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November 5, 1968

MEMORANDUM FOR MR. J. D. O'CONNELL

Subject: INTELSAT Conference; Your Meeting with Leonard Marks  
on November 6, 1968

Mr. William Miller (DOS) called me yesterday afternoon and stated that Frank Loy would be attending the subject meeting, and would introduce a memorandum which contemplated decisions on two procedural items, and one substantive matter. The procedural items involve the question of invitations to the Conference and the voting rights of invitees; the substantive item involves a European regional communications satellite proposal.

With regard to the question of invitations to the Conference, the Department of State contemplates sending out two separate diplomatic notes -- one to the members of INTELSAT; and another to the countries which are not members of INTELSAT. The first note would constitute an invitation to the member countries to attend the Conference; the second, would be a notice that the Conference would be held and worded in such a way that countries interested in attending, because of an interest in joining INTELSAT, would be invited to attend. There is no problem with the invitation to the member countries; but the FCC (Ende) has taken the position that an invitation ought to go to members and non-members alike. We have opposed it because of its potentially disruptive affect; and the State Department, at the present moment, seems to agree. Mr. Miller is of the view that non-member countries should be invited as observers, if they express an interest. This seems clearly preferable to the FCC position.

*gpm*  
The Department of State also proposes to write into the Rules of Procedure for the Conference that observers will have no vote, but at the discretion of the Chairman, may speak on pertinent issues and introduce papers. ~~Mr. Miller states that Comsat recommends that attendance at the Conference be limited to members.~~ My recommendation is that we go along with the Department of State; that is, invite members only, and allow interested non-member countries to participate as observers only. The Rules of Procedure should make the role of non-members clear.

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The substantive issue involves voting instructions to Comsat on the European regional communication satellite proposal. Mr. Miller said that the Europeans have defined it as a separate communication satellite system serving a single country, or compact group of countries, linked together by economic or cultural ties. He also said that John Johnson of Comsat has recommended that Comsat be instructed to vote in favor of it, but that he (Miller) is inclined not to go along with Comsat. When I asked Mr. Miller what the relationship, if any, would be between a European regional satellite system and INTELSAT, he stated that prior to the establishment of a European regional system, INTELSAT would be consulted as to the technical and economic compatibility of the European system with the INTELSAT global system. Approval by the INTELSAT Governing Body would not be a requirement. It is my recommendation that Comsat be instructed to vote against this proposal. The United States should be afforded a full opportunity to examine the impact that such a proposal would have on its INTELSAT commitments -- particularly as it affects those members of INTELSAT which are not on the Interim Committee. I recommended to Mr. Miller that, prior to the Conference, the State Department sound out the smaller countries (particularly the Latin American and the African countries) for their view on such a proposal.

As you know, we grappled with this question of regional systems for some time before we submitted the United States position paper on the Definitive Arrangements in October 1967, and we were not able to define a regional system in such a way as to remove the fundamental danger it poses to the entire INTELSAT structure. There is no compelling need for a decision on this important question now. It is my recommendation that the matter be put off until the International Conference in February when the United States will be in a much better position to evaluate fully the implications of this action.

Of course, the French position on the future of INTELSAT is that INTELSAT should be a coordinating mechanism for three basic regional systems: one serving North and South America; a second serving Europe and Africa; and a third serving Asia. The countries using the individual regional satellites would own shares in them, based upon their use. It would appear from the information available that the French would concede dominance of the American regional satellite to the United States as the major user; France would hope to dominate the Euro-African system itself; and it would probably concede to the Soviet Union the responsibility for developing, launching, and operating Asian regional systems. Apart from the fact

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that such a scheme would leave a large number of the developing countries in South America and Africa with no real choice other than to go into a specific regional system, it would also make it relatively easy for the Soviet Union to launch its INTERSPUTNIK system, the first stage of which would be a communications satellite of approximately INTELSAT III capacity in equatorial orbit over the Indian Ocean. Such a satellite would not only reach about 90% of the Soviet population, but would also cover Southeast Asia, East Africa, and Eastern Europe. The political effect of the Soviet Union developing this sort of capability in Asia would seem profound, and should not be overlooked. If the Soviet Union does orbit a communications satellite in the Indian Ocean area which it may share with the United Arab Republic (Egypt), India, Cambodia, and Madagascar, for example, it will strengthen the Soviet presence in that area entirely at American expense.

The question of the assistance which the United States might offer the Canadians for their domestic communications satellite system cannot be considered in isolation. I consider the Aide Memoire proposed by the Canadian Government completely unacceptable. (I understand that the State Department is revising it and that this office will have an opportunity to review it before it is finalized.) If the impression is generally gained by the Europeans -- particularly the French -- that the United States has agreed to launch a domestic Canadian satellite which will be part of a system wholly independent of INTELSAT there will be no way to deny them launch assistance for a European regional system. To say that we have drawn the line at the national boundary will only invite the reply that such a line discriminates against Europeans in favor of the Canadians and Americans.

The Canadian Aide Memoire must reflect the conditions laid down by the United States that the Canadians coordinate their domestic plans fully with INTELSAT in such a way as to avoid the consequences mentioned above.

You ought to be receiving a memorandum from Loy covering these points in greater detail. I thought you should have this much in writing now so that you would have the maximum amount of time to review the entire matter.



J. J. O'Malley, Jr.

Note - More over

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9 a.m., November 6, 1968

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NOTE: After preparing this memorandum, I received the State Department memorandum dated November 5, 1968 which added the issue of participation by Government in the General Assembly. I am covering this point in your memorandum to Leonard Marks.

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EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF TELECOMMUNICATIONS MANAGEMENT  
WASHINGTON, D.C. 20504

OFFICE OF THE DIRECTOR

November 6, 1968

MEMORANDUM FOR MR. LEONARD MARKS

Subject: INTELSAT Conference

Here, stated briefly, are my views on the matters of (1) invitations to the Conference; (2) voting; (3) the European regional communications satellite proposal; and (4) possible government participation in the proposed INTELSAT Assembly.

The Invitations: This has been a matter of considerable discussion between my office and the State Department. We have no objection to the proposal to send an invitation to the Conference to all INTELSAT members, and a diplomatic note to those countries which are not members of INTELSAT notifying them that the Conference will take place and advising that if they are interested in joining INTELSAT invitations would be sent. If a country responds that it would like to be invited, an invitation would be sent. State agrees with us, that the participation of non-members should be limited to that of observers; that is, that a non-member would not be permitted to vote; but at the discretion of the Chairman, he would be permitted to speak or introduce papers. We understand that the Department of State is revising the draft Rules of Procedure to make these points clear. We recommend that these restrictions on non-members should be made as clear as possible in the rules so as to permit the members to come to the substantive issues in the Conference without undue delay.

The European regional satellite proposal: You are aware, I am sure, of the danger that any regional system outside of INTELSAT poses to the entire INTELSAT structure. The danger is created by the fact that most nations which are heavy users of long distance communication services are most apt to want to design communication satellite systems which are tailored to meet their own needs, with the needs of the smaller countries being accommodated only when the larger country feels that its best interests would be served. After having given the matter a great deal of thought there seems to be no way in which a regional system can now be defined so as to preclude this possibility. (The attached DOS

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telegram from Paris 23372 (C) dated 4 November 1968 points up in paragraph 7 the basic problem in relaxing our policy in regional systems.) Of course, no nation can establish a regional system without launch services, and this is the one area where the United States can protect its commitments to INTELSAT. We have taken the position, therefore, that the United States should not agree to launch any communications satellite for any nation unless the use of that satellite would be consistent with the INTELSAT objectives. We feel that at this most critical juncture -- prior to the Conference -- no launch commitment ought to be made, even to the Canadians, for a domestic system without adequate protection of our interests in INTELSAT. If a launch is agreed to for a Canadian satellite system outside of INTELSAT the French, particularly, will immediately request such assistance for Symphonie. If they are told that launch assistance can be given only if Symphonie is a domestic system, the reply will be that the Canadians and Americans rigged the rules to meet their own exclusive needs.

Perhaps one of the most serious consequences of a relaxation of our launch policy would be to provide the Soviet Union with a distinct advantage in its development of INTERSPUTNIK. The French view of the future of INTELSAT, as you know, is that of a loose confederation of regional systems -- basically three: one serving North and South America; a second serving Europe and Africa; and a third serving Asia and the Far East. The French see the United States as the dominant power in the American regional system; itself as dominating the one in Europe and Africa; and France seems quite content to see the Soviet Union dominate the basic Asian system. While Japan and Australia would certainly have a special concern over Soviet domination of any Asian-Far East regional systems, nevertheless it seems quite probable that the Soviet Union will move forward with a synchronous satellite system centered in the Indian Ocean. Such a system could serve 90% of the population of the Soviet Union, as well as India, Madagascar, the United Arab Republic, and Cambodia, to cite only a few countries. While the United States could not prevent the Soviet Union from launching INTERSPUTNIK and offering to share it with any country that wishes to join with it, it is our view that the United States ought not to make it easier for the Soviet Union to achieve this goal. It will make it easier if it changes its policy on regional systems at this time.

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To sum up, then, in our discussions with the Canadians and the Europeans we should make it plain that we are committed to INTELSAT in our national policy, and that there does not appear to be any way that we can satisfy their requests for domestic or regional systems outside of INTELSAT without endangering the entire INTELSAT structure. However, if they can show that this can be done we would be glad to reconsider their requests, but in the absence of such a showing such requests for launch assistance would have to be denied.

Government participation in the INTELSAT General Assembly: This suggestion, would allow governments the option, prior to each meeting of the General Assembly, of sending either a Government representative, or a representative of the INTELSAT member. My recommendation is that while we should not presume to dictate to the other INTELSAT members, we should not encourage such a practice. The General Assembly idea was conceived by the United States to provide a forum where the smaller INTELSAT members which do not have a voice on the Governing Body could develop some sense of participation. The meetings of the General Assembly would be very similar to the shareholders' meeting of a large corporation. The idea seems to be an excellent one, if the scope of the General Assembly is properly circumscribed; but the danger in allowing the option of Government participation is that the Assembly may become too powerful. Since voting in the Assembly might not be based upon use of the space segment, decisions might be made in the Assembly to the detriment of the largest users -- particularly the United States. In addition, it might seriously undercut the concept of INTELSAT as a commercial, non-political entity.

It is my recommendation, therefore, that Comsat be instructed to vote in favor of limiting participation in the General Assembly to INTELSAT members.

J. D. O'Connell

Attachment

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1. TELSAT / FRANCE

Department of State

TELEGRAM

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ACTION EUR 20

INFO NSA 02, CIA 04, ACDA 16, DODE 00, GPM 04, INR 07, LI 03, NASA 04, NSC 10,  
OST 01, RSC 01, SCI 05, CCO 00, DTM 02, E 15, FCC 02, OC 06, SS 25, SP 02,  
MC 01, RSR 01, /131 W

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R 041652Z NOV 68  
FM AMEMBASSY PARIS  
TO SECSTATE WASHDC 7764  
INFO AMEMBASSY BERN  
AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
AMEMBASSY COPENHAGEN  
AMEMBASSY THE HAGUE  
AMEMBASSY LONDON  
AMEMBASSY MADRID  
AMEMBASSY OTTAWA  
AMEMBASSY ROME  
AMEMBASSY STOCKHOLM  
STATE GRNC

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SUBJECT: US LAUNCHER FOR SYMPHONIE, EUROPEAN SPACE PROGRAM, AND  
INTELSAT MATTERS

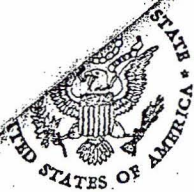
REF: A) STATE 264426; B) STATE 264425

1. EMB OFFS MET WITH BOISGELIN (FONOFF, COMMUNICATIONS SATELLITE  
AFFAIRS) EVENING OCT 31 TO CONVEY US POSITION RE EUROPEAN  
SPACE PROGRAM, (REF B),  
AND TO SEEK REACTION TO NASA RESPONSE RE SYMPHONIE LAUNCH  
WHICH DELIVERED THAT MORNING BY NASA EUROPEAN REPRESENTATIVE TO  
AUBINIERE (DIRECTOR GENERAL, FRENCH SPACE AGENCY). ALSO DISCUSSED  
FRENCH ASSESSMENT RECENT CETS MEETING LONDON.

2. INCIDENTALLY, AUBINIERE HAD COMMENTED EARLIER IN DAY TO NASA EUR-  
OPEAN REPRESENTATIVE THAT HE PERSONALLY THOUGHT REPLY OF REF A WAS

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# Department of State TELEGRAM

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GOOD AND SAID HE WOULD INFORM OF OTHER GOF REACTIONS AS THEY DEVELOP.

3. BOISEGELIN EXPRESSED APPROVAL THAT NASA REPLY OF REFTEL WAS FAVORABLE BUT REGRETTED THAT US DEFINITION OF AN EXPERIMENTAL SATELLITE SO RESTRICTIVE AND APPRAENTLY EXCLUDED QUOTE REGULAR GOVERNMENTAL TRAFFIC UNQUOTE. HOWEVER, HE NOTED THAT FURTHER DISCUSSION WOULD BE REQUIRED IN REACHING AN UNDERSTANDING OF THE ROLE OF THE SATELLITE AND THE US LAUNCH CONDITIONS.

4. BOISGELIN, WHEN INFORMED OF US POSITION RE EUROPEAN SPACE PROGRAM AND INTELSAT, HAD NO COMMENT EXCEPT, IN CONNECTION WITH OUR EMPHASIS ON DESIRABILITY EUROPEANS DEVELOPING A BROADLY BASED GROUPING WHICH TRULY REGIONAL IN CHARACTER, HE ASKED HOW MANY REQUIRE REQUIRED TO MEET BROADLY BASED CRITERIA HE SUPPOSED MORE THAN THREE.

5. COMMENTIN ON RECENT CETS MEETING BOISGELIN SAID FRENCH WAS UNABLE TO AGREE TO WHAT IT CONSIDERED THE TOO RESTRICTIVE DEFINITION OF A REGIONAL SATELLITE PROPOSED BY OTHER CETS MEMBERS. HE SAID A COMMUNICATIONS SATELLITE IN STATIONARY ORBIT IS INHERENTLY REGIONAL IN THAT IT SEES ONLY A PORTION OF THE EARTH'S SURFACE, AND INDICATED THIS DEFINITION WAS MORE IN ACCORD WITH FRENCH VIEWS ON THE DEFINITION OF REGIONAL. HE SAID FRENCH ACCEPTED THE REST OF THE CETS POSITION AND HOPED TO BRING THE DOCUMENT BEFORE THE SPACE MINITERS MEETING NOV 12 IN BONN. THE OBJECTIVE OF THIS MANEUVER WOULD BE TO GIVE

THE POSITION ADDITIONAL WEIGHT BY ADDING THE APPROVAL OF THE EUROPEAN SPACE MINISTERS TO THAT OF THE NATIONAL DELEGATES TO THE CETS.

6. WITHOUT MENTIONING GLOBAL OWNERSHIP CONCEPT HE SAID GOF WORKING ON IDEA WHICH THEY HAVE LEFT WITH OTHERS FOR CONSIDERATION OF SOME SORT OF LOCAL OPTION WHEREBY A COUNTRY COULD DECIDE WHETHER IT HAD AN INTEREST IN A PARTICULAR SATELLITE. WHAT MEANT BY THIS NOT PURSUED BUT IMPLICATION WAS COUNTRY OPTING OUT WOULD IN SOME WAY BE LESS INVOLVED IN THAT PARTICULAR SATELLITE.

7. COMMENT: AS THE SYMPHONIE SATELLITE PROJECT HAS DEVELOPED FRANCE HAS SPOKEN OF SO MANY DIFFERENT ROLS WHICH THE SATELLITE COULD,

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WOULD OR MIGHT SERVE THAT IT SEEMS DOUBTFUL AT THIS TIME THAT EVEN FRANCE HAS MADE A DECISION ON WHAT IT WILL DO OR ATTEMPT WITH SYMPHONIE. IF SYMPHONIE IS USED EXPERIMENTALLY IN ALL THE ROLES WHICH HAVE BEEN PROPOSED FOR IT, SYMPHONIE WILL PASS TELEPHONE, TELEVISION, AND DATA TRANSMISSIONS WITHIN EUROPE AND BETWEEN EUROPE AND THE NEAR EAST, AFRICA, SOUTH AMERICAN AND THE FRENCH ANTILLES, AND QUEBEC. THE THEMES MOST FREQUENTLY PLAYED UPON HAVE BEEN SYMPHONIE'S ROLE AS A SUPPLEMENTARY EUROVISION LINK, ITS VALUE IN LINKING THE FRANCOPHONE COUNTRIES, ITS USE FOR EDUCATIONAL PROGRAMMING TO QUEBEC, AND FOR LAUNCH DATA TRANSMISSION BETWEEN FRANCE AND THE FRENCH GUIANA SPACE LAUNCHED BASE.

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SHRIVER

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