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DECLASSIFIED UNDER AUTHORITY OF THE INTERAGENCY SECURITY CLASSIFICATION APPEALS PANEL, E.O. 13526, SECTION 5.3(b)(3)

ISCAP APPEAL NO. 2014-045, document no. 10 DECLASSIFICATION DATE: November 13, 2014

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SUBJ: INTELSAT: FRENCH REPLY TO U.S. PROPOSAL FOR 1969 CONFERENCE.

REF: A. CA-11051 B. PARIS A-2492

SUMMARY: BOISGELIN OF FONOFF GAVE EMB GOF'S RESPONSE TO U.S. TENTATIVE PROPOSALS FOR 1969 CONFERENCE ON PERMANENT ARRANGEMENTS: FOR INTELSAT, AS FOLLOWS: (1) FRENCH AGREEABLE TO PROPOSED DATE FOR CONFERENCE. (2) WOULD LIKE TO SEE AS BROAD REPRESENTATION AT CONFERENCE AS POSSIBLE, PARTICULARLY TO HAVE USSR THERE, IRRESPECTIVE OF MEMBERSHIP IN INTELSAT, WITH EQUAL PARTICIPATING RIGHTS FOR ALL ATTENDING. (3) GOF OVERALL POSITION RE INTELSAT UNCHANGED WITH SPECIFIC REFERENCES MADE TO REGIONAL SYSTEMS,

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DIRECT OWNERSHIP: INTELSAT IV, AND COORDINATING ROLE FOR GLOBAL SYSTEM® (4) BOISGELIN CITED ALLEGED PROPOSAL TO PUNISH FRENCH FIRMS BECAUSE GOF VOTED AGAINST INTELSAT IV®

1. BOISGELIN OF FONOFF CALLED IN EMBOFF TO GIVE FRENCH REPLY TO OUR PRESENTATION (REF A). REPLY IN ESSENCE WAS RESTATEMENT FAMILIAR FRENCH POSITION ON INTELSAT AND A SATELLITE COMMUNICA-TIONS SYSTEM IN GENERAL WHICH DETAILED BELOW AND SIMILAR UN PRESENTATION (USUN 7221). ONLY POSSIBLY DIFFERENT NOTE WAS CASUAL, ALMOST RESIGNED REMARK, NEAR END OF THE CONVERSATION TO EFFECT THAT "WELL POSITIONS DO CHANGE." ALSO, BOISGELIN CONVEYED IMPRESSION HE GOING THROUGH EXERCISE RATHER THAN ESPOUSING STRONGLY HELD VIEWS.

2° FRENCH BELIEVE ORGANIZATION OF CONFERENCE WILL HAVE DIRECT EFFECT ON SUBSTANCE OF MEETING, THEREFORE, ATTACH GREAT IMPORTANCE TO IT & AT PRESENT TIME, THEY SEE RISK OF TWO COMPETING SYSTEMS: U°S° AND U°S°S°R° PROPOSALS. (WHEN REMINDED THAT FRENCH PARTICIPATED IN SETTING UP OF INTELSAT AND THAT SOME 60 PLUS OTHERS BESIDES U°S° NOW MEMBERS, BOISGELIN SAID, NO MATTER, SITUATION IN 1964 WAS SUCH THAT U°S° DICTATED TERMS OF INTELSAT AND HAS DOMINATED IT EVER SINCE®) FRENCH, HE SAID HAVE TALKED TO SOVIETS RECENTLY ABOUT SATELLITE COMMUNICATIONS; AND PARTICULARLY ABOUT INTERSPUTNIK; AT WHICH TIME THEY ASKED SOVIETS IF THEY PLANNED ATTEND FEB® CONFERENCE TO WHICH REPLY WAS "WE HAVE NOT BEEN INVITED." BOISGELIN SAID CANDIDLY THAT WHEN THEY FURTHER ASKED WHETHER THEY WOULD COME IF SPECIFICALLY INVITED, SOVIETS DID NOT REPLY AND SEEMED DISINTERESTED.

3° NEVERTHELESS, FRENCH BELIEVE GREAT EFFORT SHOULD BE MADE GET SOVIETS AS WELL AS OTHERS TO ATTEND. MOREOVER, ALL WHO ATTEND SHOULD HAVE SAME RIGHTS; I.E., TO VOTE, TO SPEAK, ETC. TO RESTRICT VOTE TO INTELSAT MEMBERS IS, IN EFFECT, HE SAID, ASKING THAT SOMEONE JOIN A GROUP BEFORE THEY ARE ALLOWED TO HAVE A SAY-SO IN WHAT ITS RULES AND PURPOSES WERE TO BE. FRENCH DO NOT HOLD WITH US THAT CONFERENCE IS FOR MEMBERS TO REVISE THEIR OWN RULES. RATHER, THEY VIEW PRESENT STAGE AS AN INTERIM ONE WHICH NOW ENDING; NEXT STEP IS TO CONSTRUCT A TRULY INTERNATIONAL SYSTEM WHICH "WILL BE A PUBLIC SERVICE FOR ALL MANKIND." THIS CAN ONLY BE DONE IF NEW SYSTEM NOT TIED TO OLD. BOISGELIN ADMITTED THERE DANGER THAT LARGE CONFERENCE WITH SOME PARTICIPANTS WHO HAVE GIVEN NO INDICATION THEY PREPARED

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TO JOIN UNDER ANY CONDITIONS RAN RISK OF LEADING TO STALEMATED CONFERENCE, BUT THIS IS RISK THAT MUST BE TAKEN. IF IT DOES NOT WORK, THEN WE CAN GO ON FROM THERE, BUT WE WILL HAVE TRIED, HE SAID. FRENCH WOULD, HOWEVER, HAVE SOME QUALIFYING RESTRICTION SUCH AS MEMBERSHIP IN UN OR ITU, PREFERABLY LATTER.

4. TURNING TO REGIONAL SYSTEMS, BOISGELIN NOTED ITS FRENCH VIEW THAT EACH AREA HAD DIFFERENT REQUIREMENTS FOR SATELLITES AS TO TYPE, FUNCTION, ETC. IT SEEMED LOGICAL TO FRENCH, THEREFORE, THAT EACH AREA SHOULD DECIDE ON OWNERSHIP, TYPE, SIZE, ETC. WITH GLOBAL ORGANIZATION PLAYING ONLY COORDINATING ROLE, ALTHOUGH THEY COULD EVEN SEE PLACE FOR COMPETITIVE SYSTEMS. BOISGELIN STATED THAT FRENCH HAVE BEEN TALKING ABOUT REGIONAL SYSTEMS CONSIDERABLY WITH THEIR EUR. PARTNERS AND THEY WILL BE DISCUSSING THESE VWITH THEM AGAIN NEXT WEEK IN LONDON AT CETS MEETING AS WELL AS AT BONN LATER.

5° COMMENTING ON COMMON FINANCIAL INTEREST ARGUMENT (PARA 3°A) REF A°I, BOISGELIN SAID FRENCH DID NOT FEEL STRONGLY ABOUT THIS ADJUSTMENTS COULD BEUNORKED OUT TO SUIT PRESENT FINANCIAL PARTNERS. THEN WENT ON TO SAY FRENCH DID NOT FEEL THAT THEY WERE VERY MUCH OWNERS OF INTELSAT ANYWAY. THEY HAVE GOTTEN LITTLE OR NOTHING OUT OF IT AS OWNERS. WHEN ASKED WHETHER THIS MEANT THEY FELT INTELSAT HAD BEEN POOR INVESTMENT FOR THEM AND THAT SATELLITE COMMUNICATION EXCESSIVELY COSTLY. HE ADMITTED IT HAD PROVIDED EXCELLENT ERVICE, BUT THAT FRENCH DID NOT FEEL IT REALLY A JOINT VENTURE. A VIEW WHICH HE SAID WAS SHARED BY MANY OTHERS. ALSO, FELT THERE HAS BEEN SOME OVERINVESTMENT AND THAT NETWORK WAS TOO LARGE FOR PRESENT NEEDS WHICH LED DIRECTLY INTO DISCUSSION OF INTELSAT IV.

6. ON INTELSAT IV, HE NOTED THAT ORDERS FOR SUB-CONTRACTING BY FRENCH AND EUROPEAN FIRMS HAD IN VIEW OF GOF "COME JUST IN TIME". HE THEN SAID THAT GOF HAD HEARD THAT BECAUSE FRENCH HAD VOTED AGAINST INTELSAT IV PROJECT, COMSAT, "WITH BLESSING OF THE STATE DEPARTMENT", HAD INSTRUCTED HUGHES NOT TO GIVE ANY SUB-CONTRACTS TO FRENCH FIRMS. HOWEVER, HUGHES HAD, ON REFLECTION, DECIDED TO RETAIN THE PRIVATE FRENCH FIRMS BUT NOT TO LET SUB-CONTRACTS TO CNES. SUCH ACTION WOULD NOT HAVE OCCURRED, HE BELIEVED, IN AN ORGANIZATION WHERE ALL MEMBERS WERE IN A BETTER POSITION TO PARTICIPATE IN ITS CONTROL.

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7. OMITTED FROM THE FRENCH PRESENTATION WAS ANY MENTION OF THE ONE-MEMBER, ONE-VOTE CONCEPT, AND ANY SIGNIFICANT CRITICISM OF THE ROLE OF COMSAT, OTHER THAN THE REFERENCE TO ITS ROLE IN CONNECTION WITH INTELSAT IV CONTRACT. ON OTHER HAND, BOISGELIN ACKNOWLEDGED THAT THE GOF POSITION REMAINED ESSENTIALLY AS SET FORTH IN THEIR PAPER OF LAST AUGUST TO THE LCSC (REF B)

SHRIVER