

## Revamping Intelsat



*Constitutional convention: INTELSAT representatives gather in Washington.*

The International Telecommunications Satellite Consortium is a group of governments running a business enterprise. Under an interim arrangement worked out in 1964, its members pay into the organization an investment share based on anticipated use; that share determines the weighted vote in policy making. The U.S. share is 53 percent of the \$100 million already invested. This investment actually has been put up by COMSAT, the Communications Satellite Corporation—a privately owned company that manages INTELSAT.

It is largely because of dissatisfaction with that arrangement that representatives of 65 of the 67 member nations of INTELSAT are in Washington now for the equivalent of a constitutional convention. From February 24, when they first arrived, until March 21, when the INTELSAT Conference ends, the delegates will work on a permanent plan for their organization, the world's first commercial and global communications satellite operation.

That the United States has the biggest voice in the affairs of INTELSAT, and that through a private corporation, rankles in many European countries who want a larger voice in the operation. They feel that an international organization should have an international secretariat in which each nation would have one vote and no single nation would have a position to use a veto. Right now, policy is made by a board of governors, the 18-member Interim Communications Satellite Committee. And because of the weighted voting and the fact that those nations whose investment is too small to earn them a vote can pool their resources, the 18 members represent 48 of the 67 countries.

The present arrangement does not

disturb the U.S. "The United States takes the position," says U.S. Ambassador Leonard H. Marks, conference chairman, "that the only competent agency available to run this system is the COMSAT Corporation. . . . And so we feel that if you are going to have the same kind of an efficient worldwide system that we have so well developed in five years, there must be a continuation of the COMSAT Corporation as manager."

Frank E. Loy, deputy assistant secretary of state for economic affairs, maintains that "It's incorrect to assume that the U.S. is entirely alone in its feeling that COMSAT ought to remain as manager. . . . There are other countries, in terms of their use of this system, terribly important, whose opinions either are similar to ours or at least who haven't spoken up at all."

The controversy, however, involves more than efficiency. Those nations who have a tradition of government ownership of utilities look askance at the prospect of a commercial company like COMSAT managing an enterprise in what they regard as a public field. Such an arrangement is completely alien to them, evoking as it does visions of a giant trust.

Last week significant cards were laid on the table when Dr. Heinrich Northe, the German ambassador, submitted a three-nation proposal with Canada and India. Calling for an assembly, a governing body and a management body, the proposal follows the principles that "the organization would be genuinely international in scope and character, the composition of the assembly would insure that each member government should have a periodic say in over-all policy and that there would be a full internationalization of the manager as soon as practicable."

To further complicate the question, some, as well as participating in a worldwide communications satellite system, are considering domestic networks of their own. Canada has decided to go ahead with one and France and Germany are engaged in a joint satellite project to learn about space communications. There has been talk of an Australian and British project.

Those nations who favor a regional system balk at relinquishing power to INTELSAT. France, for example, whose main interests are in Europe and Africa, would not want to impart control of regional communications to an international body. And some smaller nations feel the regional system would suit their special needs better than the world-oriented INTELSAT.

One concern is that a regional system might interfere electronically with INTELSAT satellites.

A potential problem is posed by the Soviet Union, not a member of INTELSAT, but represented by an observer at the conference (as are 23 other countries). Russia has proposed a rival system called Intersputnik, which exists only on paper.

Setting up a rival system would pose the same problems as two phone companies in one city whose subscribers couldn't talk to each other. Now, however, the Soviets have indicated a willingness to cooperate with INTELSAT, provided all participants have "equal rights and obligations in all matters."

The United States has proposed internationalizing INTELSAT by putting in a deliberative assembly which would debate but not overrule the board of governors' decisions. But the United States can't see starting from scratch and setting up an international manager to duplicate what COMSAT now does so successfully. A senior member of the British delegation has expressed general satisfaction with the present arrangements since they have done what they set out to do, but he does talk about "minimum essential changes" that will have to be made for the desires of other countries. He also points out that, "In practice, all decisions have been unanimous or substantially unanimous," and the United Kingdom among others would like to keep it that way. The U.S. is concerned that such a rule could make INTELSAT a sterile debate forum.

No one is certain if the conference will produce a permanent agreement by the March 21 deadline, but the chances aren't too good. If there is no agreement, the conference will adjourn and reconvene at a later date. But this will not affect INTELSAT operations; the interim agreement will still be in effect. As one U.S. official put it: "It's no skin off anybody's nose if it's not settled."