

**The original documents are located in Box 8, folder “Communications (1)” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.**

### **Copyright Notice**

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.


## THE WHITE HOUSE

REQUEST

WASHINGTON

June 8, 1976

MEMORANDUM FOR JIM CANNON

FROM: LYNN MAY 

SUBJECT: Telephone Legislation

Charles Walker and representatives from AT&T and United Utilities are going to meet with us on June 9, in your office. I assume that the purpose of this meeting is to give you a pitch for legislation they are sponsoring - the so-called "Consumer Communication Reform Act."

This bill is an attempt by AT&T and other large telephone companies to reverse the FCC's promotion of competition in the common carrier industry in the last decade. Through the "Carterfone" decision in 1968 to recent rulings, the Commission has gradually dismantled the monopoly held by Bell and affiliates over terminal accessories and specialized interstate telephone lines. Currently, smaller firms actively competing with Bell in the development of terminal equipment for consumers and businesses and in the development of special common carrier lines.

As a result of this competition, AT&T has developed new terminal and carrier services of its own. It is also acting through the above legislation to cripple the FCC's rulings and the competition. This legislation (H.R. 12323 and S. 3192) would:

1. Eliminate FCC jurisdiction over terminal equipment and confer it on the States.
2. Prohibit FCC findings of unfair pricing practices, in effect denying the FCC's ability to question the use of cross subsidies from residential services to undercut competition in specialized private line services by big companies.
3. Retard new entrants into private line competition by conditioning licensing to proof that proposed service is unique and cannot be provided by existent telephone companies.



Despite the title of the legislation, there is little in my opinion which is pro-consumer about the bill. There is no evidence that competition for specialized services hurts either residential rates or service. AT&T's outcry against "cream skimming" is just not realistic in terms of their revenues verses those of their smaller competitors. In 1975 the larger telephone companies annual revenue was \$35.3 billion to \$186 million for their competitors.

The greatest single argument against the AT&T bill is the response of its affiliates in the way of new low rates and improved facilities in answer to the advances of their competition. Under its previous monopoly, Bell has little or no incentive for innovation. Now it is developing new consumer services at a rapid rate.

The lobbying effort by the large companies for this bill has been stupendous. One hundred-twenty sponsors signed the House bill. As a result, hearings have been scheduled in the House for late September, but Chairman Van Deerlin of the Communications Subcommittee has expressed his doubts that any action will be taken this year. No hearings have yet been scheduled in the Senate, probably because Pastore is giving up his chairman post at the end of the session. Vance Hartke, who is likely to succeed Pastore if re-elected, is a prime sponsor of the bill in the Senate.

Currently, only OTP has testified against the bill in the Administration. Seidman has been briefed on the legislation and the extent of the lobbying effort. I intend to watch the Congressional action on the legislation carefully, but I can't see establishing a public Administration position on the bill if there is not going to be any action this year. I think it is a bad bill and we should not support it. On the other hand, there are a lot of little AT&T stockholders who vote and I see no point in angering them.



Communication

THE WHITE HOUSE

INFORMATION

WASHINGTON

July 12, 1976

*File*

MEMORANDUM FOR JIM CANNON

FROM: LYNN MAY *Lynn May*

SUBJECT: Public Television

Attached is a somewhat dated but informative fact sheet concerning public television that describes the program development process. Last year, out of the \$68 million in Federal funds given to the Corporation for Public Broadcasting (CPB), approximately 75% went to programming, either in the form of grants to local public stations to develop programming or to national programming experiments and pilots produced by CPB itself. Of the remainder approximately \$12 million went to pay for AT&T lines to transmit programming, \$2 million went to CPB staff and overhead costs, and \$1 million went to research.

You should be aware that appropriations legislation for CPB will be coming up in the next month or so. You probably recall that earlier this year the President signed into law a long-term funding authorization for CPB that was higher than the Administration's request. The legislation provides for \$88 million the first year and \$160 million the fifth year. Our request was for \$70 million and \$100 million respectively. The President indicated in his signing statement that he would request appropriations at the lower level.

CPB will fight this position, claiming that the higher figure is necessary to maintain program excellence and that since Federal funds are only available to the Corporation according to its ability to attract matching funds at a 2.5 to one ratio, the full appropriations will only go to CPB if it can interest the public in contributing to the future of public television.

I tend to side with CPB in this matter but the President's position and the directive to hold down the budget provide little room for maneuver.

Attachment



07  
/

PB

**PUBLIC BROADCASTING SERVICE**  
475 L'ENFANT PLAZA WEST, S. W., WASHINGTON, D. C. 20024 · (202) 488-5000

PUBLIC BROADCASTING SERVICE FACTSHEET

What is PBS?

PBS is the national membership organization of the nation's public television stations. PBS is governed by an elected Board of Governors made up of laymen from the boards of local PBS stations, which is advised by a PBS Board of Managers comprised of and elected by television station managers. PBS is responsible for the selection, scheduling, promotion and distribution of the national program service to noncommercial television stations across the country, and for representation of the public television stations' interests at the national level. PBS also operates the Public Television Library, a tape exchange and distribution center for recorded programming.

Where is it?

The main PBS offices, the Public Television Library and the program distribution facilities are located at 475 L'Enfant Plaza West, S.W., Washington, D.C. 20024. There is also an office in New York City.

How long has it existed?

PBS was formed by the Corporation for Public Broadcasting (CPB) and the nation's public television licensees and was chartered in November, 1969. PBS began transmission in October, 1970 and in March, 1973 was reorganized to become a membership-supported organization.

How many public television stations are there?

As of June, 1975, 152 PTV licensees operating 255 transmitters were being provided programs by PBS (two licensees are not PBS members). They fall into four different categories:

--more--



State Authorities/State Commissions: (75) licensed to state authorities or state commissions;  
Community Stations: (73) licenses to non-profit corporations;  
University Stations: (67) licenses to both colleges and universities;  
School Stations: (37) licenses to municipal boards of education or similar agencies, or school districts or systems serving primary, elementary and secondary education.

How much programming does PBS distribute?

It is projected that in fiscal 1976, PBS will distribute 3,200 hours of programming. About 1,600 original hours will be offered, of which 23 percent is arts & humanities, 10 percent contemporary life, 20 percent public affairs, 2 percent science, 35 percent target audience and 10 percent variety.

Where does PBS get its programs?

In fiscal 1971, a total of 27 public TV facilities produced all programs distributed by PBS. That number rose to 42 in fiscal 1972 and 62 in fiscal 1973. In fiscal 1974, 58 public TV facilities produced programs for PBS distribution. The large number of production facilities producing programs for PBS distribution reflects public television's commitment to diversification of programming sources.

What if the PBS "station program cooperative?"

The station program cooperative is a unique system by which the public television stations cooperatively select and purchase much of the programming distributed to them by PBS. By purchasing the same program selected by a number of other stations, a PTV station can minimize its costs while maximizing the diversity of its program schedule. Now in its second year, the cooperative in 1975-76 will account for roughly 50% of the PBS national schedule.

Who pays for public television?

Public television is supported by state and federal funds, grants from corporations and non-profit organizations, and by contributions from the general public.

The staff and services of PBS (with the exception of the technical operation of the interconnection system, which is sustained

--more--



by a contract with CPB) are supported by PBS member stations.

Production costs of programs distributed by PBS are underwritten through three major sources: (1) the Corporation for Public Broadcasting, (2) foundations and corporations through grants, and (3) public television stations through contributions of local productions for national distribution and through the station program cooperative.

#### THE HISTORY OF PUBLIC TELEVISION

As early as 1949, the FCC was considering the advisability of providing channels for noncommercial educational television operation, and in 1951, as part of a general review of television, the Commission proposed the establishment of educational TV channels.

In 1952, the FCC authorized the reservation of 242 station channels -- 80 in the VHF band and 162 in the UHF -- for the exclusive use of non-commercial educational television. In that same year, the Ford Foundation created the Educational Television and Radio Center (later to become NET, National Educational Television) with a grant of over one million dollars. (Since 1951, the Ford Foundation has awarded more than \$270 million in grants to public broadcasting.)

In May, 1953, the nation's first educational television license was granted to the University of Houston, Texas (KUHT). By the end of 1961, an additional 61 such educational television licenses had been granted by the FCC.

In 1962, after a year of debate, the Congress enacted legislation that proved to be a cornerstone of public broadcasting -- the Educational Broadcasting Facilities Act of 1962. Amending the Communications Act of 1934, the new law initially authorized \$32 million for five years to be made available to the state "...to assist (through matching grants) in the construction of educational television broadcasting facilities."

Because of the many individual requests from educational organizations, the FCC in 1966 revised its UHF assignment table

--more--

and set aside approximately 25 percent of the UHF reservations for public broadcasting. By the end of 1966, there were 125 noncommercial television stations on the air.

In early 1967, after almost two years of study of the technical, organizational, financial and programming considerations of educational television, the Carnegie Commission on Educational Television published its report, "Public Television: A Program for Action." Its recommendations for future support and development of public television were the basis for the initiation of the Public Broadcasting Act of 1967. Title I of the Act authorized an additional \$38 million for the construction of facilities; Title II provided for the establishment of the Corporation for Public Broadcasting (the formation of a Corporation for Public Broadcasting had been recommended in Carnegie Commission Report); and Title III authorized the Secretary of HEW to make a comprehensive study of "educational and instructional broadcasting."

The public broadcasting "system" as we know it today is structured largely on the 1967 recommendations of the Carnegie Commission Report which concluded that "a well-financed and well-directed system, substantially larger and far more pervasive and effective than that which now exists in the United States, must be brought into being if the full needs of the American public are to be served."

Guided by those recommendations, the Congress enacted the Public Broadcasting Act of 1967, which, among other things, mandated the creation of the Corporation for Public Broadcasting (CPB) to provide national leadership in the further development of a public broadcasting system while insuring that the medium would have maximum protection from outside interference and control.

The Congress authorized CPB to assist in three important activities: the establishment and maintenance of an interconnection service among the local stations; the production of national programming; and the increase of support to local stations.

In the furtherance of its responsibility to create an interconnection service, the Corporation joined with the television stations' elected representatives in 1969 to create the Public Broadcasting Service (PBS), a national broadcasting entity unlike any other service -- commercial or non-commercial, foreign or



domestic. PBS was chartered in November, 1969 and began transmission in October, 1970.

A significant milestone for PBS occurred in 1973 when three separate public television licensee groups merged to form a new non-profit membership corporation which retained the name "Public Broadcasting Service." Merging were the Coordinating Committee of Governing Board Chairmen, the Educational Television Stations Division (ETS) of the National Association of Educational Broadcasters, and the former Public Broadcasting Service. The consolidation welded the public television licensee groups together into a more unified and representative system.

Concurrent with the merger was a reorganization of station and public representation of PBS's Boards. The former PBS Board of Directors had already been increased in May, 1972, to include twelve station managers, six public directors, and the President of PBS. This move toward a broader base of station and public representation was carried even further with establishment of a Board of Governors and a Board of Managers for the new PBS. Twenty-five lay representatives serve on the Board of Governors and twenty-five professional representatives serve on the Board of Managers, representing in the aggregate the management and the governing bodies of a third of the nation's public television licensees.

#####

4/10/75

THE WHITE HOUSE  
WASHINGTON

1976 SEP 29 PM 1 10 DATE: 9/29/76

TO: JIM CANNON

FROM: LYNN MAY

-----

Comments:

Per your request, I am forwarding  
an earlier background memo to you  
on telephone legislation.

*Lynn May*  
*Thank you*  
*Jim*



*Communication*

REQUEST

June 8, 1976


MEMORANDUM FOR JIM CANNON

FROM: LYNN MAY  
SUBJECT: Telephone Legislation

Charles Walker and representatives from AT&T and United Utilities are going to meet with us on June 9, in your office. I assume that the purpose of this meeting is to give you a pitch for legislation they are sponsoring - the so-called "Consumer Communication Reform Act."

This bill is an attempt by AT&T and other large telephone companies to reverse the FCC's promotion of competition in the common carrier industry in the last decade. Through the "Carterfone" decision in 1968 to recent rulings, the Commission has gradually dismantled the monopoly held by Bell and affiliates over terminal accessories and specialized interstate telephone lines. Currently, smaller firms actively competing with Bell in the development of terminal equipment for consumers and businesses and in the development of special common carrier lines.

As a result of this competition, AT&T has developed new terminal and carrier services of its own. It is also acting through the above legislation to cripple the FCC's rulings and the competition. This legislation (H.R. 12323 and S. 3192) would:

1. Eliminate FCC jurisdiction over terminal equipment and confer it on the States.
  2. Prohibit FCC findings of unfair pricing practices, in effect denying the FCC's ability to question the use of cross subsidies from residential services to undercut competition in specialized private line services by big companies.
  3. Retard new entrants into private line competition by conditioning licensing to proof that proposed service is unique and cannot be provided by existent telephone companies.
- 

Despite the title of the legislation, there is little in my opinion which is pro-consumer about the bill. There is no evidence that competition for specialized services hurts either residential rates or service. AT&T's outcry against "cream skimming" is just not realistic in terms of their revenues verses those of their smaller competitors. In 1975 the larger telephone companies annual revenue was \$35.3 billion to \$186 million for their competitors.

The greatest single argument against the AT&T bill is the response of its affiliates in the way of new low rates and improved facilities in answer to the advances of their competition. Under its previous monopoly, Bell has little or no incentive for innovation. Now it is developing new consumer services at a rapid rate.

The lobbying effort by the large companies for this bill has been stupendous. One hundred-twenty sponsors signed the House bill. As a result, hearings have been scheduled in the House for late September, but Chairman Van Deerlin of the Communications Subcommittee has expressed his doubts that any action will be taken this year. No hearings have yet been scheduled in the Senate, probably because Pastore is giving up his chairman post at the end of the session. Vance Hartke, who is likely to succeed Pastore if re-elected, is a prime sponsor of the bill in the Senate.

Currently, only OTP has testified against the bill in the Administration. Seidman has been briefed on the legislation and the extent of the lobbying effort. I intend to watch the Congressional action on the legislation carefully, but I can't see establishing a public Administration position on the bill if there is not going to be any action this year. I think it is a bad bill and we should not support it. On the other hand, there are a lot of little AT&T stockholders who vote and I see no point in angering them.

THE WHITE HOUSE

INFORMATION

WASHINGTON

76 SEP 28 11 4 23

September 28, 1976

MEMORANDUM FOR: JIM CANNON  
FROM: LYNN MAY *Lynn May*  
SUBJECT: Hearings on Telephone Legislation.

You should be aware that Congressman Van Deerlin, Chairman of the House Subcommittee on Communications, is planning to hold two days of hearings beginning on Thursday, September 30, 1976, on legislation to reverse pro-competitive FCC rulings on telephone regulations. \*

Chairman Van Deerlin, conducting the hearings at the end of the session to placate Bell Telephone, has indicated that they are exploratory in nature and not intended as a predicate to reporting out specific legislative recommendations.

I am currently, in coordination with OMB, reviewing draft testimony from OTP and Justice. Our goal is to avoid a definitive Administration position at this time.

\* Lynn - Pls explain what this means.

Thanks -

*Jimi*

0925

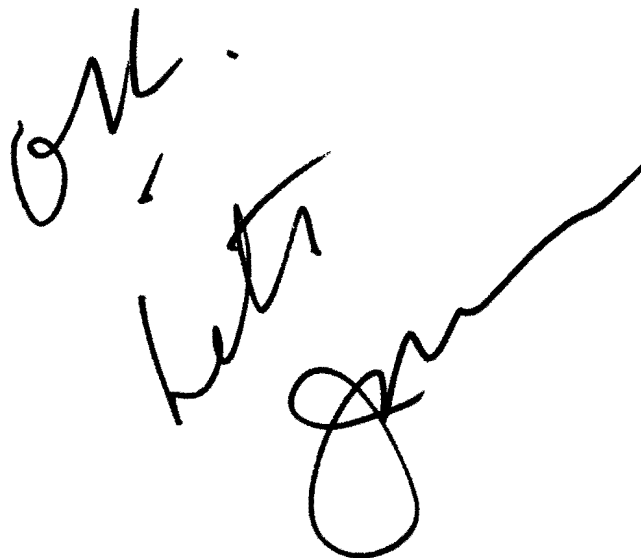
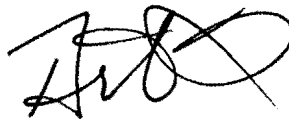
*Communications*

THE WHITE HOUSE  
WASHINGTON

October 16, 1976

MEMORANDUM FOR: JIM CANNON  
FROM: ART QUERN  
SUBJECT: Lynn May's Memo Regarding Committee  
on Communications

I believe that this is generally a good idea but I  
would hold any specific action until after the election.



10/16/76

THE WHITE HOUSE  
WASHINGTON

DATE:

10/16

TO:

Art Q

FROM:

ALLEN MOORE

SUBJECT:

ACTION:

FYI:

JMC will surely  
ask for your thoughts  
on this.

THE WHITE HOUSE

WASHINGTON

October 14, 1976 11 4 34

MEMORANDUM FOR: JIM CANNON

FROM: LYNN MAY *Lynn May*

SUBJECT: Proposed Domestic Council Committee  
on Communications

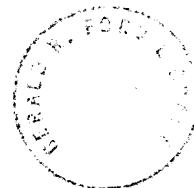
For the past several months, I have been working with representatives of OMB, NSC, the Office of Telecommunications Policy (OTP) and Ed Schmults in a review of communications functions in the Executive Branch. This study has developed suggested organizational changes, removing many management functions currently held by OTP and assigning them to line agencies. These proposals, however, are currently awaiting an NSC study of national communications security, which may effect the future roles of OTP and other agencies.

One area where OTP has been traditionally weak is its chronic inability to obtain high level policy review and consensus from Federal agencies. For example, OTP was incapable of developing an Administration position on cable television until the DCRG intervened and took over the issue.

OTP's lack of policy coordination capability stems largely from the fact that it is forced to rely on either the OMB legislation clearance process or the Interagency Radio Advisory Committee, which is largely a technical deliberative body. A solution tentatively agreed on by members of the review group is the formation of a Domestic Council Committee on Communications, chaired by the Director of OTP. Attached is a draft letter to the President recommending the formation of such a Committee.

I have staffed it to the review group for comment. I expect approval. I intend to recommend inclusion in the memo a description of the policy issues which the Domestic Council Committee might review in the next year. I would appreciate any comments you might have on the proposal.

Attachment



10/28



DRAFT

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

DIRECTOR

MEMORANDUM FOR THE PRESIDENT

FROM: THOMAS J. HOUSER  
DIRECTOR  
OFFICE OF TELECOMMUNICATIONS POLICY

RE: PROPOSED CHANGES FOR EXECUTIVE  
HANDLING OF TELECOMMUNICATIONS MATTERS

For the last three months as Director of the Office of Telecommunications Policy (OTP) and as a member of the ad hoc committee (representing OTP, OMB, NSC, and the Domestic Council) that is considering the effectiveness of the Administration's telecommunications policy process, I have had the opportunity to review the mission of this Office and to critically evaluate its performance. In this process, we have identified a number of long-range problems which ultimately may require some institutional reorganization of telecommunications activities within the Government. Upon further analysis and as considered appropriate by the ad hoc committee, our analysis of these problems and our recommendations will be the subject of a future memo.

In the short run, however, we have identified some problem areas where immediate remedial action could improve the effectiveness with which telecommunications policy is formulated and implemented by the Administration.

Issue

The problem, Mr. President, has been in the apparent inability of OTP to present thoroughly analyzed, adequately documented, and fully coordinated policy recommendations for your consideration. The quality of analysis and policy development is



primarily a function of leadership, direction, and selection of priorities although, as noted, institutional adjustments in assignments and functions may be warranted in the future to complement improved management efforts. I will, of course, take full responsibility for improving OTP's management during my tenure. However, a primary short-run cause of this problem, I believe, has been the inability of OTP to successfully coordinate its policy recommendations and to establish a consensus on issues and solutions with the many other Federal agencies with critical interests in telecommunications.

### Background

Since World War II, the Government has tried numerous organizational alternatives for dealing with telecommunications issues (see Tab A). In 1970, the Office of Telecommunications Policy was created in the Executive Office of the President -- with a support staff in Commerce -- and was intended to focus policy development in the Executive Branch.

Its responsibilities resulted from general recommendations of several Congressional subcommittees, a 1968 Presidential Task Force on Communications, a 1968 Bureau of the Budget Study of Federal Communications Organization, and a 1969 report of the General Accounting Office. Among others, these recommendations concluded that:

- (1) telecommunications research and analytic capability in Government needed to be improved; and
- (2) the Executive Branch needed an advisor for telecommunications issues and a coordinator for policy development independent of the Congress and its arm, the Federal Communications Commission.

The centralized performance of these functions remains of critical importance. It is necessitated by the increasing importance of telecommunications to the economic enterprise



of this Nation and by the broad diffusion of telecommunications interests and responsibilities throughout the Government.

Literally, we are in the midst of a period of change and innovation in telecommunications unparalleled in history. Telecommunications, like transportation, is both a service and an enterprise. It provides the infrastructure or "glue" that connects and facilitates all economic enterprise. Broadly defined, telecommunications services account for 5% of our GNP, but affect directly or indirectly activities accounting for 50% of the GNP. The industries involved earn in excess of \$47 billion per year and are reinvesting at least \$13.2 billion annually in plant and operating equipment. There are over 145 million telephones and 120 million TV sets in use today, and virtually every American is linked to these communications systems. Business communications accounts for an increasing portion of all communications activities. Much of this growth is attributable to the increasing need for industries to communicate and process data. Industry projections indicate that the data communications function alone may produce \$2.4 billion in gross revenues by 1985.

As a service or process, as an industry, and as a policy subject, telecommunications is of concern to many Federal agencies: the Department of Justice is concerned with industry structure and enforcement of anti-trust and other laws; the Federal Communications Commission regulates commercial and private communications; the National Science Foundation, the Department of Health, Education, and Welfare, and others are concerned with the development and application of innovative communications technologies and services for the resolution of human problems; the Department of Commerce is concerned with basic research, the facilitation of domestic and international trade in telecommunications, and the provision of policy support to OTP; the General Services Administration oversees the Government's use of telecommunications on "civilian" agencies while the Department of Defense, through the National

Communications System, procures, operates, and leases the largest, most complex telecommunications system in the world for national defense; both GSA and DOD, along with NSA and the NSC, are concerned with the security of our communications system; and the Department of State implements international telecommunications policy.

The Government itself owns a telecommunications plant valued at \$60 billion and is spending approximately \$12 billion per year. Adequate resources have been lacking, however, to oversee these activities to insure that systems are not duplicative and that economies are realized through shared use.

With the diverse interests represented in Government, it is no surprise that the coordination of telecommunications policy has been difficult. While the Office of Management and Budget's legislative clearance process remains as a useful tool in coordinating the Administration's position on particular legislative proposals, what is needed is a mechanism to improve interagency coordination in the policy development stage so that the interests and concerns of the Executive Branch participants are accommodated to the extent possible prior to the initiation of a particular proposal.

#### Recommendation

In order to facilitate enhanced coordination regarding the telecommunications activities and interests of the Executive Branch and to insure that policy recommendations have been thoroughly staffed among interested agencies, I recommend the creation of a Domestic Council Committee on Telecommunications. This Committee would be chaired by the Director of OTP. The resources of that agency would be available as appropriate for the preparation of a telecommunications issue agenda for the consideration of the Committee, for the completion of the work of the Committee, and, of course, for continuation of the policy analysis functions that are OTP's primary responsibility under Executive Order 11556.

Membership in the Committee (proposed members listed at Tab B) would consist of those Executive Branch agencies with substantial interests and expertise in telecommunications.

This Committee would serve as a forum for the consideration of any significant telecommunications issue of concern to members. It would act as a sounding-board, providing both a means of improving the definition of issues through the exchange of members' views and a mechanism for resolving disagreements, as well, prior to the initiation of specific recommendations/options. This would insure that only those issues and recommendations ripe for Presidential disposition would be forwarded for your consideration. Finally, this Committee would provide a means to focus Administration attention on critical issues while at the same time providing a layer of insulation between the line offices of the Executive Branch and the White House itself.

Office of Management and Budget approval

National Security Council approval

Domestic Council approval

Counsel to the President approval



TAB A

The framework for the present organization of Federal telecommunications activities is the Communications Act of 1934 (47 U.S.C. § 151 et seq.). In addition to creating the Federal Communications Commission, the Act preserved the President's control of communications during wartime or other national emergency and continued his authority for assigning radio frequencies used by the Federal agencies (which amount to roughly one-half the usable frequencies in the United States) and managing the use of Government telecommunications facilities.

The Second World War caused pressures for increased coordination and control of telecommunications resources. In 1940, the Defense Communications Board was created to serve as the central focus for major governmental communications decisions during the war emergency (Executive Order 8546, September 1940; E.O. 7143, June 1942).

Following the abolition of this Board in 1947, President Truman established the Communications Policy Board to address the problem of increasing scarcity of radio frequencies in relation to the Federal Government's growing demand for their use (E.O. 10110, February 1950). On the Board's recommendation, a Telecommunications Advisor to the President was established in the Executive Office of the President (E.O. 10297) in October 1951 to advise and assist the President in communications matters concerning the Executive Branch.

During the Eisenhower years, the Office of Telecommunications Advisor was abolished (E.O. 10460, June 1953) and its functions transferred to the newly-created Office of Defense Mobilization (ODM). In addition, the wartime communications functions reserved to the President by the Communications Act were delegated to the ODM. In 1958, ODM was merged into the Office of Civil Defense Mobilization (OCDM) within the Executive Office of the President. Later, in 1958, a Special Advisory Committee on Telecommunications studied the Government's management of its own communications facilities and recommended the creation of a separate National Telecommunications Board within the Executive Office.



In his December 1960 "Report on Regulatory Agencies to the President-Elect," Dean James Landis called attention to the deficiency in long-range, comprehensive policy making in telecommunications and recommended the establishment of an Office for Coordination and Development of Communications Policy within the Executive Office, and to the transfer of this office of all powers assigned to the ODCM relating to telecommunications. The Bureau of the Budget (now the Office of Management and Budget) reached a similar conclusion in a 1961 study. Senator John O. Pastore also seconded this recommendation in 1961 and supported placement of the President's communications authority in the Executive Office.

President Kennedy established the position of Director of Telecommunications Management (DTM) as one of the Assistant Directors in the Office of Emergency Planning (E.O. 10995, February 1962) -- the successor agency to the ODCM. The DTM thus had responsibility for management of government telecommunications and authority to amend, modify, or revoke government frequency assignments.

In 1965, the Military Operations Subcommittee of the House Committee on Government Operations recommended that the President submit to the Congress a reorganization plan to reconstitute the functions and responsibilities of the DTM in a separate office in the Executive Office of the President (H. Rep. 89-178, p. 111). This recommendation was repeated in a committee report of October 19, 1966 (H. Rep. 89-2318, p. 9), and again in a report of August 28, 1967 (H. Rep. 90-613, p. 12). The Committee's principal concern was that the authority of the DTM in the Executive Office was anomalous, coming in part from the President and in part from the Director of Emergency Planning.

In 1968, the President's Task Force on Communications Policy, headed by Eugene Rostow, recommended that the Executive Branch develop a new telecommunications management capability. The Task Force envisioned a multidisciplinary office that would permit communications systems analysis, long-range economic and technological

forecasting, policy formulation, and coordinated technological assistance to Federal agencies and State and local governments.

In that same year, the Bureau of the Budget completed its "Study of Federal Communications Organizations" and pointed out the need for strengthened policy planning for Federal telecommunications activities, unified frequency management procedures, and improved technical assistance for Federal agencies lacking their own resources.

In a report submitted to the Congress in July 1969, the General Accounting Office assessed the Federal Government's total telecommunications structure and organizational arrangements. The GAO noted the absence of any centralized long-range policy guidance to assure reliable and effective communications capability and economy of operation from a Government-wide standpoint, and recommended the creation of a separate entity in the Executive Office of the President to serve as the Government's focal point in telecommunications matters.

On February 7, 1970, the President transmitted to the Congress Reorganization Plan No. 1 of 1970 abolishing the Office of DTM and establishing the Office of Telecommunications Policy (OTP) in the Executive Office of the President, citing the long-standing recognition that the Executive Branch should be better equipped to deal with issues arising from telecommunications growth. On September 4, 1970, the President issued Executive Order 11556 assigning telecommunications functions to the Director of the Office of Telecommunications Policy.





PRESIDENTIAL ORDER

Telecommunications, as a public service and as an industry, is playing an increasingly important role in our society and in all economic enterprise. This increasing importance is easily measured by the fact that telecommunications, the electronic exchange of information, now accounts for or directly affects some 5% of our total Gross National Product while producing some \$50 billion in revenues and over \$5 billion in profits each year. This industry directly employs 2 million individuals and the jobs of countless millions more are indirectly dependent on these activities. Finally, the U.S. government itself owns a telecommunications plant valued at about \$60 billion and expends appropriately \$12 billion per year on equipment and services.

In order to facilitate the coordination of telecommunications activities and interests of Executive Branch agencies and to insure that Administration policy recommendations in this dynamic field have been thoroughly reviewed, I am hereby creating a special Committee on Telecommunications within the Domestic Council. It will be chaired by the Director, Office of Telecommunications Policy, my principal adviser on telecommunications matters, and will assist that office in the execution of its responsibilities. The Committee will be supported as appropriate by the other Executive Branch agencies with significant telecommunications interests. The members are listed below.

This Committee will provide an inter-agency forum for the consideration of telecommunications issues of concern to the government and the Nation. It will provide a mechanism for the reconciliation of divergent views among its members and will support the Administration in its analysis and resolution of important policy issues in the telecommunications field.

Chairman: Director, Office of Telecommunications  
Policy

Members: The Attorney General  
Secretary of Commerce  
Secretary of Defense  
Secretary of the Treasury  
Secretary of Health, Education,  
and Welfare  
Secretary of Transportation  
Director, Office of Management and Budget  
Director, The Domestic Council  
Office of White House Counsel  
Director, National Science Foundation



ACTION REQUESTED

October 2, 1976

MEMORANDUM FOR:

✓ JIM CAVANAUGH  
PAUL O'NEILL  
BILL BAROODY

FROM:

FRED SLIGHT *gms*

SUBJECT:

Statement Request

The President has been invited to address journalists with a statement of no more than 100 words for publication in a large journalistic society's newsletter.

I am attaching a draft statement for your review.

Inasmuch as the request just arrived to my office, and the submission date for publication is Monday, October 4, I would appreciate your comments and suggestions as soon as possible on this brief statement.

Thank you for your assistance.

Attachment



THE WHITE HOUSE

WASHINGTON

August 3, 1976

~~Handwritten scribble~~  
Liquor -  
F.Y.I.  
Jim

MEMORANDUM FOR:

THOMAS J. HOUSER, DIRECTOR  
OFFICE OF TELECOMMUNICATIONS POLICY

FROM:

WILLIAM W. NICHOLSON, DIRECTOR  
SCHEDULING OFFICE

SUBJECT:

Meeting with the President

This is in response to your memorandum of July 27 to me asking to meet with the President sometime before your first Press Conference on August 25, except for the August 9-13 period.

Due to his heavy schedule demands, it will not be possible to arrange an appointment for you with the President. Please know, though, that your courtesy in asking to see him is most appreciated.

✓ cc: Jim Cannon - F.Y.I.



OFFICE OF TELECOMMUNICATIONS POLICY

EXECUTIVE OFFICE OF THE PRESIDENT

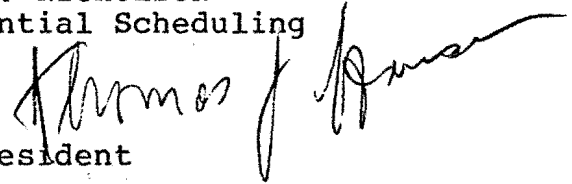
WASHINGTON, D.C. 20504

July 27, 1976

DIRECTOR

MEMORANDUM FOR

HONORABLE WILLIAM W. NICHOLSON  
Director of Presidential Scheduling

From: Thomas J. Houser   
Subject: Meeting with the President

Since my entrance on duty as Director of OTP on July 6, 1976, I have been studying the role and responsibilities of the Office and evaluating the effectiveness of several on-going critical programs, particularly in the area of deregulation and communications security which are of direct interest to the President.

August 25 is the date tentatively scheduled for my first press conference, at which time I will discuss germane issues in some detail. Before that date (other than August 9-13), I would very much appreciate an opportunity to talk to the President for ten to fifteen minutes to discuss such issues and any other matters which the President may desire to have reflected at the press conference.

cc: John Eger  
Joe Ryan  
Walda Roseman



*Communications*

*file*

THE WHITE HOUSE  
WASHINGTON

September 7, 1976

MEMORANDUM FOR: JAMES CANNON  
FROM: ARTHUR FLETCHER  
Subject: National Association of Broadcasters

I would appreciate consideration be given to the request in the attached letter. I would also like to be able to report back to them no later than Monday, September 13 as to the decision reached.

Thank you.

*Channel to 5 million people --*

*Check up Baroady*

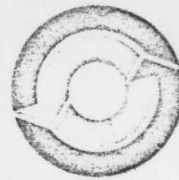
~~*Not appropriate*~~

*Fletcher called them to say so.*



090706

COMMUNITY AFFAIRS



Patricia Grace  
Director

August 13, 1976

Mr. Arthur Fletcher  
Deputy Assistant to the President  
for Urban Affairs  
The White House  
Old Executive Office Building  
Room 165  
Washington, D.C. 20006

Dear Art:

This Fall the National Association of Broadcasters will sponsor a Broadcasting Management Seminar for Black Station Owners. This will be an historic event -- the first gathering of Black station owners -- and will provide a unique opportunity for Black station owners to discuss the problems and opportunities in the broadcasting industry with prominent and knowledgeable persons in the business as well as other Black station owners.

The seminar will be held here at the NAB beginning at 6:00 p.m. on the evening of Tuesday, September 21 and concluding at 5:00 p.m. on Thursday, September 23, 1976.

The Seminar is planned to cover a wide range of broadcast management problems with special emphasis on national advertising.

Pursuant to our telephone conversation, I am inquiring about the possibility of the White House hosting a reception for these Black owners and invited guests. The Black owners number about 52; there would be probably an additional 40 persons, including their wives who would be accompanying them to the meeting, some congressional representatives and invited guests. If possible, we would like to have this reception on Wednesday evening, September 22, 1976, between the hours of 6-8 p.m. Such a reception would be greatly appreciated, I am certain, by each of us involved in the seminar.

Should you have any questions, please do not hesitate to contact me. I can be reached at 293-3551 or 3584.

I anxiously await your response. Thank you very much.

Sincerely,

*Patti*

Patricia Grace  
Director



THE WHITE HOUSE  
WASHINGTON

DATE: 9/27/76  
TO: Milt Mitler  
FROM: ALLEN MOORE  
SUBJECT:

ACTION:

FYI:

Is it appropriate for you  
to send out the attached  
response? If not, please  
let me know.





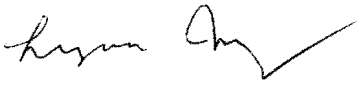
THE WHITE HOUSE  
WASHINGTON

September 21, 1976

MEMORANDUM FOR:

ALLEN MOORE

FROM:

LYNN MAY 

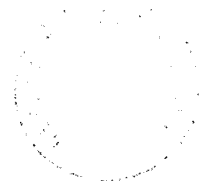
SUBJECT:

Attached Letter.

I spoke to Milt Mitler. All he wants is a non-committal draft letter, which I have drafted. I recommend that someone other than the President sign the letter to Diehl.

Most of the recommendations contained in Diehl's letter would be opposed by the Administration. I don't see the value in bringing them to Cannon's attention.

Attachments



DRAFT Letter to Walter F. Diehl

Dear Mr. Diehl:

On behalf of the President, I would like to thank you for your letter containing the recently passed resolutions of the 53rd International Convention of the International Alliance of Theatrical Stage Employes and Moving Picture Machine Operators of the United States and Canada. These resolutions were very informative and useful. They have been forwarded to appropriate staff officials for review.

Once again, thank you very much for your interest.

Sincerely,

Mr. Walter F. Diehl  
International President  
International Alliance of Theatrical  
Stage Employes and Moving Picture  
Machine Operators of the United  
States and Canada  
Suite 1900  
1270 Avenue of the Americas  
New York, New York 10020



THE WHITE HOUSE

WASHINGTON

September 13, 1976

MEMORANDUM FOR: JIM CANNON

FROM: MILT MITLER *Milt*

Jim, attached are the resolutions passed by the 53rd International Convention of the International Alliance of Theatrical Stage Employes and Moving Picture Machine Operators of the United States and Canada which might be of interest to you. Those concerned with the media, I have forwarded to the Office of Telecommunications Policy.

Attachment (Resolutions passed by the 53rd International Convention)