very<sup>22/</sup> much impressed by the give and take that took place within our own delegation.

NG: Was there a lot of dispute over key issues?

AW: We were able to resolve almost everything amongst ourselves. General McCormick was the Chairman of COMSAT at that time, but the key representative of COMSAT throughout these negotiations was John Johnson.

NG: Right.

AW: John Johnson was a very hard and firm negotiator on behalf of COMSAT. He always had all the cards on the table and he would fight hard and then if he lost a particular point, then that was behind us and we went onto the next thing.<sup>23/</sup> I

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<sup>21/</sup> change to: Now, if we had a tough question and the delegation was having trouble reaching an agreement, and we had long hours of discussion where we didn't agree on things, we usually would finally work out a unified position.

<sup>22/</sup> delete: very

<sup>23/</sup> change to: He always had all the cards on the table. He would fight hard and if he lost a particular point, then that was behind us and we would go on to the next thing.

appreciated very much working with him throughout that. We had others from COMSAT; one in this picture [shows a delegation photo] is now the Director General of INTELSAT, Mr. [Richard] Colino. And COMSAT lawyer, John [sic, Bill English]--oh, what the heck's his name? I haven't got the list of these people.

NG: Maybe I can help you identify them, where is he?  
Sometimes I can recognize these people.

AW: He was a lawyer for COMSAT, he is now in private business.

NG: I don't recognize him.

AW: This is Lucius Battle.

NG: Right. He was Vice President.<sup>24/</sup>

AW: Who was Vice President.<sup>25/</sup>

NG: Obviously, Joe Charyk played a role in that to some

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24/ change to: He was a Vice President of COMSAT.

25/ delete: Who was Vice President.



extent.

AW: He was always very much there in the background and once in a while he would come to the sessions, but these were his people on the delegation. I don't see Mr. [Asher] Ende there from the FCC, he was our chief FCC [spokesperson].

NG: Right, I was just with him just about an hour ago, discussing this.

AW: He and Bob Greenberg, this gentleman [pointing]...and this is Stephen Doyle who is very active today in the space part and has worked with us in the Office of Telecommunications Policy.<sup>26/</sup> At this point he is the Secretary of our delegation, he was at the State Department, Steve Doyle.<sup>27/</sup> But a simple answer is that we were pretty much able to resolve everything. If we could not, we would go up and talk to

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<sup>26/</sup> change to: He and Bob Greenberg, also of the FCC, this gentleman [pointing]...and this is Stephen Doyle, who is very active today in the space communications business; he later worked with us in the White House Office of Telecommunications Policy.

<sup>27/</sup> change to: During the negotiations, Steve Doyle served as the Secretary of our delegation; he was at the State Department.

Ambassador U. Alexis Johnson, who was the Under Secretary of State for Political Affairs, and we'd sit down with Alex, and failing that, on one occasion we had to go to the White House.

NG: And can you give me that occasion?

AW: The Office of Telecommunications Policy at that time was getting underway under Clay Tom Whitehead. It [OTP] reported directly to the President. He was a colleague of Bob Ellsworth over there and was our channel to the President on this negotiation. So on one occasion we had to go over and sit down with Whitehead and get a matter resolved. Now, I'll have to check my records to see what that was but it....

NG: But it was obviously fairly important to the delegation to go....

AW: It was something that we couldn't resolve amongst ourselves or with Ambassador Johnson up on the eighth floor of the State Department.

NG: Now COMSAT comes into this negotiation obviously, not

wanting to change much. They had control of the system. They had a majority share of the system. They were managing the system. What do you think made COMSAT come around to a more negotiated settlement; a more compromised position from what they'd originally intended to come out of the definitive arrangements with?

AW: Well, I think they had a very progressive management, forward-looking management, and they recognized that this organization had to evolve. At that point, it was comprised of 69 member nations when we started the negotiations, and when we ended there were 79, and [the number was] growing rapidly because more and more countries were putting in earth stations and joining the team, so to speak. They could see this continuing, as of course, it did and to the point today where it's 110 countries. Quite a number of other countries are using it like the Soviet Union, without being members.<sup>28/</sup> So they [COMSAT] recognized that this was inevitable and it was a question of how it was going to be done and whether it would be a viable outcome for both COMSAT and INTELSAT. And that's what

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<sup>28/</sup> change to: In addition, a number of other countries are using the system like the Soviet Union, without being members.

happened. I don't think we made too many mistakes. It's worked remarkably well, and nobody has come up asking for any amendments to the agreements. We apparently foresaw just about everything.

NG: Well, what about the resolution of...the Third World countries came into the negotiations with not as much an economic state, but yet a desire to voice more power in the policy-making and procurements--specifically--decisions of INTELSAT. How do you feel that they compromised? What was the compromise that they made?

AW: Well, they ended up with representation on the Board--a rather complicated procedure for Board members to represent different countries. They felt that, through that arrangement, they had a voice in the day-to-day decisions, because the Board meets about every six weeks. Then their telecommunications entities would come to the Meeting of Signatories every year and, of course, every other year they would be [present] at the Assembly of Parties. This was an element in the long discussions that took place regarding the organizational structure of INTELSAT. Was it going to be a two-tier thing, or

a three-tier, four-tier and then what was each of those bodies going to do and what were their powers going to be? I think that the Third World countries felt, at the end, that they were pretty well represented in the ultimate four-tier arrangement.

NG: Which countries did you have the most problems with?

AW: France seemed to be<sup>29/</sup> the most difficult throughout. I don't know why. When it was all over, they never objected to the point of saying they wouldn't ultimately sign. I'm not saying that we didn't work well with them, we did; but it seemed that when there were points of conflict that they were very vocal.<sup>30/</sup> But we were able to work out everything.

NG: Well they had that separate system notion, initially. Then wanting to have the Francophone satellite, that would connect them with Quebec, is my understanding. They had this idea of a "French speaking satellite" in some way.

AW: That's right, that's called "Symphony." But the main

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29/ add: among

30/ change "very vocal" to "always very vocal"

thrust for regional systems came from a thing<sup>31/</sup> called the European Space Conference. The European Space Conference idea was to have satellites for different purposes: earth resources emergency, searching, and various things; and one of those birds was to be a communications satellite. So they wanted that and this agreement enabled them to do that at some point down the line.<sup>32/</sup> Well eventually they did, but it took quite a few years. But to go back to COMSAT again, they had at that time (they, meaning the United States) had I think it was over 50% of the ownership and usage of the system.<sup>33/</sup> Usage and ownership are related, so COMSAT had control really of the organization. So there was a lot of discussion about, "How is this going to work, how is the United States vote or any other large country's vote going to be handled in the weighted decision-making on the Board Governors?" It was determined that no one could vote more than 40% of the total ownership, regardless of what [ownership] they had; and that any amendment

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31/ change "thing" to "body"

32/ change to: So they wanted this agreement to enable them to do that at some point down the line.

33/ change to: But to go back to COMSAT again, they had at that time, speaking for the U.S., over 50% of the ownership and usage of the system.

to the system would require a very substantial number of countries, regardless of the weighted vote. Something like 80% of the countries would be required to vote for an amendment. So you can see how COMSAT compromised there, from an entity that was really controlling the system....

NG: It had absolute veto power.

AW: Veto power was the point. It had veto power. Now they recognized also that while the U.S. usage was going to continue to grow, and did continue to grow, that it wasn't going to grow as fast as the other countries.<sup>34/</sup>

NG: As it has not.

AW: So, therefore, their percent was going to gradually reduce, in any case. That was in their minds as part of the compromises which they reached.

NG: In this, a number of people have made the statement or the

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<sup>34/</sup> change "the other countries" to "the total of the other countries"

observation that here COMSAT--or here the United States as a matter of fact--builds an organization in 1964, gives the technology to the world essentially, develops the technology, acts as the manager for the technical system, and then we give the governing authority over to this new body, this INTELSAT, in 1971. Do you think the United States gave away their technology?

AW: Well, the big fight in the Senate leading up to the Act of 1962, squarely faced that problem, because John Kennedy, who was the instigator of the bill which resulted in the Act of 1962--the Communications Satellite Act of '62--and the manager of which was Senator Pastore on the Senate side, and Congressman Warren Harris on the House side....the essence of the Kennedy concept was that we should share this technology with the rest of the world.<sup>35/</sup>

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<sup>35/</sup> change to: The big fight in the U.S. Senate leading up to the Act of 1962, squarely faced that problem, because President John F. Kennedy was the instigator of the legislation which resulted in the Communications Satellite Act of '62--the manager of which was Senator John Pastore on the Senate side, and Congressman Oren Harris on the House side....the essence of the Kennedy concept was that we should share this technology with the rest of the world.



NG: Exactly.

AW: The fight in the Senate was over this [concept]. There was a long filibuster all that Summer by several Senators on that very point said,<sup>36/</sup> "We've developed it, why don't we do it like a TVA and lease the circuits out to the rest of the world;" you might say,<sup>37/</sup> "Hold it to our chest." Bob Kennedy's [then Attorney General] thought was otherwise, that this was something that should be put at the service of the world and that all countries, great and small, should participate in it, and that was what prevailed.<sup>38/</sup> So that decision really came in the whole creation of the idea by the Administration at that time and by the Congress.<sup>39/</sup>

NG: So what you're saying is that you think then that the

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36/ change "on that very point said" to "who emphasized"

37/ change "you might say" to "we should, they argued"

38/ change to: But Kennedy's thought was otherwise, that this was something that should be put at the service of the world, that all countries, great and small, should participate in it. That was what prevailed.

39/ change to: So it was the Administration at that time and the Congress who were responsible for the creation of this far-reaching Act.

definitive arrangements were sort of a natural outgrowth of the decision not to engage in bilateral agreements or to lease out or to put up our own systems and then just lease circuits to other countries.

AW: Exactly. I think in the agreements we found an equitable way to do that, so that all countries participated.

NG: Let's talk about the resolution. You mentioned U. Alexis Johnson and he's come up in a number of interviews and I interviewed him myself, as a very key player but a player who was very much in the background who was called in not just when the United States delegation had some dissention in its own ranks, but that also when we were having problems with other countries and he would meet informally, you know in a back room somewhere and work out some of the people's disagreements. Can you describe for me some of that back room work? What were the countries that needed some extra modification on the part of the U.S., at a very high level, and what might have been taking place in some of those discussions? You would have been privy to them I'm sure.

AW: I don't remember Alex talking to other countries specifically about particular issues in our negotiations. He was, as you say, always there. He kept close tabs on what we were doing and we went up and kept him abreast of what we were doing. He also had some very able people in the [State] Department working on this: Frank Loy in the beginning, Assistant Secretary for Transportation and Communications, and then Loy was succeeded in that by Bertram Rein. Bert Rein was the spokesman for the Department of State for our delegation at the end of our<sup>40/</sup> negotiations. He [Rein] of course, he and Loy would keep Alex advised of what was going on. But, I'd have to dig into my records to answer your question as to whether Alex went particularly, to say, the Ambassador of Great Britain or the Ambassador of France at any point to get them to be "more sensible." But he could answer that better than I.

NG: Well, you know he had some recollections. He did know that he had done that and that he had engaged in those informal kinds of communications.

AW: I think it was practically all informal.

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40/ change "our" to "the"

NG: It was informal. And that's why it's a little bit hard to document because it's not a part of the record. So what I'm trying to do a little bit is to get whatever vague recollections that people have about those instances.

AW: When we got the agreement, in May of '71, one of the provisions called for "the opening for signature." On August 20 of that year, and we had quite a gathering at the Department of State for that, with some 54 countries represented I believe, and a luncheon.<sup>41/</sup> The Secretary of State spoke to the whole group, and then Alex Johnson hosted the luncheon for everyone. I had persuaded Arthur C. Clark to come for this, and he spoke at the luncheon, and he was marvelous. Bill Anders, who had been on the Apollo VIII mission spoke, and Joe Charyk spoke, and Harold White of Australia also spoke. That whole exercise was put up in a little State Department pamphlet.<sup>42/</sup> Mrs. Eisenhower came because President Eisenhower had been the first voice heard from satellite to

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<sup>41/</sup> change to: On August 20 of that year, we had quite a gathering at the Department of State for that purpose, with some 54 countries represented, and a luncheon.

<sup>42/</sup> change to: That whole exercise was published in a little State Department pamphlet.

earth. He had been a great supporter and a prophet of what came to pass: commercial communications via satellite. He spoke about this back in 1959. So she came, here's a picture of her with Mrs. Rogers; Bill Rogers was Secretary of State then.

NG: He attended too, didn't he?

AW: He made the speech in the morning session.

NG: Okay. I remembered his participation in some way.

AW: She [Mrs. Rogers] came to that gathering of countries.<sup>43/</sup> His [Secretary Rogers'] talk is here. I have the draft that he spoke from, which I saved. This gentleman here [pointing to a picture] is Ambassador Sevilla-Sacasa, who was the Dean of the Diplomatic Corps, the Ambassador of Nicaragua, who'd been around here forever. He did not leave that post until the revolution in Nicaragua.

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<sup>43/</sup> change to: Mrs. Rogers and Mamie Eisenhower came to that gathering of countries.

NG: He looks very diplomatic to me.

AW: He [Secretary of State Rogers] has his own notes...<sup>44/</sup>

NG: His own notes in there.<sup>45/</sup>

AW: Bill Rogers emendations there.<sup>46/</sup>

NG: Oh, that's interesting.

AW: I thought I might give that<sup>47/</sup> at some point to the INTELSAT archives.

NG: Oh, I would think so. I think that would be a real asset to them. Let's talk a little bit about this meeting then, because this was sort of the coalescence of several years of work. One are the things that U. Alexis Johnson mentions, and

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44/ delete: He [Secretary of State Rogers] has his own notes...

45/ delete: His own notes in there.

46/ change to: Here are Bill Rogers' emendations in his handwriting.

47/ change "that" to "the draft"

I wondered if you had any insight into, was there seemed to be some hesitancy--or he mentioned some hesitancy--on the part of COMSAT, who [was] obviously as the U. S. participant, to sign the agreement. That it wasn't clear until the very end. It's written in his book, Right Hand of Power, that it wasn't very clear that COMSAT would sign; that Joe Charyk hadn't necessarily been authorized by the Board until the eleventh hour to sign the agreement. Did you make any note of that? Did you know anything about that?

AW: No, I don't recall that there was any question after the May 20th resolution of all the remaining issues, that COMSAT might not sign it. Of course, they would sign only the operating agreement.

NG: Exactly. Right.

AW: There may have been some delay by the COMSAT Board in approving the operating agreement or something, but I don't think that there was ever any real question about that.

NG: Was there any change, at least in your awareness, from the

time that General Jim McCormick left--actually somewhat quickly--and the time that Joe McConnell came on? Was there a change in COMSAT's input into the U.S. Delegation during that period?

AW: Well, I think that Jim McCormick was more unhappy with what was going on than the others. At least he spoke more strongly to me during the course of this than any one else. He seemed to feel it more deeply as though this was some kind of a personal defeat for him; at least that's the way I interpreted it. Of course, he never said anything like that.

NG: When you say "a defeat," what do you mean?

AW: Well, that COMSAT--under his leadership--COMSAT was somehow losing it's right arm or something. And I don't think that while John Johnson fought very hard for COMSAT's position, that he thought we were moving to some end that was going to be impossible for COMSAT.<sup>48/</sup> I think that he saw that this was

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<sup>48/</sup> change to: John Johnson, on the other hand, fought very hard for COMSAT's position, but never implied that we were moving to some end that was going to be impossible for COMSAT.



a natural evolution. But you'd have to talk to Johnny about that....

NG: Well, I will be talking to him. He's one person on my list....

AW: ....what Jim McCormick's feelings were then because of course, he saw it from a different perspective than I did. But I have that feeling that Jim felt strongly about this being some kind of a loss for COMSAT.<sup>49/</sup>

NG: And you didn't feel that way about Joe McConnell?

AW: I never really had too much contact with Joe McConnell. I did talk to him and he also kept abreast of what we were doing; but he never expressed that kind of a feeling about what was going on.

NG: Now there was, after the ultimate resolution of the agreement to all the negotiating points came, there was a time

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<sup>49/</sup> change to: Jim McCormick's feelings then were different from my perspective. Jim seemed to feel strongly about this being some kind of an unfortunate loss for COMSAT.

[task] because obviously those people have other priorities.

AW: That's exactly right.

NG: And makes it much more difficult.

AW: I have a letter from Alexander Haig here [AW pulls out a letter], congratulating us on getting the final....<sup>53/</sup>

NG: Coming over the top?

AW: Getting over the top, yeah. I don't know what I did with it, well.<sup>54/</sup>

NG: Now once you had the 54 countries, what happens to your participation? Oh, here it is [the Haig letter]. You went over the top.<sup>55/</sup>

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<sup>53/</sup> change to: I have a letter from Alexander Haig here, who was deputy to Kissinger then, [AW pulls out a letter], congratulating us on getting the final....

<sup>54/</sup> delete: I don't know what I did with it, well.

<sup>55/</sup> change to: What happened to your participation, then?

AW: Is that what he said? That's what I said.<sup>56/</sup>

NG: That's what you said, uh hum. Great.<sup>57/</sup>

AW: That's from me to him. But of course, he did answer it.<sup>58/</sup> What happened to me, then? Well, then I was through as far as this whole exercise was concerned.

NG: That's what I wondered. I wondered where....

AW: I was dealing with other problems in the Office of Telecommunications Policy, and then in 1974 I went over to the FCC and spent eight years as a Commissioner.

NG: Well let's talk, because I wanted to move a little bit more into that, after we'd completed our talk about the INTELSAT Agreements. During the time that you sat on the Commission, COMSAT was going through a very different kind of

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56/ delete: Is that what he said? That's what I said.

57/ delete: That's what you said, uh hum. Great.

58/ delete: That's from me to him. But of course, he did answer it.

growth. The jurisdictional areas were fairly well set, definitive arrangements had been obviously negotiated by you, and they were going through a period of great diversification.

AW: A period of what?

NG: A period of diversification.

AW: Right.

NG: ....of the Environet concept, of SBS, CML, of COMSAT General, INMARSAT, MARISAT, DBS--a variety of different kinds of moves that were not necessarily international in nature, obviously except maybe for INMARSAT. What was your perception over the eight years that you spent on the Commission of COMSAT's moves into these areas? Did you think that....let's just start with that. Let's start with the more nebulous question.

AW: Well, I followed all that closely and did what I could to assist the overall development of satellite communications from a regulatory standpoint, trying to move things along and make

these things happen. I was appointed the so-called "space commissioner." Dean Burch had originated this idea that there would a commissioner who would follow the satellite matters.<sup>59/</sup> Since I had done the INTELSAT stint, Dick Wiley, [who] was then the [FCC] Chairman said that, "Well, you'd better be the space commissioner." I said, "Well, what do I do?"<sup>60/</sup>

NG: What does a space commissioner do?

AW: It was a very kind of nebulous kind of job description, but that was the net of it. I did follow it closely.<sup>61/</sup>

NG: Well, would you have considered yourself an ally of COMSAT's development at that point?

AW: Well, in a regulatory posture, you have to represent the

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59/ change to: Dean Burch, when he was Chairman, had originated this idea that there would be a commissioner who would follow satellite matters.

60/ delete: I said, "Well, what do I do?"

61/ change to: It was a nebulous kind of job description, but that was the net of it. I did follow the subject and the issues closely.

public, and the users, and the operators, and everybody. So you try to look at the thing from the overall standpoint. But, it seemed to me that most of the time they [COMSAT] were doing important new developments in this area.<sup>62/</sup>

NG: A number of the efforts were not successful or were only marginally successful. Do you think that the FCC had any involvement in either the success or the marginal success or failure of some of these moves to diversify?

AW: Well, I can't think of any obstacles of great importance that the FCC put in the way of the Corporation. There always [are] accusations of delay. Shakespeare talked about the "law's delay." Regulators don't always move as fast as the requesters would like. But when you sit there and you see the enormous amount of material that you have to deal with in that agency--and of course the whole area of communications was just exploding during those years with all the new technology--I thought the Commission handled most of these requests and

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<sup>62/</sup> change to: But, it seemed to me that most of the time they [COMSAT] were advancing important new developments in the satellite area.

assignments pretty effectively.<sup>63/</sup> At least, as far as I was concerned, I was anxious to get rapid action that would permit the development by COMSAT into these different areas.<sup>64/</sup> But that was the attitude I had toward all corporate activities involving the agency. It wasn't simply that I was in love with satellites--though I was--but I think there were other elements that came to bear in this equation.

I left the Commission in '82 and I spent the following year getting ready for the RARC '83, which was the [ITU's] Regional Administrative Radio Conference on Direct Satellite Broadcasting for the Western Hemisphere. We had some eight applications, among them, one from COMSAT for direct satellite broadcast ventures and that was of course the STC, Satellite

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63/ change to: But when you sit there and see the enormous amount of material that must be dealt with in that agency--and of course the whole field of communications was just exploding during those years with all the new technology--I thought the Commission handled most of these requests and assignments pretty effectively.

64/ change to: At least, as far as I was concerned, I was anxious to get rapid action that would permit COMSAT's further development.

Television Corporation.<sup>65/</sup> This was again, that was my other big conference in satellite activities.<sup>66/</sup> This was again a big tough job to get ready for--although fortunately it wasn't the whole world--it was only some 24 countries in the Western hemisphere involved. But it took a lot of effort and a big delegation, and five weeks in Geneva, and we finally worked out a plan for the whole hemisphere with orbital slots and frequencies; which was agreed to. We never could have done it without computers. If we did, it would have taken months if we hadn't had computers. Now there is no STC activity; in fact, there is no<sup>67/</sup> DBS activity at all at this point. But at such a time as there is, the regulatory ground rules, and that was an ITU conference, have been set.<sup>68/</sup>

NG: Yeah, it will definitely be back.

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<sup>65/</sup> change to: We had at the FCC eight applications, among them one from COMSAT, for direct satellite broadcast ventures; that one was of course the STC, Satellite Television Corporation.

<sup>66/</sup> change to: This was my other important conference in satellite activities.

<sup>67/</sup> change "no" to "little"

<sup>68/</sup> change to: But at such a time as there is, the regulatory ground rules have been set.



AW: But I don't--it wasn't a regulatory matter that resulted in DBS being put on the back burner at this point. I think only one of those eight applicants is [still] actively pursuing it.<sup>69/</sup>

NG: So what you're saying is that, it is not just COMSAT that has moved away from that idea at least temporarily?

AW: It's surprising also because there was so much enthusiasm generated about this.<sup>70/</sup>

NG: Sure.

AW: A lot of money was spent, not alone by COMSAT but by others, to get ready for it. This shows what kind of an economy we have, where people [are] willing to take risks like that. But apparently they had misjudged the market.

NG: I think COMSAT had this idea that they would have all these people with all these dishes on their roofs, and they

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<sup>69/</sup> add: Stanley Hubbard's company is the only one.

<sup>70/</sup> change to: Right. It's surprising, also, because there was so much earlier enthusiasm generated about this new proposed service.

would ultimately come down to where you'd have your attache case receiver, that--not just the technology--but as you say, the market, hadn't been necessarily scoped out quite as thoroughly as it might have been and has forced them to delay some of those moves.

AW: The basic<sup>71/</sup> core beginning market was to be the rural area, because in a lot of rural spots there is no television at all, or if there is, it's one channel, and maybe that's got "snow" in it. Those people would want to use direct satellite facilities. But that alone apparently wouldn't do it; you'd have to have metropolitan area participation, and there is so much other television in the metropolitan areas.

NG: Well, with cable and other satellite operations that are already active, it makes it very difficult--as well as

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71/ delete: basic

obviously [with] broadcasting, the networking broadcasting and independent broadcasting as well. Well COMSAT is moving into a new era and I know that you had mentioned to me that you've been somewhat involved in it, is this idea now of separate systems, and that the challenge to COMSAT's monopoly--or INTELSAT's monopoly--over the international system is right now at the very forefront. How do you perceive that COMSAT is going to fare in this whole operation?

AW: First of all, you shouldn't call it a monopoly. Because INTELSAT and COMSAT have had strong competition from the beginning from submarine cables.

NG: Ok.

AW: And the new submarine cables--TAT VIII and they're also talking another one beyond that, TAT IX--will be fiber optics. They will be able to carry television broadband, so that you'll have an even greater competition, in the future. As a matter of fact, I think that INTELSAT and COMSAT are going to find the fiber optic cable challenge, in the end, will be greater than the separate system challenge.

NG: Why do you think that?

AW: Well, for one thing, the fiber optic cables--and there are some private ones also that have been authorized--Teloptic is one--are not subject to any regulatory restrictions. The separate systems that have been approved by the FCC cannot connect with the public-switched message networks. They, in other words, they are private networks.<sup>72/</sup> They are forbidden to interconnect with your regular local phone and international phone service. That will limit the separate systems to networks which they will sell and customize for a given organization: say like Citibank, Eastman Kodak, whatnot. Whereas the underseas fiber optic cable operator can tap right into the switched-traffic network, offer it's customers--which are the same customers, Citibank and Eastman Kodak and anybody else--a private, customized arrangement which will be able to interconnect with all the other phone services and data services of the common carriers.

NG: So you're saying that's more advantageous for them?

AW: Well, if you were a separate system operator, you wouldn't

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<sup>72/</sup> change to: They, in other words, are strictly private networks.

want to compete with that when you couldn't offer the same service. Now, if they [the separate systems operators] get going, they're<sup>73/</sup> going to come back to the Commission and ask for relief and the only reason the Commission put that restriction in is because the Executive Branch wanted it, [The Departments of] State and Commerce wanted it because they felt that INTELSAT was important from a foreign relations and national defense standpoint. They didn't want INTELSAT hurt. I characterize that restriction as a safety net that was not much better than what did I call it?--cheesecloth.<sup>74/</sup>

NG: You mean it's all going to come through anyway?

AW: It's impossible to monitor, for one thing, to know whether they're interconnecting with the public system; especially with digital. All or most of the countries involved with INTELSAT, the little and the big ones, have said they don't how they

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73/ add: inevitably

74/ change to: But I have characterized that restriction as a safety net that is not much better than one made of cheesecloth.

would enforce it.<sup>75/</sup> And separately, I think that<sup>76/</sup> our government will be under great pressure by these firms if they spend the money to mount satellites and then they turn out not to be economically feasible. They're going to come back to the U.S. government and say, "You authorized these things, we went ahead in good faith, and now we can't make a living out of them. You've got to take these restrictions off, it's unfair; you didn't put any restrictions on the fiber optic cables." That will go back and forth, and the U.S. government will finally cave in on it; as they did domestically. You remember MCI was supposed to be<sup>77/</sup> only a private line thing.

NG: These things sort of pick up their own momentum in a way. Once they're started, it's very hard to keep them back.

AW: Yes, the talk within the Administration now is, "Well, it's their own risk. They go in there, if they fold up, they

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75/ change to: All or most of the countries which are members of INTELSAT, the little and the big ones, have said they don't know how they would enforce it.

76/ change "And separately, I think that" to "Unquestionably"

77/ add: at first

fold up." But that's not what happens in the final analysis, that's not what happened to MCI and I doubt that's it's going to happen to these separate systems, once they've put up satellites which cost many millions of dollars and then they find that they've got an excess capacity. But we're getting into another story. The FCC has approved so much over-capacity....I have some charts which show they've approved eight-to-one capacity supply over demand.

NG: If that's true, that bodes very ill for COMSAT.

AW: At eight to one, it's simply not a viable competitive market situation; when you've got that kind of over<sup>78/</sup> capacity--over demand. Now when I raise this question with the Chairman of the FCC, Mr. Fowler, he says, "Well, it isn't all going to get built. We've authorized it, but it isn't all going to get built because it will shake-out ahead of time." Well, maybe it will and maybe it won't.

NG: And not only that maybe if it's not eight to one, even if it's five to one...

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<sup>78/</sup> change "over" to "excess"

AW: Or four to one.

NG: Or four to one you still get authorized capacity far in excess of demand.

AW: And also you can't proceed on the basis that the Europeans are just going to sit there on their hands. They're going to build some private underseas cables. They're going to mount some separate systems. The reason that they can get into this strongly is that our separate systems and our private fiber optic cables must have foreign correspondents to interconnect with in these countries and the quid pro quo for their "two to tango" over there is going to be, "Well, we want interconnection with some of your entities in the U.S. for our private systems." So if you look at that, it's like 16 to one.

NG: So what happens to COMSAT in all that?

AW: Well, it's a gross over-capacity situation that faces the international<sup>79/</sup> community because of this changed policy of the United States government.

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<sup>79/</sup> add: telecommunications



NG: So what does happen to COMSAT in all this? What do you foresee?

AW: Well, I think that INTELSAT is such an important organization and the global system is so important for the future of the world, and the concept of a single global system embodied in the [Communications Satellite] Act of '62 is still so valid that in the long run the picture is going to come more back into balance. This Administration has taken the point of view that competition of any kind must be good. So, it was good in the domestic scene here so therefore it's got to be good in the international market.<sup>80/</sup> But the two [markets] are totally different. You do have a market here in this country that is competitive. The international communications market has never been competitive; it's always been an artificial, rigged arrangement. Now it's rigged with the acceptance on both sides of the ocean. This is the way it's going to be done. There are no private entities comparable to our private telecommunications entities, in Europe. There are

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<sup>80/</sup> change to: It was good in the domestic scene so ergo it's got to be good in the international market.

some....well, there is British Telecom which has been privatized a bit, and the Canadians are privatizing a bit. But it will be a long, long time before there is anything like a free, competitive telecommunications market in Europe comparable to what we have here. So I think that the Administration's proceeding on a misconception that somehow they are going to change that situation by introducing private systems and private cables. So I would be surprised if INTELSAT's usefulness is destroyed in the long run. I think they are going to go through a period of hard competition with submarine cables--fiber optic cables--and separate systems and in some ways this is a good thing, because it forces them to be more creative.

NG: Leaner?

AW: Yes. It is true what the Administration has said that, "Well, just the prospect of competition in this area has brought about important changes at INTELSAT. They're coming up with more services and lowered rates and so forth, which is good." But that alone doesn't mean that the total policy is a wise one which they've embarked on.

NG: Well are there any things that....you've obviously been in telecommunications policy for such a long time....

AW: I'll make one other point on that. The growth of traffic has been phenomenal and it is going to continue to grow for a long time. Of course, the more traffic there is the better it is for INTELSAT and for COMSAT. So they will participate in this for a long time.

NG: Sure. What I was going to say was that you've been in such a variety of aspects from working with COMSAT and the INTELSAT agreements negotiations, from working as COMSAT's regulator at the FCC, and now working for COMSAT again in a certain way--along with other companies at the ITU conference--it's hard to get a good grip on this in an hour-and-a-half. But I guess what I was wondering is are there things that we haven't discussed that stick out in your mind, things that I may not have highlighted as different aspects of your career in telecommunications policy that you feel are important in relationship to COMSAT and to INTELSAT? Things that we may have slide over or I may have glaringly overlooked?

AW: Well, let me think about that. I'm going to be reviewing my files in the next several weeks. I have been, although I have no official role in the issue of separate systems, I have been testifying [on Capitol Hill]--I think I've testified five times now--I've written a number of articles, I've made several speeches on the subject; and since I no longer have any staff, this is taking up quite a bit of time. I apologize for delaying this interview as much as I have.<sup>81/</sup> I will be looking at some of this stuff and I'll be thinking about it and I'm sure that there will be issues that come to mind that might be useful for you.<sup>82/</sup>

NG: Okay.

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81/ delete: I apologize for delaying this interview as much as I have.

82/ change to: I'll be thinking about it and I'm sure there will be a few issues that come to mind that might be useful for you.