U.S. Department of Justice
Washington, DC 20530

Supplemental Statement
Pursuant to Section 2 of the Foreign Agents Registration Act of 1938, as amended.

OMB No. 1105-0002
Approval Expires Oct. 31, 1983

For Six Month Period Ending 23 APR 1984
(Insert date)

Name of Registrant
Burson-Marsteller

Registration No. 2469

Business Address of Registrant
1825 Eye St., N.W.
Suite 950
Washington, D.C. 20006

I—REGISTRANT

1. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual:

(1) Residence address	Yes ☐	No ☒
(2) Citizenship	Yes ☐	No ☒
(3) Occupation	Yes ☐	No ☒

(b) If an organization:

(1) Name	Yes ☒	No ☐
(2) Ownership or control	Yes ☒	No ☐
(3) Branch offices	Yes ☐	No ☐

2. Explain fully all changes, if any, indicated in item 1.

Corporate split between Burson-Marsteller and Marsteller, Inc.

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, and 5.

3. Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☒ No ☐

If yes, furnish the following information:

Name	*Position*	*Date Connection Ended*
Kurt Kron		1-15-84
James Lovejoy		12-31-83
Stephen D. Pisinski		3-5-84
Patricia Tuck		2-29-84

4. Have any persons become partners, officers, directors or similar officials during this 6 month reporting period?
Yes ☐ No ☐

If yes, furnish the following information: See Attachment 1

Name	*Residence Address*	*Citizenship*	*Position*	*Date Assumed*

5. Has any person named in Item 4 rendered services directly in furtherance of the interests of any foreign principal?
Yes ☐ No ☒

If yes, identify each such person and describe his services.

6. Have any employees or individuals other than officials, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name	*Position or connection*	*Date terminated*

7. During this 6 month reporting period, have any persons been hired as employees or in any other capacity by the registrant who rendered services to the registrant directly in furtherance of the interests of any foreign principal in other than a clerical or secretarial, or in a related or similar capacity? Yes ☐ No ☒

If yes, furnish the following information:

Name	*Residence Address*	*Position or connection*	*Date connection began*

II—FOREIGN PRINCIPAL

8. Has your connection with any foreign prinicpal ended during this 6 month reporting period? Yes ☒ No ☐

If yes, furnish the following information:

Name of foreign principal	*Date of Termination*
✓ASEA	3-84

9. Have you acquired any new foreign principal[1] during this 6 month reporting period? Yes ☒ No ☐

If yes, furnish following information:

Name and address of foreign principal	*Date acquired*
✓INTELSAT 490 L'Enfant Plaza, S.W. Washington, D.C. 20024	3-19-84
✓SABIC P.O. Box 5101 Riyadh, Saudi Arabia	11-13-83

10. In addition to those named in Items 8 and 9, if any, list the foreign principals[1] whom you continued to represent during the 6 month reporting period.

✓Singapore Airlines

III—ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9, and 10 of this statement? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

See Attachment II

[1]The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual or organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)).

A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those foreign principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity[2] as defined below?
Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

Burson-Marsteller will be executing a communications program to assist INTELSAT in marketing services to American businesses, commemorating INTELSAT's 20th anniversary and raising the visibility of INTELSAT's contributions to international communications and its positions on communications policy.

13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes ☐ No ☒

If yes, describe fully.

[2]The term "political activities" mea[illegible]issemination of political propaganda and any other activity which the person engaging therein believes will, [illegible] he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any o[illegible]uence any agency or official of the Government of the United States or any section of the public within the [illegible] with reference to formulating, adopting, or changing the domestic or foreign [illegible] United States or with reference to the political or public interests, policies, or relations of a governm[illegible]ign country or a foreign political party.

IV—FINANCIAL INFORMATION

14. (a) **RECEIPTS—MONIES**

During this 6 month reporting period, have you received from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes ☒ No ☐

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.[3]

Date	*From Whom*	*Purpose*	*Amount*
	See Attachment III		
		Total	$198,322.40

(b) **RECEIPTS—THINGS OF VALUE**

During this 6 month reporting period, have you received any thing of value[4] other than money from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal?
Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal	*Date received*	*Description of thing of value*	*Purpose*

[3] A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. See Rule 201(e).
[4] Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) **DISBURSEMENTS—MONIES**

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 8, 9 and 10 of this statement? Yes ☒ No ☐

(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	*To Whom*	*Purpose*	*Amount*
	See Attachment IV		

$55,167.26

Total

15. (b) DISBURSEMENTS—THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value[5] other than money in furtherance of or in connection with activities on behalf of any foreign principal named in items 8, 9 and 10 of this statement?
Yes ☐ No ☒

If yes, furnish the following information:

Date disposed	*Name of person to whom given*	*On behalf of what foreign principal*	*Description of thing of value*	*Purpose*

(c) DISBURSEMENTS—POLITICAL CONTRIBUTIONS
During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value[5] in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?
Yes ☒ No ☐

If yes, furnish the following information:

Date	*Amount or thing of value*	*Name of political organization*	*Name of candidate*
12-19-83	$50.00	Walter Mondale for President	Walter Mondale
3-1-84	$500.00	Gary Hart for President Committee	Gary Hart

V—POLITICAL PROPAGANDA

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any political propaganda as defined above? Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN THIS SECTION V.

17. Identify each such foreign principal.
INTELSAT, SABIC, Singapore Airlines

[5]Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating political propaganda? Yes ☐ No ☒

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of political propaganda include the use of any of the following:

☒ Radio or TV broadcasts ☒ Magazine or newspaper articles ☐ Motion picture films ☒ Letters or telegrams

☐ Advertising campaigns ☒ Press releases ☒ Pamphlets or other publications ☒ Lectures or speeches

☐ Other *(specify)* _____

20. During this 6 month reporting period, did you disseminate or cause to be disseminated political propaganda among any of the following groups:

☐ Public Officials ☒ Newspapers ☐ Libraries
☒ Legislators ☒ Editors ☐ Educational institutions
☐ Government agencies ☐ Civic groups or associations ☐ Nationality groups
☐ Other *(specify)* _____

21. What language was used in this political propaganda:

☒ English ☐ Other *(specify)* _____

22. Did you file with the Registration Section, U.S. Department of Justice, two copies of each item of political propaganda material disseminated or caused to be disseminated during this 6 month reporting period? Yes ☐ No ☐

See Attachment V

23. Did you label each item of such political propaganda material with the statement required by Section 4(b) of the Act?
Yes ☐ No ☐

See Attachment V

24. Did you file with the Registration Section, U.S. Department of Justice, a Dissemination Report for each item of such political propaganda material as required by Rule 401 under the Act? Yes ☐ No ☐

See Attachment V

VI—EXHIBITS AND ATTACHMENTS

25. **EXHIBITS A AND B**

(a) Have you filed for each of the newly acquired foreign principals in Item 9 the following:

Exhibit A[6] Yes ☒ No ☐
Exhibit B[7] Yes ☒ No ☐ Attachment VI

If no, please attach the required exhibit.

(b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes ☐ No ☒

If yes, have you filed an amendment to these exhibits? Yes ☐ No ☐

If no, please attach the required amendment.

[6]The Exhibit A, which is filed on [illegible]-157 (Formerly OBD-67) sets forth the information required to be disclosed concerning each foreign p[illegible]
[7]The Exhibit B, which is filed on [illegible]-155 (Formerly OBD-65) sets forth the information concerning the agreement or understanding betwe[illegible]rant and the foreign principal.

26. **EXHIBIT C**

If you have previously filed an Exhibit C[8], state whether any changes therein have occurred during this 6 month reporting period. Yes ☐ No ☒

If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☐

If no, please attach the required amendment.

---

27. **SHORT FORM REGISTRATION STATEMENT**

Have short form registration statements been filed by all of the persons named in Items 5 and 7 of the supplemental statement? Yes ☒ No ☐

If no, list names of persons who have not filed the required statement.

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this registration statement and the attached exhibits and that he is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in attached Short Form Registration Statement, if any, insofar as such information is not within his (their) personal knowledge.

(Type or print name under each signature)

(Both copies of this statement shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Subscribed and sworn to before me at Washington, D.C.

this 29th day of May, 19 84

Clara E. Balik
(Signature of notary or other officer)

Commission Expires September 30, 1988

[8]The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, U.S. Department of Justice, Washington, D.C. 20530.)

Attachment I

B-M

NEW OFFICERS 10/23/83-4/23/84

RECEIVED
CRIME PROVISION
MAY 30 10 49 AM '84
CRIME SECURITY
SECTION
REGISTRATION UNIT

NAME	ADDRESS	CITIZENSHIP	TITLE	DATE ASSUMED
Robert Cohn	1828 Cedar Canyon Dr. Atlanta, GA 30345	USA	EVP	4/16/84
Brian Cummings	250 Arden Road Pittsburgh, PA 15216	USA	SVP	4/16/84
Donovan Cragin	7036 Harrow Street Forest Hills, NY 11375	USA	VP	4/16/84
Robert Ehrlich	32 West 10th St. New York, NY	USA	Asst. Sec	4/16/84
Robert Feldman	1675 York Ave, 3M New York, NY 10028	USA	VP	12/14/83
Roger Ferriter	75 Winnebago Road Yonkers, NY 10710	USA	VP	4/16/84
Anthony Grass	1415 N. Dearborn Chicago, IL 60610	USA	VP	4/16/84
Charles Hamlin	740 West End Ave. New York, NY 10025	USA	VP	12/14/84
Mirrell Kephart	14931 El Miranda Dr. Houston, TX 77095	USA	VP	4/16/84
Patricia Langton	35 Sutton Place New York, NY	USA	VP	4/16/84
Andrew Leaf	289 Harvard Ave. Rockville Center, NY 11570	USA	VP	4/16/84
Richard Miller	228 East 85th Street New York, NY 10028	USA	VP	12/14/83
Dennis Moribito	5404 Plainfield St. Pittsburgh, PA 15217	USA	VP	12/14/83
Myrna Roddini	8616 17th Ave. Brooklyn, NY 11214	USA	Asst. Sec.	4/16/84
Dory Ryan	243 West End Ave #709 New York, NY 10023	USA	VP	4/16/84
Laura Schneider	One Sherman Square New York, NY	USA	VP	12/14/83

NAME	ADDRESS	CITIZENSHIP	TITLE	DATE ASSUMED
Norman Wolfe	403 Colony House 145-15th St., NE Atlanta, GA 30361	USA	SVP	4/16/84
Mayer Resnick	669 Albin St. Teaneck, NJ 07666	USA	VP	4/16/84

Attachment II

Burson-Marsteller

Singapore Airlines
Activities Report
October 23, 1983 - April 23, 1984

Contacted various publications to offer articles written by a free-lancer in Singapore. None accepted and effort terminated.

Contacted International Aviation Club re invitation to SIA Chairman Jym Pillay to address the club. Invitation issued for September 18, 1984.

Monitored news and Congressional Records for developments affecting SIA.

Contacted media re SIA's support for one leg of Washington Ballets Far East tour. Distributed press release for the Washington Ballet.
Distributed report of Chairman Pillay's speech, "Free Trade: A Millstone or an Opportunity" to an extensive list including members of Congress and Administration.

Distributed press release (November 17, 1983) on Chairman's speech.

Arranged November 16 address refined to above at private dinner held at International Club of Washington and signing of $1 billion in contracts for Boeing and Pratt & Whitney. Some media present.

Conveyed letter to editor of New York Journal of Commerce.

Contacted several times by phone: The International Aviation Club; the Subcommittee on Investgations and Oversight (Bruce Lederer); and the Office of the U.S. Trade Representative.

Attachment II

Burson·Marsteller

RECEIVED
CRIMINAL DIVISION
INTERNAL SECURITY
REGISTRATION UNIT

SABIC
Activities Report
October 23, 1983 - April 23, 1984

V. Emmanuel, K. Huszar and Judy Henry registered as foreign agents for SABIC just prior to an event B-M publicized for SABIC in November. That was the only activity during the six-month period, with the exception of occasional contact with the still-prospective client.

Obtained press coverage in the chemical-related trades for Mohamed Al-Mady of SABIC, a speaker at the Diamond Jubilee Celebration of the American Institute of Chemical Engineers, Nov. 1-3, in Washington D.C. Attached is the report submitted to SABIC following that event.

SABIC is not officially a client, nor is there a contract. B-M and SABIC are still negotiating a possible contract.

(Copy of press kit referred to in the attached was disseminated with the Justice Department. Copy not available in the Washington Office of Burson-Marsteller where this report was compiled.)

Attachment II

Burson-Marsteller

RECEIVED
CRIMINAL DIVISION
MAY 30 10 52 AM '84
INTERNAL SECURITY
SECTION
REGISTRATION UNIT

INTELSAT
Activities Report
October 23, 1983 - April 23, 1984

- Invited reporters by phone to attend background luncheon with Mr. Colino on 10/19. Attended luncheon.
- Distributed Colino's Congressional testimony to 10 reporters (10/21). Attachment F.
- Arranged interview for Mr. Colino with Reuters. Attended interview (11/1).
- Sent letters to the 50 media inquiring about interview possibilities for R. Colino (10/83, 11/83, 12/83).
- Arranged interview for R. Colino on Fred Fiske Show. Supplied reporter with background information, attended interview (12/5). Attachments A, B, D, E.
- Developed media lists for INTELSAT use.
- Talked with ABC about the INTELSAT role in transmitting the Winter Olympics (1/25).
- Met with D. West of Broadcasting to discuss arranging interview with R. Colino (12/1).
- Arranged interview with R. Colino with Nightly Business Report. Supplied background information (11/23). Attachments A, B, D.
- Supplied background information on INTELSAT to television program "International Dateline" (11/28). Attachments A, B, F.
- Worked on script and coordinated video taping of R. Colino announcement TV news clip (12/16).
- Assisted with drafting of release on R. Colino becoming director general of INTELSAT. Mailed release to 250 news print outlets across the country (12/27). Attachment K.
- Mailed letters about INTELSAT 20th anniversary to 16 inflight magazines, 4 on 1/23/84, 12 on 2/8/84.
- Had on-going phone contact with 25 reporters about INTELSAT (12/83-5/84).
- Arranged interviews with Forbes, Time (4/3) and Fortune (4/23) magazines. Provided reporters with background materials before interviews. Attachments A, B, C, D, E, F.

- Developed invitation list for INTELSAT reception during Winter Olympics. Made follow-up calls to see who was attending reception (2/7).

- Assisted with drafting press release about INTELSAT involvement in transmitting Olympics around the world (2/1). Sent Olympic press release to 100 reporters across the country (2/4). Attachment I.

- Sent copies of R. Colino's speech for Hogan and Hartson seminar to 8 reporters. Attachment H.

- Drafted script for 20th anniversary video news clip and assisted with editing (4/2).

- Sent media advisory to TV stations with DC bureaus to interest them in filming control center as a side-bar story for Olympic coverage (2/23). Attachments I, J.

- Made follow-up press calls to alert media about MS, announcement of 20th anniversary, and to confirm attendance at reception (4/6).

Burson-Marsteller

M. Al-Mady Publicity Activities
Washington, D.C.
Nov. 1-3, 1983

Last fall, Morgan-Newman requested Burson-Marsteller's assistance in arranging media support for Saudi Petrochemical Company Senior Vice President Mohamed H. Al-Mady during his Washington, D.C. visit the first week of November to make a presentation before the American Institute of Chemical Engineers (AIChE) on its Diamond Jubilee Celebration.

The following is a summary of the activities that Burson-Marsteller performed in carrying out its assignments on Mr. Al-Mady's behalf.

Burson-Marsteller liaised with AIChE to determine the meeting format and audience, and with the session's co-chairman from Gulf Chemical to obtain Mr. Al-Mady's schedule availability. Publicity support preparations included frequent contact with Morgan-Newman, which forwarded background data, the original and revised versions of Mr. Al-Mady's speech, his biography and his photograph. Burson-Marsteller also registered with the U.S. Department of Justice as a foreign agent for SABIC on this assignment, which allowed us to provide unrestricted media support.

Interviews Set Up

Burson-Marsteller contacted the major U.S. chemical and petrochemical trade journals to arrange interviews for Mr. Al-Mady.

In many cases, we talked to three or four people at each publication to find out which editors, and from which bureaus, would be assigned to cover the week-long meeting. We arranged for journalists from CHEMICAL MARKETING REPORTER and JOURNAL OF COMMERCE to interview Mr. Al-Mady by coordinating with both the New York and Washington bureaus; we conferred directly with the Washington bureau of OIL DAILY to set up an interview.

We determined which New York editor of CHEMICAL ENGINEERING would cover the Washington meeting, and arranged for him to interview Mr. Al-Mady following the presentation. We also set up a long-distance phone interview between the New York-based editor of PETROLEUM INTELLIGENCE WEEKLY and the SADAF vice president. At the request of CHEMICAL & ENGINEERING NEWS, we tried to set up a trans-Atlantic call with its London bureau chief, but the scheduling proved impossible -- though we were told that the London editor would attempt to contact Mr. Al-Mady on his return to Al-Jubail.

Prior to the interviews, Burson-Marsteller Vice President Ken Huszar met with Mr. Al-Mady and David Cummings of Morgan-Newman in Washington, D.C. to brief them on the lines of expected questioning, and current chemical-related issues in the news. He also accompanied Mr. Al-Mady to each of the scheduled interviews. (Schedule attached)

Kit Expands Coverage

To expand press coverage, Burson-Marsteller prepared, produced and distributed a press kit based on drafts of the speech pro-

vided by Morgan-Newman. We drafted a press release which summarized the basic points of Mr. Al-Mady's speech, then revised it when the speech was modified. We designed and produced a special press kit cover with the SABIC logo, which featured the release, also on paper with the SABIC logo, across the top. The press kit also contained a copy of Mr. Al-Mady's speech, his biography and his photograph, the latter two items having been provided by SABIC's public relations department in Riyadh.

Each interviewer received a press kit prior to his meeting with Mr. Al-Mady to familiarize himself with the issues. In addition, Burson-Marsteller arranged for the press kits to be distributed in the AIChE press room during the week of the meeting to encourage journalists to attend the sessions and to publish Mr. Al-Mady's remarks.

The press kit also was sent, via messenger and special mailings, to a comprehensive list of chemical/petrochemical editors at trade publications and major media. The 15 chemical/petrochemical trade books received the press kit the week of the celebration, to enable them to include Mr. Al-Mady's remarks and still make their deadlines. The 12 major business publications and 3 wire services received press kits during the morning as Mr. Al-Mady delivered his remarks.
(Distribution list attached.)

Summary

Most of the interviews resulted in stories immediately. CHEMICAL MARKETING REPORTER ran a front-page photo of Mr. Al-Mady in addition to a lengthy story based on his interview on Nov. 7.

Three of the publications scheduled stories for Nov. 14, the day an American Petroleum Institute conference opened. OIL DAILY printed its interview, JOURNAL OF COMMERCE ran two stories, and PETROLEUM INTELLIGENCE WEEKLY reported Mr. Al-Mady's remarks. And, based on the information in the press kit, CHEMICAL & ENGINEERING NEWS published a summary of his presentation, as did PETROCHEMICAL NEWS, which was unable to attend the meeting.

In addition, PLATT'S OILGRAM NEWS printed a story containing Mr. Al-Mady's remarks, based on the press kit distributed from the AIChE press room.

Burson-Marsteller followed up with each interviewing journalist. Consequently, at the request of the reporter for CHEMICAL ENGINEERING, we asked for additional information on SABIC to enable him to write the story he wanted. The story was published in the Dec. 12 international edition. (Thus far we have been unable to obtain a copy of the article.)

ATTACHMENT III

Date	From Whom	Purpose	Amount
12/05/83	Singapore International Airelines	Invoice #708901	2,769.99
12/07/83	"	8939	2,716.95
12/21/83	"	8969	4,446.90
2/06/84	"	9007	24,998.95
3/26/84	"	9068	3,418.00
4/04/84	"	9038	19,701.09
		SUB	$58,051.88
11/07/83	ASEA	Invoice #708892	3,914.06
12/02/83	"	8927	6,036.84
12/22/83	"		11,082.53
1/30/84	"	8997	8,987.75
3/02/84	"	9028	980.33
		SUB	$31,001.51
10/31/83	INTELSAT	Invoice # 8898	6,268.85
12/16/83	"	8979	14,952.12
1/26/84	"	9003	20,139.71
1/26/84	"	9033	27,261.56
1/26/84	"	Unapplied Over-Payment	349.00
3/16/84	"	9054	34,426.99
3/19/84	"	8933	5,870.78
		SUB	$109,269.01
		TOTAL	$198,322.40

ATTACHMENT IV

Date	Purpose	Amount
ASEA October 83-April 84		
	Messenger	$218.85
	Postage	540.84
	Reproduction	111.00
	Photocopy/Prints	223.19
	Printing/Calligraphy	931.22
	Air Freight	241.00
	Catering	3,835.00
	Prints	29.68
	Telephone, L.D., telegraph, teletype	379.88
	Travel	239.00
	Local Trans.	17.00
	Reception	7,209.80
	Hotel	506.80
	Misc.	214.00
	SUB	$14,697.26

Singapore Airlines October 83-April 84		
	Postage/Photocopies	$1,685.56
	Messenger	347.82
	LD Telephone, teletype, telegraph	1,028.50
	Info-Bank	75.44
	Ad	5,065.83
	Layout, graphics, type, etc.	476.05
	Audio dubs	34.00
	Prints	582.20
	Shipping	45.00
	Clerical Services	54.00
	Word Processing	63.65
	Local Trans.	28.70
	Limo Rental	1,343.10
	Luncheon Meetings	699.43
	Air Freight	16.00
	Clipping Service	241.52
	Printing	2,079.40
	Design & Production	1,275.00
	Reproduction	1.20
	SUB	$15,142.40

Date	Purpose	Amount
INTELSAT		
October 83-April 84		
	Messenger	$461.97
	Postage/Photocopies/ Local Phone	2,613.96
	Info Bank	608.51
	Reproduction	905.80
	Telephone, Teletype, Telegraph, L.D.	1,009.05
	Air Freight	82.00
	Local Transportation	122.40
	Word Processing	133.62
	Shipping	98.00
	Editorial Contact	9.27
	Media Info. System	396.92
	Video-Media Training	11.77
	Publication	87.00
	Clerical	86,00
	Travel	89.71
	Research Media Placement	1,101,10
	SUB	$7,817.08
SABIC		
October 83-April 84		
	Travel	$14,824.62
	L.D./Local Telephone	310.59
	Messengers	133.20
	Postage	277.20
	Shipping	900.00
	Info Bank	100.00
	Equip. Rental	238.45
	Local Transportation	121.00
	Editorial Contact/ Luncheons	503.96
	Misc.	101.50
	SUB	$17,510.52
	TOTAL	$55,167.26

Burson-Marsteller

Attachment

ASEA, Inc.
Activities Report
October 23, 1983-April 23, 1984

Disbursements/Monies referred to in Item 15 of this 6-month report are reflected in the April 23, 1983-October 23, 1983 6-month activities report.

From April 23, 1983-October 23, 1983 Foreign Registration 6-month report:

"Consulted and assisted in editing a book entitled, "World Economic Development and the Energy Factor," The book was published in Sweden and distributed to special recipients in the United States.

Organized and executed a reception at the Four Seasons Hotel, Washington, D.C., on September 30, 1983 honoring contributors to the above mentioned book."

CRIM. DIVISION
INTEGRITY
REGISTRATION UNIT

Burson-Marsteller

With regard to the dissemination of political propaganda as it applies to INTELSAT, Burson-Marsteller wrote to the Justice Department's Registration Unit on December 13, 1983 asking for a decision on whether or not it was necessary for them to register as foreign agents on this particular client's behalf. Burson-Marsteller received written confirmation on March 6, 1984 that it was necessary for registration papers to be filed on behalf of INTELSAT. The company registered as foreign agents for INTELSAT on March 19, 1984.

On March 22, 1984, Burson-Marsteller submitted to the Department of Justice's Registration Unit all materials that had been disseminated to date on behalf of INTELSAT, asking for a decision on which materials come under the heading of political propaganda as defined by the Act.

As of May 29, 1984, no decision has yet been received by Burson-Marsteller.

Burson-Marsteller

International Square
1825 Eye Street NW
Suite 950
Washington, D.C. 20006
202 833 8550

December 13, 1983

Mr. Cecil L. Woodard, II
Registration Unit
Internal Security Division
U.S. Department of Justice
Washington, D.C. 20530

Dear Mr. Woodard:

This letter is to request written confirmation that it is unnecessary for Burson-Marsteller to register as a foreign agent for its client, INTELSAT.

As we discussed, our agency has a one-year contract with INTELSAT to monitor communications issues and inform the public about INTELSAT and their issues and services. Attached is an Annual Report and a brief outline of INTELSAT's history and function.

If you have any further questions regarding this matter, please call me at 833-8550.

Thank you for your attention to this matter.

Sincerely,

Susan Hennemuth

Susan E. Hennemuth
Research Associate

seh/
attachments

BCC: Harold Burson
Larry Snoddon
Jon Jessar
Tim Brosnahan
Sherry Saunders

U.S. Department of Justice

Washington, D.C. 20530

0 8 MAR 1984

Marsteller, Inc.,
d/b/a Burson-Marsteller
1825 Eye Street, N.W., Suite 950
Washington, D.C. 20006

Attention: Ms. Susan E. Hennemuth,
Research Associate

Re: Registration No. 2469

Gentlemen:

Reference is made to Mrs. Robinson's telephone conversation with Ms. Hennemuth on March 6, 1984, advising that based on the information furnished in your letter dated December 13, 1983 together with attachments, it has been determined that you are required to register under the Act on behalf of Intelsat.

Sincerely,

Joseph E. Clarkson

Joseph E. Clarkson, Chief
Registration Unit
Internal Security Section
Criminal Division

Burson-Marsteller

[illegible]

March 22, 1984

Ms. Eileen Lucas
Registration Unit
U.S. Department of Justice
315-9th Street, N.W.
Washington, D.C. 20530

Dear Ms. Lucas:

Attached are copies of the materials we discussed today. I have noted on each item how many members of the media each letter/press release/memo went to.

Please give me a call when you have determined which items should have a Dissemination Report filed.

Thank you for your help on this matter.

Sincerely,

Susan Hennemuth

Susan E. Hennemuth
Research Associate

seh/
attachment

ATTACHMENT VI

FORM OBD - 67
JAN 1977

UNITED STATES DEPARTMENT OF JUSTICE
WASHINGTON, D.C. 20530

OMB No. 43-R0216
Approval expires Oct. 31, 1981

EXHIBIT A

TO REGISTRATION STATEMENT

Under the Foreign Agents Registration Act of 1938, as amended

Furnish this exhibit for EACH foreign principal listed in an initial statement and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant
Marsteller Inc. d.b.a. Burson-Marsteller
1825 Eye Street, N.W.
Washington, D.C. 20006

2. Registration No.
2469

3. Name of foreign principal
Saudi Basic Industries Corporation (SABIC)

4. Principal address of foreign principal
P.O. Box 5101
Riyadh, Saudi Arabia

5. Indicate whether your foreign principal is one of the following type:

- [ ] Foreign government
- [ ] Foreign political party
- [X] Foreign or [ ] domestic organization: If either, check one of the following:
  - [ ] Partnership
  - [ ] Committee
  - [X] Corporation
  - [ ] Voluntary group
  - [ ] Association
  - [ ] Other (specify) _____
- [ ] Individual - State his nationality _____

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant.

b) Name and title of official with whom registrant deals.

RECEIVED
CRIMINAL DIVISION
MAY 1 3 25 PM '83
INTERNAL SECURITY
SECTION
REGISTRATION UNIT

7. If the foreign principal is a foreign political party, state:

a) Principal address

b) Name and title of official with whom the registrant deals.

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

Manufacturer of petrochemicals, iron and steel.

b) Is this foreign principal

Owned by a foreign government, foreign political party, or other foreign principal ..... Yes [X] No [ ]

Directed by a foreign government, foreign political party, or other foreign principal.... Yes [ ] No [X]

Controlled by a foreign government, foreign political party, or other foreign principal.. Yes [X] No [ ]

Financed by a foreign government, foreign political party, or other foreign principal... Yes [X] No [ ]

Subsidized in whole by a foreign government, foreign political party, or other foreign principal ..... Yes [ ] No [X]

Subsidized in part by a foreign government, foreign political party, or other foreign principal ..... Yes [ ] No [ ]

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

SABIC was established in 1976 by the government of the Kingdom of Saudi Arabia. Its managing director was appointed by the government and it was capitalized by the government.

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

Date of Exhibit A	Name and Title	Signature
November 1, 1983	Jonathan Jessar Senior Vice President	

DOJ

ATTACHMENT VI

Form OBD-65
Rev. 4-27-77
(Formerly DJ-304)

OMB
No. 43-R435
Approval Expires Oct. 31, 1981

UNITED STATES DEPARTMENT OF JUSTICE
Washington, D.C. 20530

EXHIBIT B

TO REGISTRATION STATEMENT
Under the Foreign Agents Registration Act
of 1938, as amended

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
Marsteller Inc., d.b.a. Burson-Marsteller	Saudi Basic Industries Corporation (SABIC)

Check Appropriate Boxes:

1. [ ] The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.

2. [ ] There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. [X] The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

SABIC is a potential client. Burson-Marsteller presented a complete public relations program, which SABIC currently is studying. In the meantime, Burson-Marsteller was asked by SABIC to arrange interviews and distribute press materials on the occasion of a speech by a SABIC executive to the Diamond Jubilee Meeting of the American Institute of Chemical Engineers on November 3, 1983. Remuneration is still to be determined.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

See #3 above.

RECEIVED
CRIMINAL DIVISION
NOV 3 25 PM '83
INTERNAL SECURITY
SECTION
REGISTRATION UNIT

TERMINATED
DATE 4-23-87

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

Burson-Marsteller is planning to arrange said interviews and to distribute copies of the speech, a press release based on the speech, plus a photograph and bio of the speaker.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1/] Yes [ ] No [X]

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Date of Exhibit B	Name and Title	Signature
November 1, 1983	Jonathan Jessar Senior Vice Pres.	Jonathan Jessar

1/ Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

ATTACHMENT VI

FORM OBD - 67
JAN 1977

UNITED STATES DEPARTMENT OF JUSTICE
WASHINGTON, D.C. 20530

OMB No. 43-R0216
Approval expires Oct. 31, 1981

EXHIBIT A

TO REGISTRATION STATEMENT

Under the Foreign Agents Registration Act of 1938, as amended

Furnish this exhibit for EACH foreign principal listed in an initial statement and for EACH additional foreign principal acquired subsequently.

1. Name and address of registrant
Burson-Marsteller
1825 Eye Street, N.W., Suite 950, Wash., D.C. 20006

2. Registration No.
2469

3. Name of foreign principal
INTELSAT

4. Principal address of foreign principal
490 L'Enfant Plaza, S.W.
Washington, D.C. 20024

5. Indicate whether your foreign principal is one of the following type:

☐ Foreign government

☐ Foreign political party

☒ ~~Foreign~~ or ☐ ~~domestic organization~~: If either, check one of the following: International Organization

☐ Partnership ☐ Committee

☐ Corporation ☐ Voluntary group

☐ Association ☐ Other (specify) International Organization of which U.S. entity is the largest member.

☐ Individual - State his nationality

6. If the foreign principal is a foreign government, state:

a) Branch or agency represented by the registrant.

b) Name and title of official with whom registrant deals.

RECEIVED
CRIMINAL DIVISION
MAR 13 10 30 AM '84
INTERNAL SECURITY
SECTION
REGISTRATION UNIT

7. If the foreign principal is a foreign political party, state:

a) Principal address

b) Name and title of official with whom the registrant deals.

c) Principal aim

8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal INTELSAT is an organization of 108 member countries which owns and operates the satellites used by most of the world for international communications. Some countries use INTELSAT's satellites for communications within their own borders as well. United States' entity is largest member, user and contributor. (See attached fact sheet for additional details.)

ERMINATED
ATE 12-5-89

b) Is this foreign principal

Owned by ~~a foreign government, foreign political party, or other foreign principal~~ the U.S. and foreign governments and other entities ..... Yes [X] No [ ]

Directed by ~~a foreign government, foreign political party, or other foreign principal~~ the U.S. and foreign governments and other entities ... Yes [X] No [ ]

Controlled by ~~a foreign government, foreign political party, or other foreign principal~~ the U.S. and foreign governments and other entities .. Yes [X] No [ ]

Financed by a foreign government, foreign political party, or other foreign principal ... Yes [ ] No [X]

Subsidized in whole by a foreign government, foreign political party, or other foreign principal ..... Yes [ ] No [X]

Subsidized in part by a foreign government, foreign political party, or other foreign principal ..... Yes [ ] No [X]

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

INTELSAT is an international organization consisting of 108 member countries which are "Parties" to the Intergovernmental "Agreement Relating to the International Telecommunications Satellite Organizations," which established the global satellite system. INTELSAT is also a nonprofit cooperative jointly owned by the 108 entities which are signatories to the Operating Agreement. Each signatories' investment in the INTELSAT system is proportional to its use. A signatory may be a party or a telecommunications entity designated by a party which has signed the Operating Agreement.

INTELSAT has the following organs: 1. The Assembly of Parties; 2. The Meeting of Signatories; 3. The Board of Governors; 4. An executive organ. Policy and management decisions are divided among these four organs.

The United States is the largest member, user and contributor to INTELSAT.

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

Date of Exhibit A	Name and Title	Signature
March 16, 1984	Jonathan S. Jessar Senior Vice President/ Assistant General Manager	

DOJ

ATTACHMENT VI

Form OBD-65
Rev. 4-27-77
(Formerly DJ-304)

OMB
No. 43-R435
Approval Expires Oct. 31, 1981

UNITED STATES DEPARTMENT OF JUSTICE
Washington, D.C. 20530

EXHIBIT B

TO REGISTRATION STATEMENT
Under the Foreign Agents Registration Act of 1938, as amended

RECEIVED
CRIMINAL DIVISION
MAR 15 10 29 AM '89
INTERNAL SECURITY
SECTION
REGISTRATION UNIT

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances, by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in duplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

Name of Registrant	Name of Foreign Principal
Burson-Marsteller 1825 Eye St., N.W. Suite 950 Washington, D.C. 20006	INTELSAT 490 L'Enfant Plaza, S.W. Washington, D.C. 20024

Check Appropriate Boxes:

1. ☐ The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach two copies of the contract to this exhibit.

2. ☐ There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach two copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.

3. ☒ The agreement or understanding between the registrant and foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

Burson-Marsteller has an oral agreement to a one-year contract to perform public relations functions. Payment is to be based on activities performed, payable in 30 days upon receipt of bills.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

Burson-Marsteller was retained by INTELSAT to conduct a public education program about the role and nature of INTELSAT. Activities will most probably include arranging media interviews for INTELSAT personnel, assistance with the development of media lists and assistance with planning public relations activities.

TERMINATED
DATE 12-6-89

5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

Burson-Marsteller was retained by INTELSAT to conduct a public education program about the role and nature of INTELSAT. Activities will most probably include arranging media interviews for INTELSAT personnel, assistance with the development of media lists and assistance with planning public relations activities.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?[1] Yes [X] No [ ]

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.

Burson-Marsteller will be executing a communications program to assist INTELSAT in marketing services to American businesses, commemorating INTELSAT's 20th anniversary and raising the visibility of INTELSAT's contributions to international communications and its positions on communications policy.

TERMINATED
DATE 12-5-84

Date of Exhibit B	Name and Title	Signature
March 16, 1984	Jonathan S. Jessar Senior Vice President, Assistant General Manager	

[1] Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

BACKGROUNDER
SINGAPORE AIRLINES

November 17, 1983

SIA FIGHTS PROTECTIONISM — Part I

Singapore Airlines is waiting for approval of its application to increase services from Singapore to Los Angeles via Tokyo from three times weekly to five. SIA's application has been before the U.S. Civil Aeronautics Board (CAB) since July 1982.

SIA has replied fully to the objections filed by three U.S. airlines -- Pan American, Northwest and Flying Tiger.

1. Objections by U.S. Carriers

The U.S. carriers' principal arguments are:

- that the trans-Pacific route is currently served by too much capacity and that the provision of additional services would only result in a further diversion of traffic and revenue from U.S. carriers;
- that the balance of benefits under the U.S./Singapore bilateral air agreement is currently weighted in SIA's favor; and
- that Singapore Airlines is government subsidized and hence it is difficult to compete with SIA.

2. SIA's Response

- Alleged Excess Capacity

  There is no evidence to support the allegation that SIA's request would result in excess capacity. On the contrary, United Airlines and Japan Air Lines, responding to demands, increased capacity between the Orient and the U.S. West Coast earlier this year. And Singapore Airlines' share of total trans-Pacific capacity is less than 5 percent.

Furthermore, all airlines' Pacific operations are currently profitable.

Singapore welcomes the introduction of new services by U.S. and other carriers in the Pacific region. It applies open market rules and, as a result, more than 30 international airlines serve Singapore.

- Alleged Imbalance of Benefits

Under the U.S.-Singapore Bilateral Agreement, SIA has a route schedule allowing it to serve the U.S. via third countries in the Pacific and beyond only to Canada. U.S. airlines, on the other hand, have a totally unrestricted route schedule to operate to Singapore via the Pacific and the Atlantic, via any intermediate point and beyond Singapore to any point of the world.

Also, while Singapore has only one airline, the U.S. may designate any number of passenger and cargo airlines to operate to Singapore.

- SIA's Alleged "Government Subsidy"

- SIA's Alleged "Government Subsidy"

trade deficit with the U.S. of over $1 billion. Since 1972, Singapore Airlines itself has spent $2.6 billion on aircraft and related parts in the U.S. In addition, another $1 billion is now being contracted for new Stretched Upper Deck (SUD) B747-300s, B757s, and Pratt & Whitney engines. In contrast, SIA's earnings to date from the sale of air transportation in the U.S. total only U.S. $373 million.

Singapore Airlines remains committed to the sanctity of international agreements and fair trade. It is convinced that healthy competition can harm no organization that is not already ill. Protective barriers can provide only short-term palliatives which harm friendly trading partners and -- by inviting retaliation -- ultimately cause damage to the "protected" home economy.

# # #

Burson-Marsteller, Washington, D.C. has circulated this material as the national public relations counsel for the principal noted above. Burson-Marsteller is registered pursuant to 22 U.S.C. / 612 with the Department of Justice, where its registration statement and this material are available for inspection. Registration does not indicate approval of this material by the U.S. Government.

NEWS RELEASE

SINGAPORE AIRLINES

For Immediate Release

Contact: Carl Levin
(202) 833-8550

SINGAPORE AIRLINES CHAIRMAN
LAUDS U.S. DETERMINATION
TO AVOID DAMAGING PROTECTIONISM

Washington, D.C., November 17 -- Singapore Airlines Chairman, J.Y.M. Pillay, today acknowledged and praised the determination of the U.S. Administration to avoid damaging protectionist moves which might offer a temporary palliative to stricken industries and firms, but at the cost of long-term economic growth fueled by buoyant international trade.

He spoke at a ceremony here at which he and T. A. Wilson, Chairman of the Boeing Company, and Harry Gray, Chairman of United Technologies, signed procurement contracts for $1 billion in aircraft and engines for the airline.

Mr. Pillay noted that U.S. exports now accounted for 10 percent of the gross domestic product, having risen steadily from five percent two decades ago. He did not believe that propping up declining industries, or individual firms which had failed to get their costs in line with the requirements of competition, accorded with the liberal traditions of U.S. political and economic philosophy and principles.

- more -

Trade between the U.S. and Singapore is consistently in favor of the U.S., to the tune of $1 billion a year. Mr. Pillay said that that in itself did not trouble Singapore. Despite a large trade deficit with the rest of the world, even exceeding that of the United States on a per capita basis, Singapore covered its shortfall by earnings from the services sector, including air transport. He noted that the required domestic adjustment processes were facilitated by a free and open international economy rather than by constant harping on bilateral trade or the imbalance in particular sectors. He was glad that both Singapore and the United States subscribed to that point of view.

Mr. Pillay noted that Singapore Airlines was keen to expand its services across the Pacific to serve the growing market needs of passengers on both sides of the Pacific. He was confident that with the economic recovery and the revival of fortunes of the U.S. carriers, which are recording heavy profits on the trans-Pacific route and are in the process of increasing capacity, Singapore Airlines' bid for more services will eventually be successful.

# # #

Burson-Marsteller, Washington, D.C. has circulated this material as the national public relations counsel for the principal noted above. Burson-Marsteller is registered pursuant to 22 U.S.C. / 612 with the Department of Justice, where its registration statement and this material are available for inspection. Registration does not indicate approval of this material by the U.S. Government.

BACKGROUNDER
SINGAPORE AIRLINES

November 17, 1983

THE SIA STORY

Part II

When Singapore Airlines (SIA) emerged as the national carrier of the newly independent republic in 1972, many observers gave it little chance of survival.

From Malaysia-Singapore Airlines (MSA), the joint airline of what was once the Federation of Malaysia and Singapore, SIA had inherited a head office building, a hangar, a number of overseas offices, a fleet of Boeing 707s and 737s, computer facilities and an overseas route network.

Today, Singapore Airlines ranks 13th among the world's largest airlines in terms of total revenue passenger-kilometers performed, with a successful record of growth, modernization and consistent profits which would be hard to match.

Like Singapore, SIA has succeeded by a combination of bold investment in modern equipment...continuous training in technical and personalized service skills...pursuit of opportunities in the marketplace...discipline...consumer orientation...and management's willingness to encourage innovative, entrepreneurial policies with the necessary research, cash and human resources; in short, the pursuit of excellence.

PROFITS

From the outset, Singapore's government made it clear that SIA would not be a subsidized airline, run for prestige reasons. It was to be operated purely on a commercial basis and if it failed to make commercial use of its opportunities, SIA would be closed down. With a travellers' choice of more than 30 international scheduled airlines operating through Singapore, SIA could expect no favoritism and no handouts. And operate profitably it does.

In 1972, SIA's profit after tax was U.S. $7.2 million. It has grown steadily more than five-fold to reach U.S. $48.7 million by March 1983.

At no time has the airline been excused, forgiven or otherwise relieved of its obligations to pay dividends or state taxes. Except for a state loan of U.S. $31.5 million in 1974 which was paid back with interest in 1978, SIA has not taken any loan from the state.

DIVIDENDS

SIA has paid dividends to its shareholders every year following the year of its incorporation. It paid 10 percent on the dollar every year till 1975 and 15 percent every year from 1976.

NETWORK

In 1972, Singapore Airlines operated scheduled services to 22 cities and had 48 overseas offices.

Today SIA's network has grown to serve 36 cities in 27 countries of four continents.

FLEET

In 1972, the airline owned 5 Boeing 707s and 5 737s. By late November 1983, SIA's fleet will comprise 18 Boeing 747s (of which 4 are Stretched Upper Deck versions), 8 A300s, 1 DC-10 and 2 B727s.

A further 10 Boeing 747-300's (Stretched Upper Decks), 6 Airbus A310s and 4 Boeing 757s are on order to serve international and regional routes. As at May 1983, the airline's fleet had an average age of just 40 months -- making it the world's youngest fleet.

STAFF

In 1972, the airline's work force was 6,089. By March 1983, SIA and its subsidiaries employed 13,231 staff in Singapore alone. This is approximately 10.2% of the 129,800 persons employed in the Communications sector in Singapore. The figure excludes those who are indirectly reliant on the Group's activities -- contractors; employees in hotels, shops and restaurants and those who benefit

from SIA's major domestic investments (construction, catering and the like).

GROWTH

In the past decade, Singapore Airlines has grown to become an airline of international repute.

In 1982, SIA's contribution to the Gross Domestic Product was U.S. $420 million, representing 3.1% of Singapore's GDP. This is rated to be the highest contribution by any airline to its home country's GDP. In the same year, the Group's contribution to Singapore's foreign exchange earnings amounted to U.S. $472 million.

Productivity -- at 339,000 CTK per employee -- is one of the highest in the industry, and passengers continue to give the airline top ratings in independent market surveys.

By any reckoning -- despite modest beginnings, a small domestic base and the problems of world recession -- Singapore Airlines has come a long way.

# # #

Burson-Marsteller, Washington, D.C. has circulated this material as the national public relations counsel for the principal noted above. Burson-Marsteller is registered pursuant to 22 U.S.C. / 612 with the Department of Justice, where its registration statement and this material are available for inspection. Registration does not indicate approval of this material by the U.S. Government.

The Washington Ballet
MARY DAY, Artistic Director

NEWS

January 16, 1984

For further information contact:
Elvie Moore (202) 362-3606

FOR IMMEDIATE RELEASE

CORPORATE SPONSORS SEND WASHINGTON BALLET TO ORIENT

Washington, D.C. -- Under corporate sponsorship, the Washington Ballet Company embarks next week on a six-week, 13-city tour of the Orient. The city's resident professional ballet company will perform in Japan, Singapore, Hong Kong, Taiwan, Korea and Bangkok.

Singapore Airlines, Raytheon, Chase Manhattan Bank, Textron Corportation, Gillette, Pan American Airways and Cathay Pacific Airlines are underwriting portions of the ballet company's Far East tour.

According to a company spokesperson, the tour will give Singapore native Choo San Goh, assistant artistic director and resident choreographer, an opportunity to showcase his work in his native land. Goh's ballets are danced by companies around the world.

- More -

Featured during the tour will be Goh's: "In the Glow of the Night," "Due Pezzi Sacri, "Birds of Paradise," and "Fives," the Washington Ballet's signature piece. In addition, the company will perform "Momentum," from which the central pas de deux earned Goh an award for contemporary choreography.

Invited to join the Washington Ballet in 1976 by its founder and director Mary Day, Goh was recently hailed by the New York Times as "the most sought after choreographer in America."

The Washington Ballet, a non-profit organization embracing the Washington School of Ballet as well as the professional company, delights Washington audiences each year with a full season of dance, including well-known performances of the "Nutcracker." The Grand Pas De Deux from this Tchaikovsky masterpiece also will be performed during the Far East tour.

Of special interest to the audiences of the tour are Washington Ballet Company members Hoon Sook Pak, who trained in Seoul, Korea's Little Angel Arts School and Janet Shibata, an American of Japanese heritage.

###

INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION
ORGANISATION INTERNATIONALE DE TELECOMMUNICATIONS PAR SATELLITES
ORGANIZACION INTERNACIONAL DE TELECOMUNICACIONES POR SATELITE

5-5-84

January 1984

FACTS SHEET: INTELSAT

The International Telecommunications Satellite Organization (INTELSAT), headquartered in Washington, D.C., was created on 20 August 1964 through the adoption of interim agreements, signed by 11 countries, for the establishment of a global commercial communications satellite system. There are now 108 member countries of INTELSAT.

Since 12 February 1973, INTELSAT has operated under definitive agreements, with an organizational structure consisting of:
(a) an Assembly of Parties (governments that are Parties to the INTELSAT Agreement); (b) a Meeting of Signatories (governments or their designated telecommunications entities that have signed the Operating Agreement); (c) a Board of Governors; and (d) an Executive Organ headed by a Director General, Mr. Richard R. Colino.

The Board of Governors, which has overall responsibility for the decisions relating to the design, development, construction, establishment, operation and maintenance of the INTELSAT space segment, is currently composed of 27 Governors representing 94 Signatories.

The INTELSAT global satellite system comprises two essential elements: the space segment, consisting of satellites owned by INTELSAT, and the ground segment, consisting of the earth stations, owned by telecommunications entities in the countries in which they are located.

At present, the space segment consists of 16 satellites in synchronous orbit at an altitude of approximately 35,780 kilometers (22,240 miles). Global service is provided through a combination of INTELSAT V, INTELSAT IV-A and INTELSAT IV satellites over the Atlantic, Indian and Pacific Ocean regions.

The INTELSAT IV-A has a capacity of 6,000 voice circuits and two television channels, while the INTELSAT IV has a capacity of 4,000 voice circuits plus two television channels. Each of the INTELSAT V generation satellites has a capacity of 12,000 voice circuits plus two television channels. In addition, some INTELSAT V's carry special maritime communications packages leased to INMARSAT for ship/shore/ship communications.

Attachment C

490 L'ENFANT PLAZA, SW WASHINGTON, D.C. 20024 TELEX 89-2707 TELEPHONE (202) 488-2300

The ground segment of the global system consists of 750 communications antennas at 603 earth station sites in 149 countries, territories and dependancies.

The combined system of satellites and earth stations provides more than 1,100 international earth station-to-earth station communications pathways.

In addition to the international voice channels in full-time use (now more than 65,000), INTELSAT provides a wide variety of telecommunications services, including telegraph, telex, data and television to 170 countries, territories and possessions.

Twenty-six countries also lease satellite capacity from INTELSAT for their own domestic communications. These are: Algeria, Argentina, Australia, Brazil, Chile, Colombia, Denmark, France, Federal Republic of Germany, India, Libya, Malaysia, Mexico, Morocco, Niger, Nigeria, Norway, Oman, Peru, Portugal, Saudi Arabia, Spain, Sudan, Thailand, Venezuela and Zaire.

INTELSAT currently authorizes three standards for earth stations that operate international services through its satellites: Standard A, with 30-meter (100 ft.), or larger, dish antenna, ten stories tall, which can be rotated one degree per second and which can track to within a fraction of a degree a satellite stationed in synchronous orbit; and a smaller Standard B of ten meters (33 ft.). Now, a number of countries have also installed Standard C stations, with antennas of 14 meters (46 ft.) or larger, for 14/11 GHz operations with INTELSAT V.

In addition to these "gateway" earth station standards, INTELSAT authorizes standards E_1, E_2 and E_3, with antennas from 3.5 to 7.0 meters in diameter, for operation with the international INTELSAT Business Service (IBS), introduced on 1 October 1983.

Standard Z is authorized for earth stations to be used for leased domestic services. This standard provides specific guidelines on technical performance requirements; however, certain parameters can be chosen by the earth station owner, subject to INTELSAT's review.

INTELSAT MEMBER COUNTRIES

Afghanistan
Algeria
Angola
Argentina
Australia
Austria
Bangladesh
Barbados
Belgium
Bolivia
Brazil
Cameroon
Canada
Central African Republic
Chad
Chile
China, People's Republic of
Colombia
Congo
Costa Rica
Cyprus
Denmark
Dominican Republic
Ecuador
Egypt
El Salvador
Ethiopia
Fiji
Finland
France
Gabon
Germany, Federal Republic of
Ghana
Greece
Guatemala
Guinea
Haiti
Honduras
Iceland
India
Indonesia
Iran, Islamic Republic of
Iraq
Ireland
Israel
Italy
Ivory Coast
Jamaica
Japan
Jordan
Kenya
Korea, Republic of
Kuwait
Lebanon
Libya
Liechtenstein
Luxembourg
Madagascar
Malaysia
Mali
Mauritania
Mexico
Monaco
Morocco
Netherlands
New Zealand
Nicaragua
Niger
Nigeria
Norway
Oman
Pakistan
Panama
Papua New Guinea
Paraguay
Peru
Philippines
Portugal
Qatar
Saudi Arabia
Senegal
Singapore
Somalia
South Africa
Spain
Sri Lanka
Sudan
Sweden
Switzerland
Syria
Tanzania
Thailand
Trinidad and Tobago
Tunisia
Turkey
Uganda
United Arab Emirates
United Kingdom
United States
Upper Volta
Uruguay
Vatican City
Venezuela
Viet Nam
Yemen Arab Republic
Yugoslavia
Zaire
Zambia

INTELSAT AND THE FUTURE

REMARKS OF RICHARD R. COLINO BEFORE THE SATELLITE COMMUNICATIONS USERS CONFERENCE, ST.LOUIS, MISSOURI
AUGUST 24, 1983

RECEIVED
AUG 31 1983
OFFICE OF THE LEGAL ADVISOR

Thank you very much, Mr Chairman, for the very kind introduction. I would like to thank the organizers of SCUC 83 for inviting me to speak to what appears to be the most international audience in attendance ever. This is only fitting in this World Communications Year. I am also pleased to address such a highly diverse group and endeavor to do so with great candor, as INTELSAT approaches both its 20th Anniversary and some very critical issues next year.

Because this gathering is so diverse, I would like to spend a moment or two on some general observations on international telecommunications and international relations, describe what INTELSAT is-and isn't- and talk about some of the exciting developments in terms of service to users and technology underway and forecast for INTELSAT.

Not too long ago, I was lunching with 2 friends: one a management consultant; the other a psychologist specializing in marital and relationship problems. During the course of conversation I observed that they seemed to be in the same field: analyzing and assisting to correct problems - one with institutions, the other with people. After discussing this not terribly profound observation a bit more, they suggested that international relations had some similarities - at least in the field of telecommunications and satellite communications in particular - to their experiences. As do all good analysts, they asked me some basic questions and gathered some facts and impressions. Thereafter, together we arrived at some general conclusions, some of which I would like to share with you now, which indicate the similarities between international telcommunications and other successful long lasting relationships:

- The partners must listen to one another and learn from listening.

- One must be flexible and non-idealogical if one expects the relationship to be happily sustained. Insistence on only one way to do things seldom provides a sound basis for partnership

- And, "partnership" is what such relationships are all about! There must be give and take and mutuality not only in establishing the relationship but in making it work and thrive. The stronger often times must aid the weaker.

Attachment D

- One must define one's terms and set a basis for true understanding. This cannot be done unilaterally and if changes are required - and they are in all relationships - then they must come from a true give and take among and between the partners.

- As a corollary, it is important to respect the differences between the partners in attitude, style, philosophy, modus operandi, etc. Ways must be found to accommodate these differences but partners must be most careful about one becoming too insistent.

- Closely related to this is the importance of sensitivity to one another's views and differences and the fact that relationships require growth by all partners.

- It is seen as critical that partners have mutual credibility and are seen by one another as keeping their word. Reliability and consistency are often considered cornerstones of good continuing relationships.

- In fact, I was informed that the similarities really go all the way to doing things even when you really aren't interested or in the mood.

Well, I know you didn't expect to receive such valuable free counseling on matters but believe me these observations are very helpful when doing business in the field of international satellites. Many times participants in such relationships, even founders, risk falling into a mode of behavior which violates some of these precepts.

I thought I would make a personal contribution to World Communications Year by trying to provide a clear and understandable explanation to the public at large of what appears at times to be one of the world's greatest mysteries, INTELSAT, and in the United States, one of the best kept secrets and success stories. Just what is this 109 nation partnership which provides services to some 172 nations, territories and other locations around the world, and how does it operate?

Let me start by quickly running through a number of conventional pieces of wisdom heard in different places and from informed and uninformed alike:

- INTELSAT is a global international communications cartel which reaps huge profits.

- COMSAT AND INTELSAT are one and the same

- If competition can be introduced to INTELSAT, the U.S. users will benefit and rates will come down in international satellite services for all.

- Deregulatory experiences in the U.S. can and should be exported overseas.

- INTELSAT is large and cumbersome and is unable to introduce new services and technologies in a timely way which others can do.

- INTELSAT charges are too high as a result of no competition and the inefficiencies of a monopoly.

- INTELSAT's charter relates only to public common carrier type services and private network requirements, TV, data, telephone can be provided by others as can specialized services which INTELSAT cannot provide (e.g. DBS).

- INTELSAT satellites are in locations which are not optimal for U.S.-Europe coverage.

- No harm to INTELSAT, or the user including U.S. users, can come from permitting a few other systems across the North Atlantic.

- Regional systems are already established by others so why shouldn't the U.S. establish some as well.

I am sure that there are some in this audience who believe that these are all true. Let me respond and set the record straight!

1) INTELSAT is an international organization chartered with an operational mission. It is governed by two interrelated agreements signed by governments, and in the form of treaty obligations, and telecommunications entities selected by these governments. Its members are like members of a true cooperative where the resources are pooled and the facilities are used in and by each country in accordance with domestic laws and regulations. It is a non-profit enterprise! It is run on commercial and good management principles. The terms of its principles have been set in the agreements as, for example, a universal service or rate averaging principle placed in the intergovernmental agreement at the behest of the United States and interested to help developing countries. This is clearly defined in Article V of the INTELSAT Agreement (see attachment).

2) INTELSAT is not the only system to carry international traffic. Submarine cables, new ones utilizing optical fibers too, dot the oceans of the world. Countries have their own domestic satellite systems. Microwave systems connect adjacent countries and land masses. Under conditions designed to avoid harm to INTELSAT, Limited international satellite systems, called "regional" (a term which does not appear in the INTELSAT Agreements) are permitted to be operated. However, INTELSAT is intended by the countries signing the international treaties to be the operator of the only single international global commercial satellite system. This is to average the risks, provide global interconnectivity and achieve economies and efficiencies to all countries.

3) COMSAT and INTELSAT are two totally different entities. COMSAT, designated by the U.S. to be the U.S. participant in INTELSAT, known as the Signatory, has a 24% investment share in INTELSAT and a Governor on the 27 member Board of Governors. INTELSAT serves all users in accordance with the domestic policies and rules of a country and serves the U.S. through COMSAT, by U.S. government decisions. This is pursuant to decisions made by the U.S. government. There is no requirement that the only earth station owner, operator and space segment user must be a particular entity. INTELSAT is so flexible to accommodate to very different domestic situations in different economic and political systems so that there are socialist members and users, and other state entities in certain countries where telecommunications is a function of government, public and private users in certain countries, multiple competitive companies in other countries (the U.K., etc.).

4) As already noted, INTELSAT has significant competition in the form of the use of alternative facilities, such as submarine cables. This is one of the reasons that INTELSAT was set up as a multilateral "cooperative" with average costing and pricing over different traffic routes required to provide a universal service and interconnectivity. It also has produced the opposite of the charge that international satellite rates are too high and can only come down through the introduction of competition. To the contrary, there is a real possibility that rates would go up with the diversion of traffic from the INTELSAT system. However, this isn't the main point to be emphasized! The main point is that INTELSAT has reduced its rates for use of the satellites some 12 times since the first satellite, "Early Bird," was put into service in 1965. The INTELSAT rate is about 8-10 percent of the total charge to the telephone user in the U.S. who rents private-line service via the INTELSAT system! The INTELSAT charge for a "unit" of satellite capacity (one-half of a telephone circuit) is $390 per month, or about 54 cents per hour. To take the total circuit costs, make some assumptions with respect to the number of telephone calls which can be made on a circuit per day, the INTELSAT portion of the call amounts to under 20% of the charge, or about 8.5 cents per minute! If INTELSAT's growth can be sustained in a reliable way, and the partners continue support, there is every expectation for the space segment rate of INTELSAT to come down further. And all this as the capacity in orbit per satellite has increased from 240 voice channel equivalents to 36,000 plus TV. TV costs in the range of dollars per hour -- not thousands or hundreds. Full International TV tariffs to users cost about $130 per hour with service to two locations and drops to $11.50 per hour when ten locations are served.

5) Whether the U.S. should "export" its concepts of competition or deregulation is of course up to the U.S. government officials to decide. One can only assume that like good partners, they will do so by convincing others to try to do this and by changing several key elements, particularly Article V of the INTELSAT Agreements first, since the system is required to operate on other principles. No one should unilaterally change the rules.

6) INTELSAT's growth and service offerings totally refute any views that it is non-innovative and cumbersome in terms of technology and new services. It has introduced promotional international TV tariffs which offer space segment transponders at charges which are attractive even by domestic U.S. standards. It provides domestic services to some 24 countries which have built the entire TV and other networks around the INTELSAT satellite system. It provides maritime capacity to INMARSAT, a sister organization. It is modifying satellites under construction so as to provide customer premise services associated with digital technology, including date transmission, voice, TV, videoconferencing, The technology and transmission techniques developed in the INTELSAT system are and have been emulated in both civil and military systems as the number of antennas in use, the geographic coverage, the different sized earth stations, the services offered, the frequencies used have increased greatly. So much for this accusation!

7) INTELSAT's charter encompasses all forms of what is called public international telecommunications services: telephony, telegraphy, telex, facsimile, data transmission, transmission of radio and TV between earth stations for relay to the public, and leased circuits for any of these purposes. When these provisions were written in 1971 leased circuits were as close as anyone got to satellite condominium sales to private networks! In view of these facts, it isn't too surprising that INTELSAT spokespersons see nothing new in proposals to offer these services internationally to private line and other non-public switched services.

8) INTELSAT satellites are in locations or have been filed for locations which do indeed permit direct transmissions from western portions of the U.S. to points throughout the Caribbean and to Europe. In fact, but for arrangements made by the European Broadcasting Union to have transmissions from East Coast Satellite Earth Stations of the U.S., next year's L.A. Olympic games would have been transmitted directly to Europe.

9) With the requirements of INTELSAT to average the rates, the fact that all facilities - soon to total some $2.3 billion in cumulative capital investments - are ordered and orbited on the basis of 5 year traffic projections and 10 year forecasting

based upon each country's stated requirements, it should not come as a surprise that INTELSAT is concerned that it might have to raise rates and suffer revenue shortfalls if other systems are permitted to serve the heavy traffic streams such as the North Atlantic entrepreneurs are only interested in these streams which contribute greatly to average cost pricing.

10) The statement that there are already regional systems in existence and the U.S. should join the crowd misstates the facts egregiously. The U.S. policy to permit use of domestic systems for international traffic where there are "unique and exceptional circumstances" for not using INTELSAT is based upon reasonable factual circumstances when INTELSAT cannot provide the service. The ARABSAT, EUTELSAT and PALAPA examples put forth to justify a North Atlantic "regional" system to offer services INTELSAT now provides and plans on providing in the future simply overstate the facts. None of these are transoceanic nor do they duplicate INTELSAT services which are currently provided. Further, they do not seek to divert the central and key traffic which has always served as the entire foundation for the INTELSAT satellite system, including the INTELSAT V, V-A and VI satellites. I could elaborate further but will not take the time to do so.

Perhaps these remarks let you know why there has been a fairly negative reaction from the international telecommunications community in general and members of the INTELSAT partnership in particular to the several proposals to put satellites in orbit to serve the North Atlantic basin in duplication of INTELSAT facilities and services. I also hope that users can begin to appreciate the potential for them to use the INTELSAT system for virtually any kind of service capable of being carried by communications satellites. There are great opportunities for use of the INTELSAT system on a competitive service basis and at very attractive costs to users, depending upon how people choose to approach such opportunities. We hope in a supportive and positive manner. You as users have a lot at stake with the INTELSAT system - perhaps more than you have realized. With the true "partnership" spirit at work, I am confident that the growth of INTELSAT, its technical and operational innovation and a continuing decrease in the price of its services will continue. This organization, created by U.S. leadership and willingness to share its technology with the world has also provided a model for international cooperation in a world too often marked by disagreement.

Now, what of the future for INTELSAT, assuming some stability for the organization? To my mind there are a number of factors why INTELSAT should innovate, and I would like to mention but a few which argue for speedy actions by the organization:

1. The Digital Communications Revolution

Advanced digital communications and encoding techniques, millimeter waveguides, and other communications innovations still in the research laboratories are not standing still; they are moving ahead in a torrent of activity. The field of satellite communications, if it is to stay competitive and relevant, must remain a pace ahead if it wishes to be an important part of the future.

2. Saturation of the Geostationary Orbital Arc

The astounding success of satellite communications and proliferation of domestic, "regional", international, mobile, military and other specialized communications satellite systems, plus the advent of direct broadcast satellites, have all led to the increasing utilization of the geosynchroneous orbit and increased pressure to squeeze more use out of this global resource. Accordingly, new satellites must be developed that achieve ever more efficient use of the orbit and frequency spectrum.

3. Service Growth and Diversification

The growth of new service requirements in the field of satellite communications is truly amazing. Since the start of INTELSAT, the satellite world has gone from a period of providing basic telephone and telegraph services to an enormous array of requirements that include: telex, data networks, electronic blackboard, facsimile, remote data relay, mobile services, low-powered and high-powered direct broadcast services, and increasingly in the future we will have videoconferencing, high-definition television, and videophone. Clearly, broadband video requirements will pace the future growth of satellite service requirements, as indeed video requirements are the most rapidly growing part of INTELSAT's service demand today. Beyond these new service requirements, radical transformation can be made in how business is done.

4. Communications as an Economic Driver in Our Global Society

It is of no surprise to those in the field of communications and information that this is the most dynamic part of our global economy, and believe we will exist in a global interrelated economy. Indeed, the information fields now comprise half of the jobs in the United States and Japan (the world's first two information societies). Communications and computers are thus not only important resources available to our future economic and social development, but they are indeed among the primary motivators driving and affecting the rest of

our economies, in terms of capital goods, products, trade patterns and consequentially the very relationships among the developed and developing countries, East-West, North-South, in the fullest sense of geopolitical and economic activities.

INTELSAT is well underway in efforts to lead the way into meeting the future and its scientists and engineers are developing such items as multiple beam antennas to reuse the frequency spectrum several times per "bird"; plans are underway to develop and implement advance coding and modulation techniques to obtain greater capacity in the satellites; millimeter wave and optical intersatellite link work and studies are also underway as is planning for the late 1980's and early 1990's. Satellite switched TDMA will be introduced in the next several years as it is incorporated in satellites under construction; TDMA/DSI is being introduced now; digital voice first in the form of 32 kilobit per second will be followed by 16 kilobit per second. INTELSAT is also looking at many advanced satellite concepts, including satellite clusters and exotic concepts like a super "cable-in-the sky." Ultimately, we may even see spaceplatform in the 21st century!

My purpose today was to offer some hard facts about what INTELSAT is and does and what promise it holds for users. It currently works effectively on the basis of the precepts of international cooperation and embodies true "partnership" concepts. This review of the organization, which operates some 17 satellites in orbit and has another 14 under construction, should provide a sense of the promise INTELSAT can hold for international communications users to obtain the very highest quality and reliable facilities at very low costs.

It is up to the user to take actions to complement INTELSAT's and be able to take full advantage of the facilities and services, which are currently available and will be available from INTELSAT, and those which will be available in the future. I can only hope that users will respond! To do so, you must first understand what is possible.

CURRICULUM VITAE

RICHARD R. COLINO

SUMMARY

Mr. Colino has more than 20 years of association with and experience in high technology telecommunications and broadcasting. He has served as a senior operating executive and a chief executive, with both general management and administrative functions and responsibilities. During his years at COMSAT he was involved with the development and management of each of the INTELSAT series of satellites through the early construction of the INTELSAT V.

Mr. Colino's association with INTELSAT can be traced to the creation of the organization. His involvement in the establishment of both Interim and Definitive Arrangements, as well as the INTELSAT Permanent Management Arrangements, provides him with an exceptionally deep background in the very foundation of the organization. This knowledge and experience is paralleled by his involvement in the workings of the various organs of INTELSAT, the Assembly of Parties, Meeting of Signatories and Board of Governors, where he chaired numerous committees while serving as U.S. Governor for 6 years (following 8 years as an Interim Committee Alternate Representative) and served as Chairman of the Board of Governors.

Mr. Colino possesses the qualifications required for the position of Director General, a post requiring a blend of executive and operating experiences and a capability for planning and directing the future of the organization.

PROFESSIONAL BACKGROUND

Dynacom Enterprises Limited — **1980 to Present**
President and Chief Executive Officer

Mr. Colino manages this telecommunications and broadcasting consulting firm, and is also a part time practicing communications attorney. His clients have included, among others, a major U.S. broadcasting network; several major non-U.S. broadcasters and telecommunications organizations; a domestic U.S. satellite system operator; a U.S. international service carrier; a major U.S. telephone company; a U.S. aerospace/satellite manufacturing company; cable and pay television companies. His activities with these clients have provided Mr. Colino with a current and first hand knowledge of telecommunications technology developments, including satellites, cables, fibre optics and other transmission media.

Continental Home Theatre, Inc. — **1979 to 1980**
President and Chief Executive Officer

In addition to his management functions, Mr. Colino was a Director of this corporation, an officer of affiliated companies and a Director of subsidiaries. These companies were engaged in the start-up and operation of subscription television businesses in major cities throughout the United States. The primary facilities and transmission techniques used in these businesses were cable, scrambled UHF broadcasting (STV) and microwave distribution systems (MDS). These operations were headquartered in California, with subsidiary operations and staffs in numerous cities including Albuquerque, Baltimore, Boston, New Orleans and New York, and start-up companies elsewhere. After the various companies and operations were made financially viable, beginning in 1979, they were sold.

Communications Satellite Corporation — **1965 to 1979**

From 1976 to 1979 Mr. Colino was Vice President & General Manager, International Operations Division, COMSAT's largest and most significant business unit (now known as World Systems Division), providing international satellite services and operating the six U.S. INTELSAT earth station complexes, as well as all other U.S. INTELSAT telecommunications facilities which at the time produced over 25% of the INTELSAT system utilization. This self-contained line of business consistently produced over $100 million annually in revenue, and comprised a widely dispersed and multi-disciplined staff of 300-400 including more than 200 professional, technical and management personnel. In addition to being responsible for the operations of this division, in effect all U .S. Signatory systems and operations, Mr. Colino was responsible for relations and business arrangements with more than 100 countries, Federal, State and local authorities and INTELSAT. He served as Chairman of, and COMSAT representative to, the U.S. earth station owners committee, which owns and operates all U.S. earth stations which are part of the INTELSAT system.

In addition to his operational and overall management responsiblities, Mr. Colino introduced several administrative and developmental programs while General Manager of International Operations. These included in-house and outside university training and development programs for technical and non-technical personnel; minority development and assistance programs; management training and implementation of programs for management by objectives/results; reorganization of the Division to reflect clearer lines of authority/responsibility; five year forward business planning action programs and projects; project management for earth station projects including the first U.S. bid to provide TTC&M services to INTELSAT under contract (following successful competition with other Signatories); and tighter, more demanding, budgetary planning procedures and monitoring systems.

From 1971-1976, growth in COMSAT and INTELSAT activities led to changes in Mr. Colino's divisional title through **Assistant Vice-President, International Systems Division** to **Assistant Vice-President, U.S. INTELSAT Division**, each change representing the addition of operational, administrative, and functional responsibilities. In 1974 he also became the first **Director of Corporate Planning and Development**, a function which examined future prospects for the company and developed both short-term and strategic plans for growth and diversification; and was responsible for the planning and use of the company's computer facilities and operations.

In 1967 Mr. Colino established, and became the first Director of, the company's office in Geneva, Switzerland with responsiblilities for Europe, the Middle East and Africa. Shortly after joining COMSAT in 1965 Mr. Colino became the **Director, International Arrangements Division**, and Alternate U.S. Representative to INTELSAT.

1960 to 1965

Legal Experience

Prior to joining COMSAT, Mr. Colino was: 1964-1965, **Assistant General Counsel**, United States Information Agency, assigned to a variety of broadcast, film, and print media matters; 1962-1964, **Attorney-Advisor**, Federal Communications Commission in the International Division and Office of Satellite Communications, working on rates and tariffs, services and facilities, radio-frequency and ITU and international satellite matters; 1960-1961, **Associate** with a law firm in New York City specializing in antitrust, copyright and contract matters in the U.S. entertainment industry, particularly motion pictures.

ASSOCIATION WITH INTELSAT

Mr. Colino's long association with INTELSAT began in 1962 when he was an Attorney with the U.S. Government and **Spokesman on U.S. Delegations** which negotiated the Interim Agreements establishing INTELSAT. He was **Chairman** of the Working Committee which concluded the negotiation of the predecessor to the INTELSAT Operating Agreement in June 1964, the Special Agreement. He served as **Alternate U.S. Representative** to the INTELSAT Interim Communications Satellite Committee, which preceded the Board of Governors, from 1965 until 1973 when he became the **U.S. Governor** to the Board, remaining in that position until he left COMSAT in 1979.

From 1969 until 1971, Mr. Colino was **Alternate Representative** on the U.S. Delegation to the INTELSAT Plenipotentiary Conference and Spokesman on the Operating Agreement and commercial matters. He served on various committees of INTELSAT, including those dealing with long range planning, contracts, patents and data and was **Chairman** of the committees on contracts and on headquarters and facilities. Mr. Colino was elected **Chairman of the Board of Governors** in 1976 after serving as **Vice Chairman** for a one year term. During this time, in particular his tenure as Chairman, Mr. Colino played a major role in the development of the INTELSAT Permanent Management Arrangements. He also was **U.S. Representative** to the INTELSAT Meeting of Signatories and **Alternate Representative** to the Assembly of Parties.

EDUCATIONAL BACKGROUND

Juris Doctor — **Columbia University**
Bachelor of Arts — **Amherst College**

Mr. Colino is a member of the New York and District of Columbia Bars and has served on numerous professional committees and associations. He has received advanced training at major universities and institutions in management disciplines including computers, finance, marketing and procurement, and is a trained radio and electronics operator.

LANGUAGES

Native language - English. Working capability in French and Spanish, the other official languages of INTELSAT. Working proficiency in Italian.

PERSONAL INFORMATION

Born on February 10, 1936 in New York, New York; U.S. citizen. Mr. Colino is married and has two children, residing at:

9 Grafton Street
Chevy Chase, Maryland 20815
U.S.

Telephone: Ofc. (202) 887-1009
(301) 654-8833
Res. (301) 654-6676

He is active in a variety of organizations and has served on Boards and Committees of professional, business, civic and educational institutions including: The Advisory Board, Center for Telecommunications, George Washington University; the Congressional Leadership Group on International Communications, Center for Strategic and International Studies, Georgetown University; Class Agent, Chairman, Reunion Gift Fund, member Alumni Fund Committee and recipient of the 1982 Adam Johnson Award of Amherst College; Board of Directors, U.S. Institute for Space Law; the International and Regulatory Committee, U.S. National Chamber of Commerce; technical and other committees of the American Institute of Aeronautics and Astronautics, the IEEE, the American Astronautical Society, the InterAmerican Bar Association, the Federal Bar Association, the American Bar Association and others.

PUBLICATIONS

BOOKS

"The INTELSAT Definitive Arrangements: Ushering In a New Era In Satellite Telecommunications" (European Broadcasting Union, Geneva, Switzerland.) 1973

"Manual On Space Law", Space Agencies and Institutions - INTELSAT (Chapter XI) Oceana Publication s, New York 1979.

OTHER PUBLICATIONS RELEVANT TO INTELSAT AND SATELLITES

"INTELSAT: Doing Business in Outer Space". (The Columbia Journal of Transnational Law, Vol. 6). Spring 1967.

"COMSAT: A Unique Experience in Government-Corporate Relations". (Iith Annual Conference on Social Studies, University of Rhode Island). July 1967.

"Legal Problems Arising from the Establishment of One or Several Systems of Telecommunications by Satellites-Global Satellite Communications and International Organization: A Focus on INTELSAT". (Xth Colloquium on the Law of Outer Space, International Institute of Space Law). September 1967, Belgrade, Yugoslavia.

"International Satellite Communications: A Case Study" (Vol. 2) - Practical Space Applications). "Advances in the Astronautical Sciences Series" of the American Astronautical Society, 69-85, 1967. San Diego, California.

"International Satellite Telecommunications and Developing Countries". (The Journal of Law and Economic Development, Vol. III, The George Washington University, No. I). Spring 1968.

"Economic and Other Aspects of Global Telecommunication Satellite Systems". (Third EUROSPACE U.S. - European Conference). June 1968, Munich, Germany.

"Use of the INTELSAT System for Project Apollo: A Possible Precedent for Television Distribution Requirements". (No. 118B, EBU Review, 24-33). November 1969.

"Proposed Regional Satellite Systems: Will They Be Compatible with INTELSAT?". (4th EUROSPACE U.S. - European Conference). September 1970, Venice, Italy.

"The United Nations Organization and the Legal Problems of Outer Space - The International Telecommunications Satellite Consortium". (XIIIth Colloquium on the Law of Outer Space, IISL). October 1970, Constance, Germany.

"The United Nations Organization and the Legal Problems of Outer Space - The United Nations: Its Specialized Agencies and Communications Satellites". (XIIIth Colloquium on the Law of Outer Space, IISL). October 1970, Constance, Germany.

"The Present and Future Organizational Structure of INTELSAT". (International Conference on Communications, Institute of Electrical and Electronics Engineers, Inc.) June 1971, Montreal, Canada.

"INTELSAT: A Comparison of the Interim and Definitive Arrangements". (No. 129B, EBU Review, 49-56). September 1971.

"Arbitration Provisions Governing International Commercial Communications Satellites". (IISL, XVth Colloquium on the Law of Outer Space). October 1972, Vienna, Austria.

"The Impact of INTELSAT on World Telecommunications and Understanding". (AIAA Paper). January 1974.

"International Cooperation Between Communications Satellite Systems: An Overview of Current Practices and Future Prospects". (Journal of Space Law). Spring 1977.

"A Survey of Subscription and Cable Television Developments Around the World: Cable, DBS, STV, MDS." STV Association National Convention, Los Angeles, November 1981.

"Establishing Satellite Delivered Pay TV Systems in Latin America and the Caribbean", Conference on International Video Program Markets, New York, New York, June 1982.

ORAL STATEMENT OF

RICHARD R. COLINO
Director General-Designate
International Telecommunications Satellite Organization
(INTELSAT)

Before The

Subcommittee on Arms Control,
Oceans, International Operations and Environment

Senate Foreign Relations Committee

October 19, 1983

Attachment F

I. INTRODUCTION

Mr. Chairman, my name is Richard R. Colino. I have recently been confirmed as the next Director General of the International Telecommunications Satellite Organization, better known as "INTELSAT." I will begin a six year term on December 31st of this year.

My association with INTELSAT has been long and varied, starting with the very beginnings of the organization. Since it will be a few months before I assume the position of Director General, I am pleased to accept the invitation to appear before this Subcommittee, not as an INTELSAT spokesman but as a person who has followed international satellite communications issues for a long time, who was intimately involved in the formation and growth of INTELSAT, and who looks forward to a future association with this unique organization.

Having followed telecommunications developments in the United States and abroad for many years, I believe this Subcommittee should be commended for initiating the enormous task of shaping a comprehensive approach to U.S. international telecommunications policy.

Historically, the United States played the major role in shaping international telecommunications systems which benefit the entire world, whether in space or on the ocean floor. I believe the greatest achievement of the United States in this arena was in leading the world in the creation of INTELSAT. It was the passage of the Communications Satellite Act of 1962 in which Congress expressly encouraged the creation of an organization which would operate a global commercial satellite system. In its wisdom, Congress recognized the tremendous benefits to the world of improved communications and established a U.S. policy to encourage the fullest possible sharing of U.S. satellite technology with the developing and industrialized worlds and their peoples. Congress specifically stated:

> The Congress hereby declares that it is the policy of the United States to establish, in conjunction and in cooperation with other countries, as expeditiously as practicable a commercial communications satellite system, as part of an improved global communications network, which will be responsive to public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding.
>
> The new expanded telecommunication services are to be made available as promptly as possible and are to be extended to provide global coverage at the earliest practicable date. In effectuating this program, care and attention will be directed toward providing such services to economically less developed countries and areas as well as those more highly developed, toward efficient and economical use of the electromagnetic

frequency spectrum, and toward the reflection of the benefits of this new technology in both quality of services and charges for such services.

INTELSAT was the result of this unprecedented U.S. initiative and generosity.

Mr. Chairman, I am here today to discuss with you one of the major triumphs in United States foreign policy in recent history. I am also here to discuss how INTELSAT, the result of U.S. leadership and initiative is seriously threatened by potential changes in this policy -- changes which may not only be incompletely analyzed because they are based on certain tenets of economic philosophy but which have major repercussions because they are perceived by many to violate commitments given by this nation.

II. WHAT INTELSAT IS

INTELSAT is not an agency of the United States, nor of any other government. There is no United States Government funding of INTELSAT. INTELSAT is a unique international organization operating a global commercial communication satellite system.

INTELSAT is not COMSAT. COMSAT is the officially designated U.S. participant or "Signatory" in INTELSAT, as provided in the Communications Satellite Act of 1962.

What INTELSAT is, is a non-profit, organization established by a treaty among nations and dedicated to providing the greatest array of technologically-advanced international satellite telecommunications services at the lowest cost to all nations and peoples of the world. Since its creation in 1964, INTELSAT has grown from 11 countries to its present membership of 109 nations. Today, INTELSAT provides international satellite telecommunications services to over 170 nations and territories -- virtually every region of the world. The INTELSAT system today provides approximately 65,000 telephone channels, a global network of television and data channels, and an array of domestic telecommunications services in 24 countries -- all through a network of 17 satellites. Collectively, INTELSAT satellites carry approximately 2/3 of all transoceanic telecommunications worldwide. The outstanding success and achievement of INTELSAT are a tribute to the vision and creativity of the United States.

The magnitude of INTELSAT's success is staggering when compared with another effort at an international organization, INTERSPUTNIK. INTERSPUTNIK established under the aegis of the Soviet Union, has only 14 member nations, and approximately 150

telephone circuits. Because of the global inter-connectivity of the INTELSAT system, it should come as no surprise that the Soviet Union, Cuba and most of Eastern Europe are users of the INTELSAT system. This is interesting because at the time of its creation the Soviet Union had believed INTELSAT to be premature and an inappropriate use by United States interests of outer space.

III. U.S. DOMESTIC DEVELOPMENTS POTENTIALLY HARMFUL TO INTELSAT

Mr. Chairman, I am here today not only to discuss the role that the United States and INTELSAT have played in creating a truly non-discriminatory global commercial satellite communications system, but to describe developments which many perceive as a troubling and potential assault on the commitment of the United States to its most successful technological effort at international cooperation, INTELSAT. I am referring to activities in the form of applications before the Federal Communications Commission, much public discussion in Washington regarding policy reviews concerning international telecommunication policy (which appears to suggest unilateral action by the United States is possible with respect to its obligation to INTELSAT), and, legislation introduced this spring.

Two applications for separate international communications satellite systems to link the United States and Europe have been filed with the Federal Communications Commission. In addition, the Senate Commerce Committee is considering legislation, S.999, which might permit authorization of additional separate international satellite telecommunicationssystems by the Federal Communication Commission even in the face of treaty obligations to INTELSAT and its global system. U.S. authorization of such systems would undoubtedly encourage other nations to deploy similar systems of their own. The U.S. efforts are being presented under the guise of promoting greater competition in the international telecommunications marketplace. In reality, however, the proposed additional international satellite systems, which would serve only lucrative, heavy traffic routes, offer little hope of substantially reducing the costs of international satellite telecommunications services and ignore the very objectives set by the Congress in the Satellite Act with respect to developing countries and efficient use of natural resources such as the frequency spectrum and the geostationary arc. At the same time, by serving only the most profitable routes, such systems would drain off important revenues and severely undermine INTELSAT's ability to provide

high quality and inexpensive communications services to all countries, including the United States.

IV. COMPETITION

The issue is not "competition." Indeed, competition is essential to encourage innovation and the lowest possible rates for international telecommunications services. In fact, INTELSAT is involved in a very serious form of "competition"which is healthy and benefits all consumers. INTELSAT "competes" directly with transoceanic submarine cables which currently provide approximately one-third of all transoceanic telecommunications services. With technological advances such as fiber optics, healthy competition between cable service and INTELSAT is certain to continue. INTELSAT is proud of the fact that during its 19 years, its charges for services have already been reduced 12 times. The current level of charges, adjusted for inflation, is approximately 1/18th of the 1965 level. This has had the effect of lowering charges to United States telecommunication users of both satellites and cables.

Proponents of additional international satellite systems, in their interest in seeking profits, obscure the fact that

services provided by INTELSAT generally represent no more than 10 percent of the total charges paid by end-users for international telecommunications services. For example, the caller who picks up the telephone during the day in Rapid City, South Dakota, and talks to someone in Frankfurt, West Germany, for three minutes is charged about $5.03, plus tax, for the call; the portion of that charge attributable to the use of INTELSAT facilities is only about fifty-two cents. Further, INTELSAT charges only about fifty-four cents per minute for a full-time, 24 hour-a-day television channel; and a 9.6 kilobit-per second, medium speed data channel is less than one-half cent per minute. Mr. Chairman, why does someone wantto address the 10 percent of the charge to the user and only "compete" for revenue on heavy traffic routes? While the answer is self evident, what is unclear is whether it is good public policy and in the overall interests of the United States.

There is another reason, Mr. Chairman, why the issue is not competition <u>with</u> INTELSAT. It is that the INTELSAT Agreements recognize that members have very different economic philosophies and regulatory approaches in their domestic sphere, and that all these differences must be accomodated. The Agreements accordingly leave each Party or Signatory

sufficient flexibility to provide any degree of domestic competition in the supply of communications services to end users which it considers to be in its national interest. This means, for example, that one member may have a single entity own all earth stations linked to the INTELSAT system, while another may opt for multiple earth station ownership arrangements and competition in the distribution of INTELSAT-based services. The key point is that options are available to any Party as to who may gain access to the INTELSAT satellite system and at what cost, and these options are under the total control of the Party. And these options are of critical importance, because as in the example I gave above, 90% of the total charge to the end user relates to the domestic segments of the end-to-end circuit which of course are the responsibility of each Party and not of INTELSAT.

Another contention put forward has been that additional separate systems could provide tailor-made services for businesses which INTELSAT does not, or could not, provide. This also is untrue. As of October 1, 1983, INTELSAT introduced its business service, which had been planned and under development since 1981. It is a new digital service

available to small earth stations. With this INTELSAT business service (known as"IBS"), it will be possible by 1985 to provide a full-time, 24 hour-a-day sixteen kilobit voice channel directly through a 10-foot earth station antenna, for a space segment charge of about one-half cent per minute. Because INTELSAT charges reflect the cost of operation, on a non-profit basis, of its highly sophisticated global space segment, and represent such a small part of the overall cost of international telecommunications services, it is clear that little, if any, cost savings to the consumer -- the end-users -- can be achieved through the authorization of additional international satellite systems.

Let me briefly highlight some of the key feature of the new IBS:

- it covers the full range of business applications including video teleconferencing, computer-to-computer communications, voice and message communications (from telex to high-speed facsimile);
- it is available on a full-time, part-time and occasional use basis;
- for our large customer requirements, service will include bulk rate capacity in the form of fractional transponders (quarter, half, and full transponders);
- coverage will be provided of the entire continental United States, including the West Coast and Europe through a single hop satellite connection;

- full connectivity between different types of earth stations, including those at user premises;
- in the Atlantic Ocean Region, a unique point-to-multipoint connectivity between North America, most of South America, Europe and Africa;
- IBS can be used for purely domestic networks, or can link such networks into INTELSAT's international system;
- IBS is available for both public and private network use, and permits private entities to tailor services to their own particular needs.

While the potential benefits to consumers of additional international satellite systems are illusory at best, the potential detriments of the proliferation of additional systems are substantial. Simply put, actions the United States may take which would intentionally or unintentionally weaken INTELSAT could undercut the numerous U.S. foreign policy and defense interests served by INTELSAT.

V. IMPORTANCE OF INTELSAT TO THE UNITED STATES

In June, I was unanimously selected to head INTELSAT for the next six years and this was recently confirmed by acclamation at the last meeting of the Assembly of Parties,INTELSAT's highest body, on which the governments of all Parties of INTELSAT's 109 member nations are represented. My selection as Director General serves to demonstrate that

INTELSAT has successfully avoided the politicization that has plagued most international organizations. In this context, INTELSAT continues as it has for nearly 20 years, to demonstrate how unique it is among the family of international organizations.

The unparalleled success of the United States' INTELSAT initiative has engendered tremendous good will towards the U.S. generally and, in particular, in the telecommunications arena. For many developing countries, INTELSAT is their only means of international telecommunications. By sharing its advanced and, at one time, exclusive technology, the U.S. has made possible the full participation of developing countries in the world community which has contributed to their economic development. This good will has helped to provide an important bridge between the United States and developing nations and the United States and more highly developed nations as well.

A weakened INTELSAT and resulting higher rates would be felt by all nations but most severely in the Third World with adverse political, social and economic consequences. A diminution in U.S. support for INTELSAT may well be perceived by many countries as a major retreat by the U.S. from itscommitment to the cause of developing countries. The impact

upon INTELSAT would be most serious, if not fatal; the concomitant negative attitudes toward the United States which this would generate would undoubtedly have implications beyond the telecommunications arena.

The importance that the international community attaches to this matter is best illustrated by the events that took place here in Washington a few weeks ago during the meeting of INTELSAT's Assembly of Parties to which I referred earlier.

During that meeting, representatives of 47 delegations from all corners of the world expressed their concern regarding the negative impact that a U.S. policy encouraging the establishment of transoceanic satellite systems would have on INTELSAT. At the conclusion of the meeting, the Assembly unanimously adopted a Decision which, among other things, urged all Parties to insure that the objectives of INTELSAT continue to be achieved and, more importantly, requested the Parties to refrain from actions that would imperil the viability of the INTELSAT single global satellite system. I have attached to this testimony the complete text of the Assembly's Decision, as well as the Resolution unanimously adopted by the INTELSAT Signatories this past April. I believe the general sentiments of the Assembly of Parties were voiced by the delegate from the

Ivory Coast when he acknowledged the visionary leadership rolethe U.S. had played in the formation of INTELSAT. He went on to say, "I cannot conceive that the pioneer country which made possible the creation of INTELSAT, today wishes to undermine and destroy it." Indeed, the U.S. has much to lose, Mr. Chairman.

The U.S. telecommunications industry has derived more benefits from INTELSAT expenditures than all other countries combined. The majority of INTELSAT's total expenditures for satellite and launch vehicle procurement, which amount to over $4 billion, has gone to U.S. companies, creating jobs, improving the balance of trade, and helping the U.S. maintain its preeminence as a supplier of satellite hardware. INTELSAT is the largest aerospace customer in the United States, after the U.S. Government. U.S. industry has also benefited from the award of a significant portion of INTELSAT's R&D contracts. Policies or actions by the U.S. that undercut its influence in the INTELSAT system will inevitably have the effect of reducing the benefits accruing to the U.S. from INTELSAT expenditures.

If the United States were to abandon INTELSAT, then others previously frustrated in asserting leadership roles in space telecommunications would undoubtedly fill the void. There

would undoubtedly also be many operational consequences, practically all certain to be adverse, for all United States satellite users including all agencies of the United States government.

The viability and continued success of the INTELSAT system has other less obvious benefits. For example, the INTELSAT system as a single international satellite system constitutes an extremely efficient use of the most desirable locations in space for satellites -- the scarce and already crowded geostationary orbit. By serving all nations on a non-discriminatory basis, INTELSAT facilitates the sharing of this scarce resource amicably and equitably between developing and industrialized nations. Proliferation of competing systems will result in further international pressures to restrict the availability of these locations. Such increased scarcity will undoubtedly focus attention on the U.S.' high use of this scarce resource and stoke the conflict and dialogue between the "haves" and "have nots."

VI. SUMMARY

Mr. Chairman, I have tried to bring to the attention of the Subcommittee my perception of the importance of INTELSAT to

vital United States interests. It would be most unfortunate were U.S. international telecommunications policy to be re-made on a piecemeal basis, with an incomplete focus on the overall interests of the U.S. and without an appreciation of possible consequences. I submit that, without a comprehensive review of U.S. international telecommunications policy and a profound analysis of the applicability -- which clearly I doubt -- of deregulation, competition and private initiatives to this aspect of international telecommunications, the U.S. has no way to assure that actions that are taken in various arenas are in its best interests.

In conducting this review, U.S. policy makers should bear particularly in mind one key aspect of the INTELSAT Agreements I referred to earlier: each Party is entirely free to decide what degree of competition it wishes to have, within its country, for the distribution and use of INTELSAT capacity. Indeed, this flexibility of the Agreements was specifically recognized in the decision of the Assembly of Parties I referred to earlier.

Further recognition that this flexibility exists is found in two proceedings now before the Federal Communications Commission concerning ownership and operation of earth stations

operating with the INTELSAT system and direct access to the INTELSAT system by U.S. carriers other than Comsat. The INTELSAT Agreements provide the latitude, and it is up to each country to decide how much competition it wishes in the domestic use of INTELSAT capacity, to what extent access to INTELSAT should be deregulated, and what the end user charges should be.

Going beyond that, there are a number of options for the future which I, as Director General of INTELSAT, would seek to bring into place in coming years: mechanisms which can allow the rapid achievement of new international services through new types of satellite leases, more flexible tariffs and new ways of doing business. INTELSAT has always been known for its ability to innovate -- technical innovations, operational innovations and, in recent years, service and tariff innovations. Given continuing support from INTELSAT member governments, including the United States, I will continue and build upon these achievements an international organization that works and does its job rather than working by politics. Thus, it is my hope that, under the considerable flexibility that exists within the INTELSAT framework, a number of important new innovations for the future can be achieved. These are described at some length in the more detailed written

testimony which I have submitted and which I request be included in the record.

Mr. Chairman, in closing I would simply summarize that INTELSAT represents a major achievement of U.S. foresight and generosity. By bringing affordable international telecommunications services to virtually every region of the world, INTELSAT has brought the world closer together and has helped to create greater understanding between nations. In theprocess, the United States has benefited from the development of technologically advanced and affordable telecommunications services. U.S. industry has benefited from INTELSAT procurement and perhaps most importantly, the generosity of the United States has not gone unnoticed, as its INTELSAT initiative has engendered tremendous good will towards the U.S. throughout the world. It is in recognition of these benefits and achievements that I urge the Foreign Relations Committee to conclude that the United States will continue to provide INTELSAT its considerable and unswerving support

Thank you Mr. Chairman.

DECISION ADOPTED BY

THE INTELSAT ASSEMBLY OF PARTIES

AT ITS EIGHTH MEETING

Washington, D.C.

October 1983

21 THE ASSEMBLY OF PARTIES,

Noting the principle set forth in Resolution 1721 (XVI) of the General Assembly of the United Nations that communications by means of satellites should be available to the nations of the world on a global and non-discriminatory basis,

Noting that, on the basis of that Resolution, INTELSAT was established with the aim of achieving a single global commercial telecommunications satellite system as part of an improved global telecommunications network which will provide expanded telecommunications services to all areas of the world and which will contribute to world peace and understanding,

Noting the achievements of INTELSAT in providing services with the most efficient and economic facilities possible consistent with the best and most equitable use of the radio frequency spectrum and of orbital space,

Noting the Director General's document, "Report to the Assembly of Parties on New Developments Concerning International Satellite Communications",

Noting the resolution unanimously adopted by the Meeting of Signatories at its Thirteenth Meeting regarding the establishment of separate international satellite systems,

Noting the reaffirmation of the Parties as expressed at the Eighth Assembly of Parties of their commitment to the single global satellite system enshrined in the INTELSAT Agreements,

Noting that the INTELSAT Agreements accommodate members with widely different social and economic systems and widely varying arrangements for the utilization of INTELSAT space segment capacity within a country, including, if a Party wishes to do so, the incorporation of any particular degree of competition in such internal arrangements,

DECIDED to:

(a) Urge all Parties to ensure that their commitments to the INTELSAT system set forth in the INTELSAT Agreements continue to be fulfilled and that the objectives of INTELSAT continue to be achieved.

(b) Reaffirm the importance that all Parties refrain from actions that would imperil the viability of the single global satellite system.

(c) Express its fullest support to the Director General in his pursuit of the INTELSAT aim of developing the single global satellite system in the most efficient and economical manner possible.

(d) Request the Director General to circulate to all Parties the views expressed at this Meeting.

(e) Request the Board of Governors and the Director General to keep this matter under continuous review and to report to the Parties of any new developments on this matter.

RESOLUTION ADOPTED BY THE INTELSAT MEETING OF SIGNATORIES AT ITS THIRTEENTH MEETING

Bangkok, Thailand
April 1983

In connection with its consideration of the future programs of INTELSAT, including the estimated financial implications of such programs, the Meeting of Signatories *NOTED* the Director General's letter to the United States Government as a Party to the INTELSAT Agreement on the issue raised by a proposal from a U.S. corporation to construct and operate an international communications satellite system linking the United States and Europe.

The Meeting of Signatories *DECIDED* to endorse the concerns expressed by the Director General in his letter that the proposal challenges the underlying purposes for which INTELSAT was created and that the establishment of one or more competitive satellite systems diverting international transoceanic or other heavy route traffic from the INTELSAT System would have a fundamental impact on the viability of the single global commercial telecommunications satellite system, and would entail serious financial consequences for all INTELSAT users.

The Meeting of Signatories *DECIDED* to request the Director General to convey the concerns of the Meeting of Signatories to the United States Party, and to the Board of Governors, all other INTELSAT Parties, and the Assembly of Parties for their consideration.

PUBLIC SERVICE SATELLITE CONSORTIUM

Washington, D.C.
20 October 1983

INTELSAT: "THE RIGHT STUFF"

by

Richard R. Colino
Director General Designate
INTELSAT

Attachment G

INTELSAT: "THE RIGHT STUFF"

The new movie, "The Right Stuff," based on the Tom Wolfe novel about the American space program, recently premiered in Washington, D.C. This new movie, which promises to be a box office blockbuster, is more than the story about John Glenn, Alan Shepard, Gus Grissom and the other original astronauts, all of whom presumably had The Right Stuff. It is, at a more philosophical level, a story of the American political leadership, technological innovation and the aspirations of the American people in the second half of the twentieth century. The vision of Presidents Eisenhower, Kennedy and Johnson, in recognizing not only the strategic importance of space, the heroic aspects of yet a new American frontier and the international responsibilities associated with space, are subtle but inescapable aspects of this epic movie.

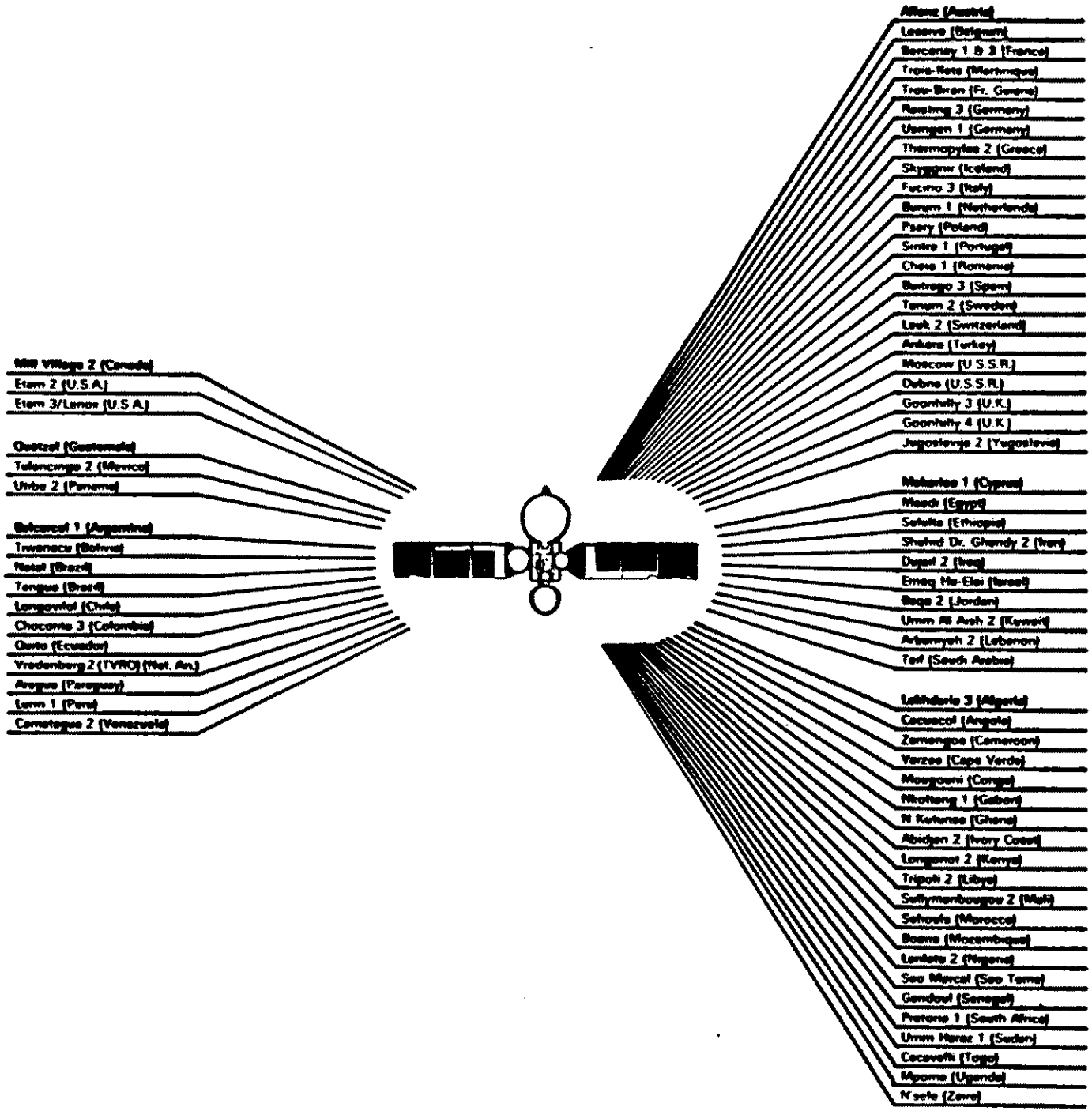
It is perhaps sometimes not appreciated the extent to which there is a direct and striking parallel between the U.S. astronaut program and the development of global commercial satellite communications. Indeed, Presidents Eisenhower and Kennedy defined the U.S. policy that resulted in the 1962 Communications Act. That novel statute said that the U.S. would take the lead in developing a single global commercial satellite system to be shared with all peoples of the world on a non-discriminatory basis. Through this sharing of U.S. technology, truly international satellite communications would

happen sooner, at lower cost and more broadly, across the whole surface of the globe. It was out of Presidents Eisenhower and Kennedy's initiatives, that in effect, a global electronic Marshall Plan was launched in the 1960's to aid not just Western Europe and Japan, but to benefit the entire world.

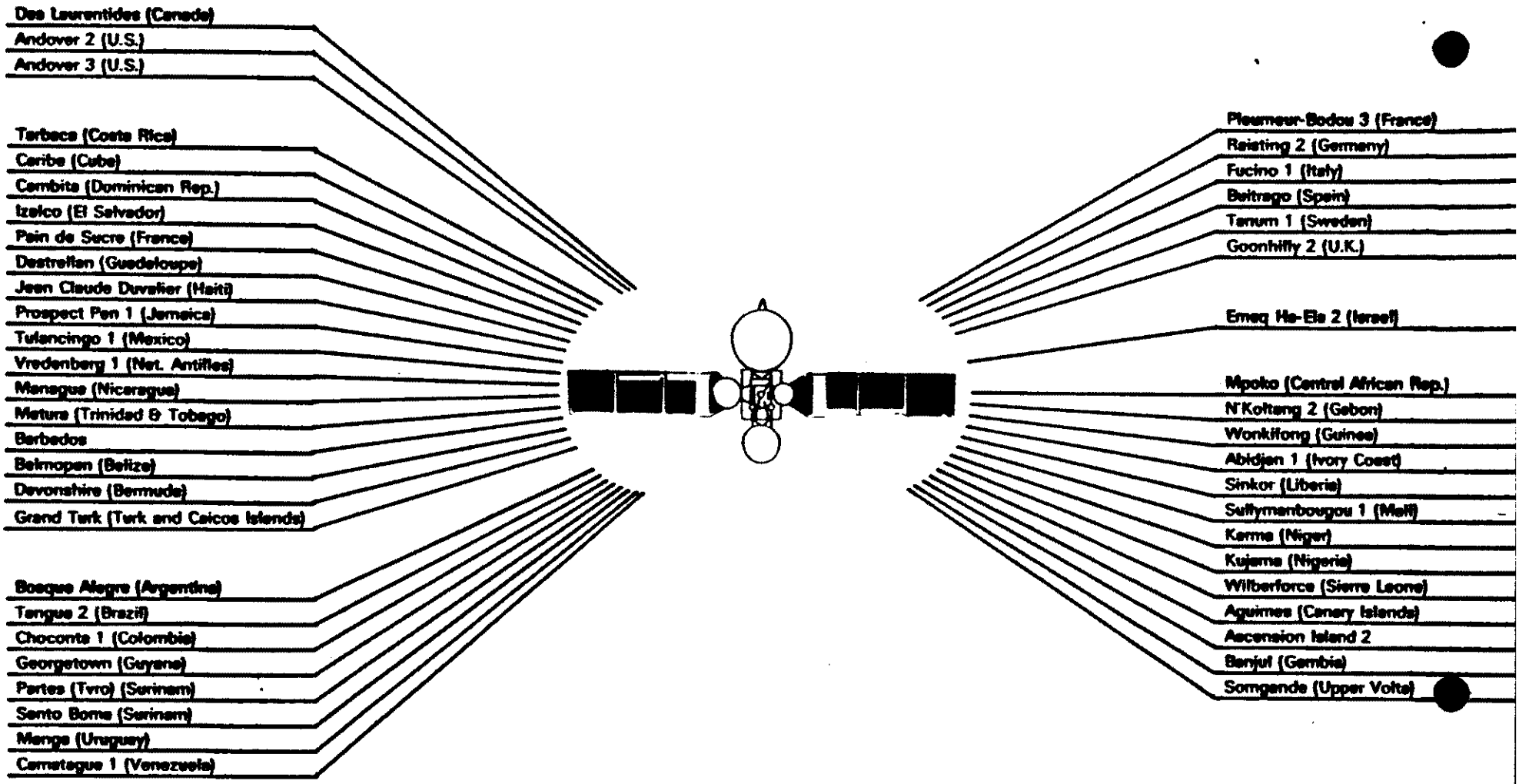
As we approach the twentieth anniversary of INTELSAT, which was formed on 20 August 1964, it is timely to recall the drama of that history and the truly revolutionary aspects of this U.S.-launched and now globally shared resource which has succeeded far beyond what anyone could have foreseen or expected at the time. To judge the true dimensions of this success, one must recall how primitive international communications actually was in 1964. At that time, there were only a few hundred transoceanic telephone circuits in operation -- mostly on submarine cable facilities. There was a handful of traffic operating among and between the developing countries of the world on highly unreliable HF radio-telephone circuits. The total volume of international overseas calls was only about 1.5 million calls per year; and live international television simply did not exist.

In less than 20 years, all of that has changed profoundly and irrevocably, in what (in terms of the history of mankind) is but a blink of the eye. Today, the INTELSAT global satellite network connects 170 different countries, territories and jurisdictions around the world through some 1,500

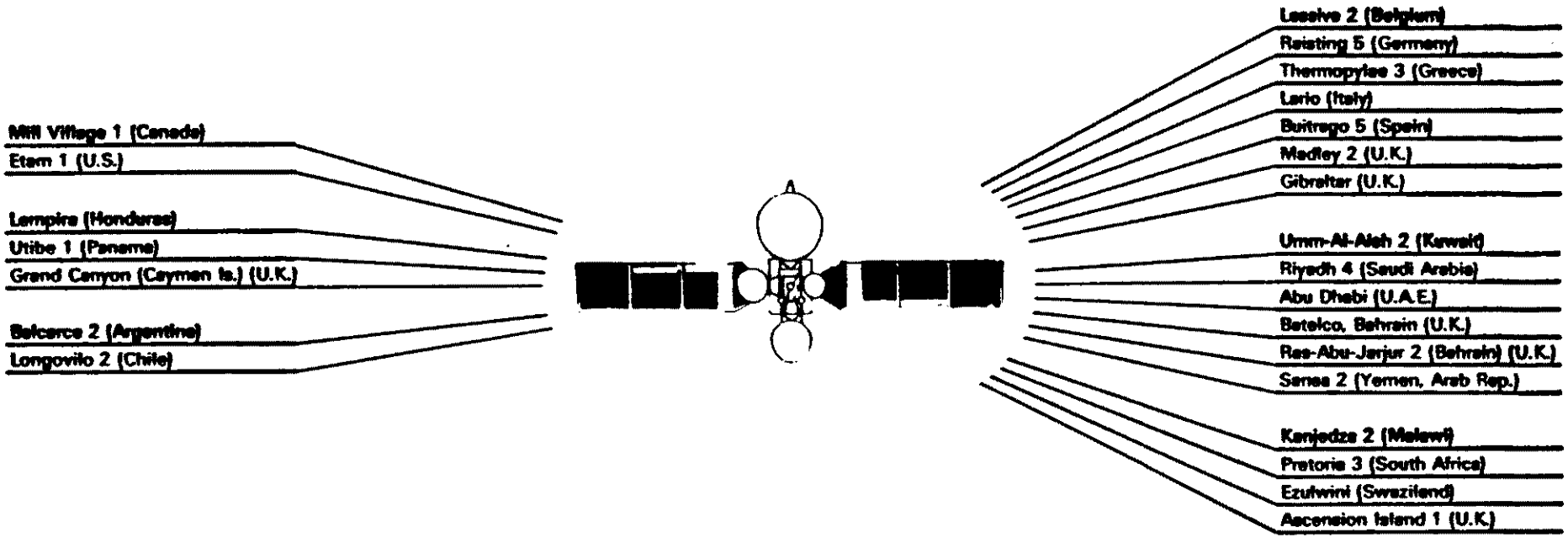
ATLANTIC OCEAN PRIMARY SATELLITE 335.5°E



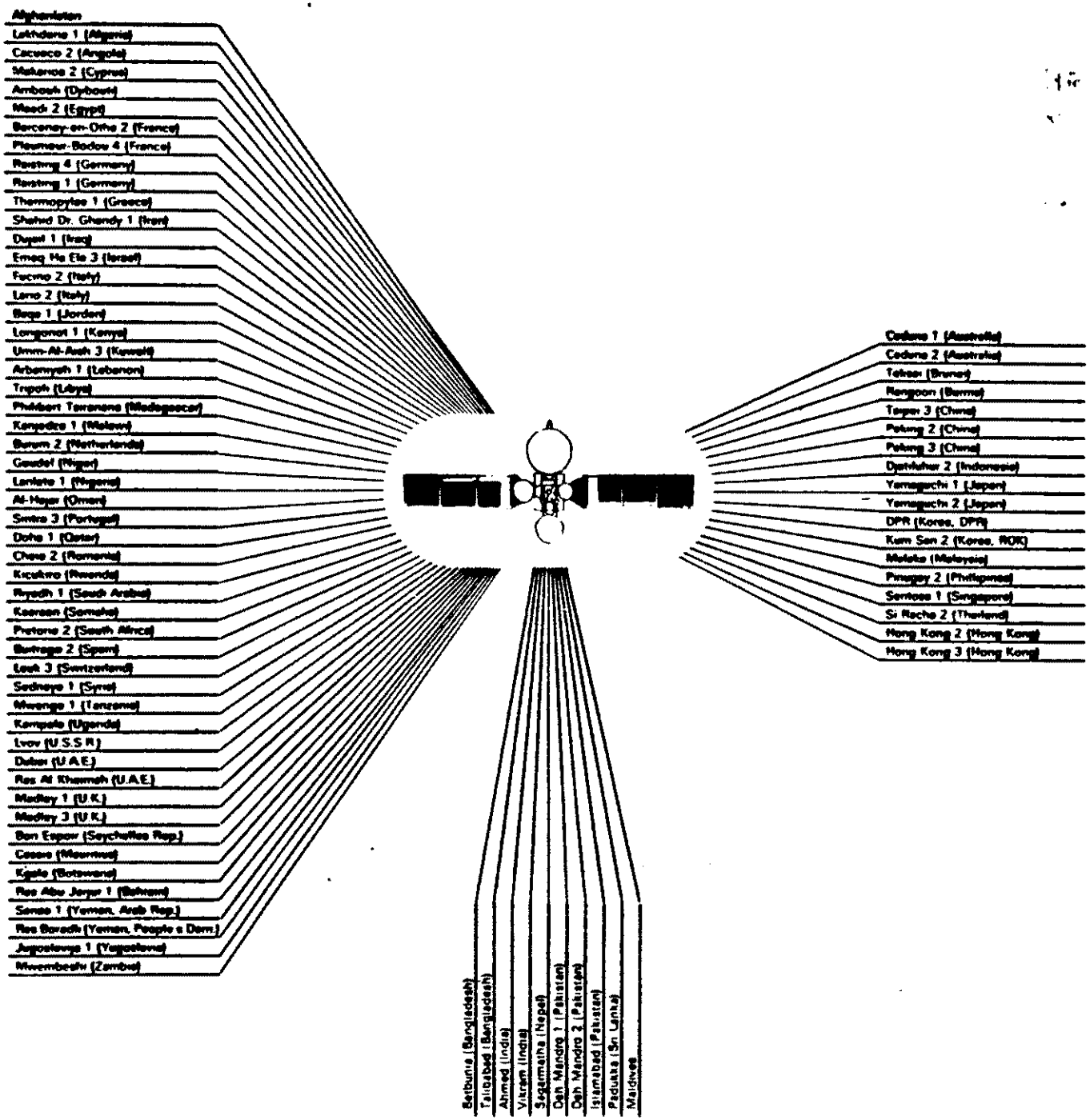
ATLANTIC OCEAN MAJOR PATH 1 SATELLITE 325.5°E



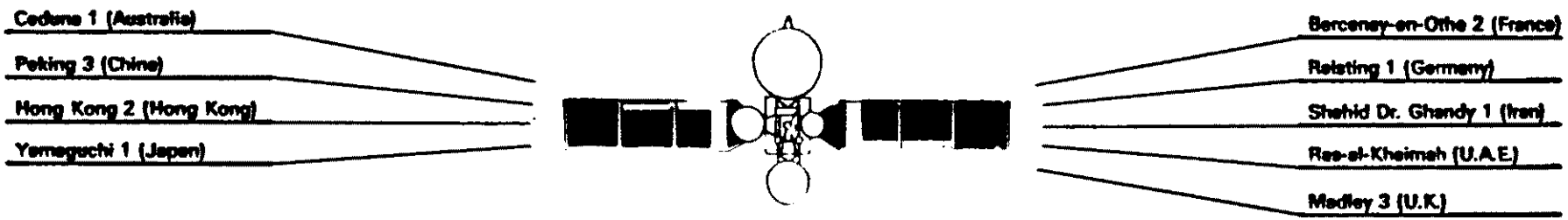
ATLANTIC OCEAN MAJOR PATH 2 SATELLITE 341.5°E



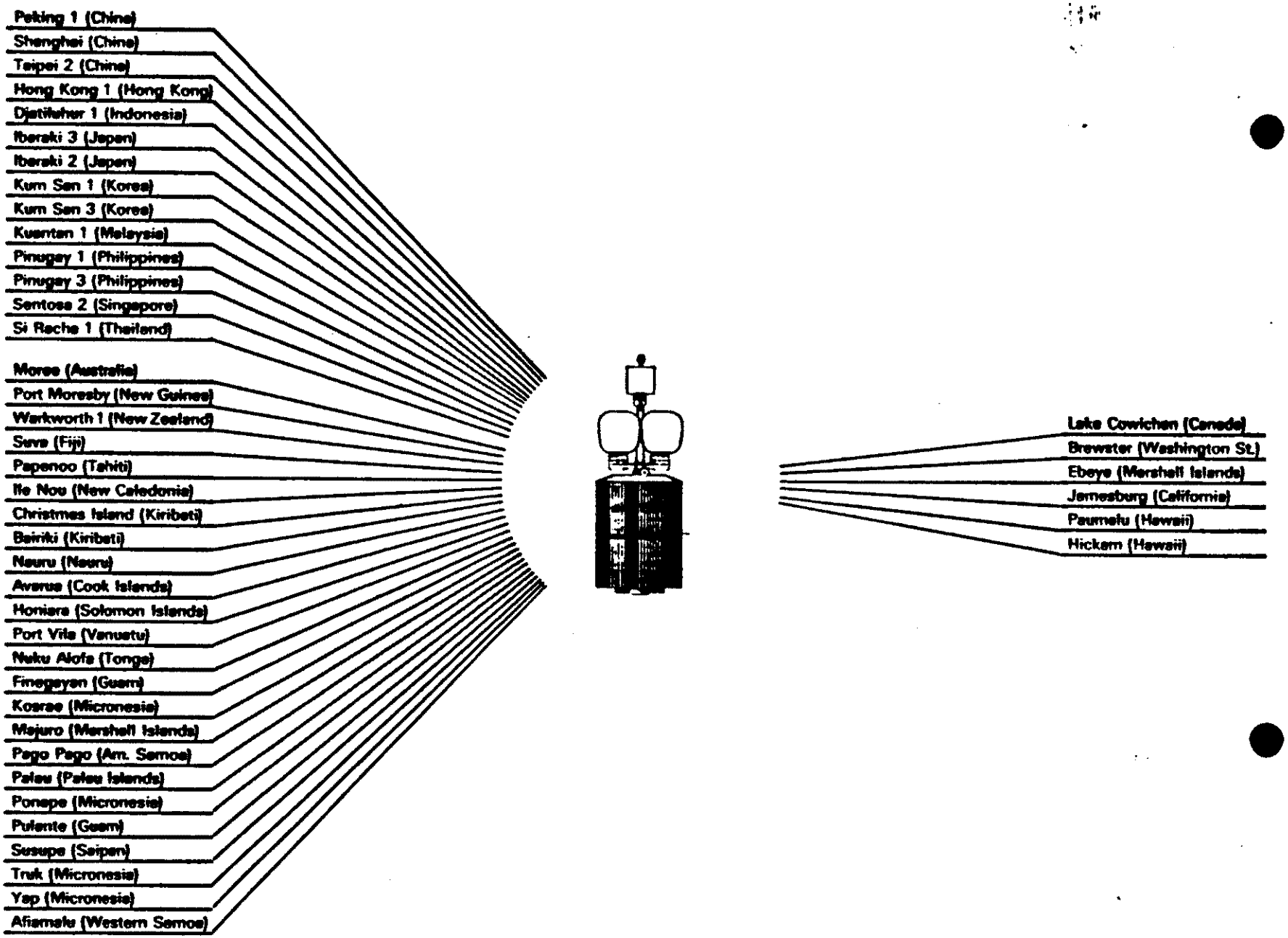
INDIAN OCEAN PRIMARY SATELLITE 60°E



INDIAN OCEAN MAJOR PATH SATELLITE 63°E



PAC IC OCEAN I IMARY SAT LITE 173°E



international earth station-to-earth station pathways, establishing the most extensive global telecommunications network such as has ever been conceived and implemented on the face of the earth. In 1983 alone, more than one-billion telephone calls will be carried by INTELSAT. Thousands and thousands of occasional-use TV transmissions are also provided by INTELSAT each year, including major global events like the Olympic Games and the World Cup soccer matches; important news from the four corners of the globe; and programs that enable countries of common social heritage to share cultural and entertainment events.

Today the world economy itself is highly dependent upon the INTELSAT system, over which it is estimated some $5 trillion in electronic funds exchanges take place each year; as well as millions of airline reservations, commodity trading exchanges and other business transactions that keep our worldwide economy functioning at the astonishingly high level of $12 trillion per year.

The age of satellite communications was just dawning in 1964. The cost for a U.S. citizen to call Europe was on the order of $12 to $15 per minute, with a 3-minute minimum. Today, one can call Europe at a cost in the range of $1.00 to $1.50 per minute. Perhaps even more amazing, the cost of an INTELSAT satellite link between any two points in an ocean region is currently only about 17 cents per minute for the

space segment connection. Let me share with you a specific example. A call today between the U.S. and Germany for three minutes costs $5.03 plus tax. Of that amount, just over 50¢ is the INTELSAT charge. Further, consider that a dedicated voice channel costs in the range of $4,200 to $4,700 per month for the end-use customer and $390 of that monthly rate is the INTELSAT charge. Indeed, the significant reductions in the cost of overseas telecommunications services have been led by INTELSAT cost reductions which have, when adjustment is made for inflation, dropped 18 times in the last 18 years. Thus, INTELSAT's charges have dropped until they are 10 percent or less of the end user charge.

In short, INTELSAT, perhaps to the amazement of those who think that international organizations never work, has truly proven that it has the "Right Stuff." The early policy decisions made by U.S. leaders to share American satellite communications technology with the world has benefited the entire world enormously; in particular, developing countries would have had no hope of plugging into modern communications without the INTELSAT decisions made in the U.S. in the mid-1960s.

Today, there is a storm cloud on the horizon. There are those wishing to initiate private transoceanic satellite systems to compete with INTELSAT on high density routes who have cast doubts upon the future of INTELSAT. These people,

for good commercial entrepreneurial reasons, have suggested that INTELSAT is a monopolistic, price-gouging system charging excessive rates and, furthermore, cannot provide new services; that new coverage requirements can best be provided by a new enterprise; and that INTELSAT is slow and ineffective. Thus, particularly in the last few months, a series of myths about INTELSAT has arisen -- as to what it is, what it does, what it can do, and what it plans to do in coming years. These myths include the following: INTELSAT is a global monopoly, without competition. It reaps huge profits. While INTELSAT does provide some service to developing countries, this involves little or no subsidy and the opening up of some competition to INTELSAT would actually lead to cost reductions and little economic harm to INTELSAT. Such new satellite systems are the only way to spur INTELSAT to introduce new services.

These myths or, perhaps more accurately, "anonymous accusations," would be serious points for consideration if indeed any of them were, in fact, true. Fortunately, for those interested in fair play, all of these characterizations of INTELSAT are patently false. Let me explain. First of all, INTELSAT is a global cooperative, established under two international treaties to which 109 countries of all political philosophies (democratic, planned economies, socialist and communist governments) not only belong, but actively, almost miraculously, support. Israel, the Arab World, South Africa, the Soviet Union, Cuba, the People's Republic of China,

Vietnam, North and South Korea and the U.S. are among those active members or users of INTELSAT.

This is possible because INTELSAT is a non-profit cooperative, whose revenues are plowed back into the system to reduce costs. This is how INTELSAT is able to provide cost-effective service for small, medium and large users alike. By devoting all revenues to users, INTELSAT provides a certain level of subsidy to thin-route users while also providing very low-cost service to very high-volume users as well. This is also true because INTELSAT is "non-political" and contracts are awarded on competitive international bid. This "non-political" process has worked well for the U.S. Of the $4 billion spent or committed since the beginning of INTELSAT, some $3.1 billion has been awarded through contracts to some 600 U.S. contractors. In a few more years, this could start adding up to real money! (On the other hand, a reversal of U.S. policy of support to INTELSAT could have implications for the future, particularly as we see some new trends, such as INTELSAT's first launch on the European Ariane launch vehicle).

The key to INTELSAT's operation, however, is its global economies of scale. It is through such a scale that INTELSAT can offer universal access on a global scale, with non-discriminatory, globally averaged charging. The allowing of private satellite systems, however, designed only to service the high-density, heavy-route links, could have disastrous

impact upon the economies of scale of the INTELSAT system and could have the effect of driving up the cost of service for third-world developing countries who have no option. It is perhaps ironic to note that certain economic studies have been conducted recently to "prove" the counter-intuititive proposition that INTELSAT provides no subsidy to third-world countries and that, indeed, somehow suggest that the Pacific and Indian Ocean Regions are more "profitable" than the Atlantic Ocean Region. These studies, however, it must be noted, are financed by people whose business plan is based on exactly the opposite premise. Namely, that they intend to in no way service third-world countries and will concentrate only on the heavy-density North Atlantic routes. It is significant to understand the true importance of the global interconnectivity that INTELSAT provides. Just a quick review of the hundreds of earth stations INTELSAT services through some 1,500 pathways emphasizes the role INTELSAT plays in gluing the world together -- north and south, east and west, INTELSAT is not only the "Right Stuff," it is the "Right Glue" for a fragile world. (See Appendix A.)

Another significant myth is, of course, that INTELSAT enjoys no competition. This again is quite false. Submarine cable technology has been moving ahead and innovating on a fast-track, parallel basis over the last 18 years as well. In particular, the new fiber optic cables planned for the Atlantic and Pacific Ocean Regions are a powerful and significant force

of innovation that has, of course, motivated INTELSAT to achieve the very significant cost reductions that it has achieved over the last 18 years. Incidentally, I would just insert here that certainly the case we are looking at in no way parallels the case of MCI versus AT&T. AT&T, you might recall, is a profitmaking domestic corporation, totally under the domestic laws and regulations of the United States, and it is an organization that has made only modest reductions in its fares over the last 18 years. INTELSAT, by contrast, is governed by two international treaties, to which 109 countries are bound, and is a non-profit organization. It has made substantial reductions in its rates while, at the same time, opening up global communications to third-world countries to accomplish important international goals and objectives. One fact is inescapable. If, for policy reasons, there is a need to change or restructure INTELSAT, the only way this can be done (at least as conceived or proposed by the various entrepreneurs who wish to deploy new satellite systems), is through the renegotiation of the INTELSAT Agreements. Indeed, this is a key vital and pivotal point which I wish to emphasize, underline, and bring out for bold-print captioning! Through the whole debate, INTELSAT has tried, since April 1983, to conduct "quiet" discussions with the U.S. Party (i.e., the U.S. State Department, which is a direct member of the INTELSAT family); unfortunately, this has been with increasing frustrations. We have, in fact, tried only to convey a simple message:

INTELSAT, both in the form of the Executive Organ and the collective national membership, understands that national policies change. We know that policy perspectives and economic interests shift and that any nationally sovereign entity can and should reevaluate these from time to time. Further, any serious proposal can be discussed, considered and perhaps even implemented fairly quickly. INTELSAT is a pragmatic and realistic organization. We ask only that all the 109 Parties to the INTELSAT multilateral treaty honor their present commitments and not unilaterally attempt to redefine the INTELSAT Preamble and Articles II, V and XIV. The fact that no reassurance has been given by the U.S. Party that new transoceanic systems would not be unilaterally authorized has given rise to the unanimous Assembly of Parties' and Meeting of Signatories' resolutions being adopted, expressing opposition to the concept of any such systems "by anyone who might be considering authorizing them." Finally, many countries, particularly developing countries, are dumbfounded and apalled that the founding country that gave INTELSAT to the world, in the best spirit and tradition of American idealism, may now be considering reneging on its gift to the world." A simple but clear U.S. statement that it is not deserting INTELSAT by unilateral authorization of "private satellites" and is honoring the multilateral commitments of the INTELSAT Agreements could quell this current international furor quickly and effectively.

Another myth is that satellite communications service competition is not possible within the framework of the INTELSAT Agreements. This too is false. The government of the United Kingdom has decided that two telecommunications entities -- namely, British Telecom International, as well as the new Mercury System (a joint venture of Cable & Wireless and Barclay's Bank) -- will both be allowed to have access to the INTELSAT system and to provide competitive services to the consuming public of the United Kingdom. Likewise, the U.S. FCC has before it two dockets, in which it is considering the issue of competitive access and competitive ownership of earth station facilities within the United States. Indeed, the U.S. Signatory, Comsat, at recent hearings in the U.S. Senate, has

proposed, in effect, a three-year transitional plan to allow competitive access to the INTELSAT system in the U.S. marketplace as well.

In short, if competition is needed, this can be provided on a service competition basis, rather than on a facility competition basis. When it is recognized that the cost of the INTELSAT space segment typically represents only 10 percent of the cost to the end user, it seems far-fetched to suggest that this is the area in which new competitive pressure is most needed.

Finally, there is the myth about service innovation. INTELSAT, in just 18 years, has moved from the INTELSAT I (Early Bird) to the INTELSAT VI satellite. This is a satellite which makes 12 times more use of the C-band frequency; a satellite that provides 70 times more power than the Early Bird satellite; and provides 170 times the capacity, plus 6 times the lifetime, of Early Bird. The combined capacity and lifetime in orbit effective increase of INTELSAT VI over Early Bird represents a one-thousand-fold increase in just two decades. As INTELSAT moves in the direction of integrated monolithic devices, on-board signal regeneration and processing, the use of electronic hopping beams, intersatellite links and other technologies, one can indeed expect that INTELSAT will still be leading the way in the 1990's.

But INTELSAT is more than just spacecraft innovation. It is service innovation as well. We have introduced such new services as SPADE demand assignment and Standard B and Standard C terminals. During 1983 and 1984, INTELSAT is introducing two highly significant new services. Namely, the INTELSAT Business Service and the Vista low-density telephony service. The INTELSAT Business Service, which is a digital communications offering, allows full-time (24-hour-a-day) digital pipelines to be used for digital voice, high-speed facsimile, electronic mail, store and forward mail, videoconferencing, and digital video transmissions. This service also works to very small KU-band (that is 14/11 and 14/12 bands) terminals for customer-premise service, ranging in size down to 10-foot earth terminals. If you want to understand what that means in practical terms, it means that if a customer is willing to utilize say 16 kilobit voice processing on a 24-hour-a-day digital voice circuit into an E-1 10-foot terminal (which would cost about $100,000 or so to install), it could derive this full-time telephone circuit at a cost of only about a half-cent a minute -- at least in terms of the INTELSAT space segment charges associated with such services.

The Vista low-density service will be equally important and dramatic. This will be used for the offering of rural and remote services in third-world countries. The D-1 terminal will be about 4.5 meters in size and will cost only about

$25,000 FOB. This terminal's capability will open up cost-affordable telecommunications services to the approximately one-half of the world's population living in the world's rural and remote regions, with little or no telecommunications capacity available to them today. During this year in particular, i.e., World Communications Year, certainly the revolutionary impact of such new communications capability should not be underestimated. When the South Pacific island country of Tonga introduced INTELSAT satellite communications into that country a few years ago it found that it could reduce its import costs by up to 30 percent, while increasing its export prices again up to 30 percent, just by being able to negotiate better prices via international satellite communications.

The story does not stop here. INTELSAT, despite its commercial operating procedures, has always been in the forefront of worldwide social innovation and progress. Today, some 24 countries (most of which are developing countries), utilize INTELSAT for their domestic communications networks. We are now conducting tests with a data distribution network, sponsored by the U.N. International Bureau of Informatics, with a view toward using small (two-foot) $2,500 microterminals for a global development data distribution network service. INTELSAT hopes to introduce a new microterminal Datanet Service next year to support such innovative new applications. INTELSAT also is presently in the process of implementing a new

U.N.-based peacekeeping and emergency-relief communications service. INTELSAT satellites are also increasingly being used to provide support to agricultural research stations, remote health services delivery systems and for teleeducation projects. Indeed, the new INTELSAT offerings, such as full-time international TV distributions, allow for a whole host of new social services applications including perhaps, ultimately, the piggybacking or off-peak timesharing of educational and cultural events on some of these commercial entertainment TV networks that are being established around the world.

Regardless of where one looks, whether it is small, low-cost earth terminals; low-powered DBS distribution international TV; digital communications services; videoconferencing; or almost any other area of the current global telecommunications revolution; it is INTELSAT that has proven, time and time again, that it is the organization with "The Right Stuff." The vision, leadership and challenge of the high frontier of space is still there, at least for today's INTELSAT. It is for all these reasons why any serious move to erode the financial viability of the INTELSAT global network and to undercut its potential for continued innovation and services in the 1990's and the years beyond would be a mistake of considerable dimensions. It is perhaps for this reason that the INTELSAT Assembly of Parties, meeting in Washington D.C. just a couple weeks ago, strongly reaffirmed its commitment to

a single global satellite network and the fundamental principles of the INTELSAT Agreements, to which I am pleased to note that the United States also gave its support.

Certainly, as I assume the position of INTELSAT's Director General, as the first American to hold the top leadership post of a major international organization in the last few years, it is reassuring to note that the United States, true to its original commitments to INTELSAT, still believes that we have the "Right Stuff."

OTHER INTELSAT SATELLITES

OTHER SATELLITES CARRYING DOMESTIC/ & OR INTERNATIONAL TV LEASE SERVICE	OCEAN REGION	ORBITAL LOCATION	COUNTRIES SERVED
INTELSAT IV(F-1)	AOR	307 E	Mexico Chile Denmark
INTELSAT IV (F-8)	AOR	359 E	Norway Portugal USA - U.K. Diego Garcia/Iceland
INTELSAT IV-A (F-4)	AOR	338.5 E	France Sudan Zaire Brazil Saudi Arabia Niger
INTELSAT V (F-2)	AOR	325.5 E	Spain U.K. - USA
INTELSAT V (F-4)	AOR	332.5 E	Peru Colombia Argentina Morocco Venezuela Libya
INTELSAT V (F-5)	IOR	63 E	France
INTELSAT IV-A (F-2)	IOR	57 E	Algeria Nigeria India Oman Thailand
INTELSAT IV-A (F-3)	POR	179 E	Australia USA - U.K. USA - Korea

SPADE DEMAND ASSIGNMENT SYSTEM. In addition to the 1200 preassigned international pathways on the INTELSAT System, there are 34 countries with some 300 originating pathways on the SPADE Demand Assignment System largely supporting telecommunication requirements of developing countries in the Atlantic Ocean Region.

RECEIVED
CRI[illegible] DIVISION
[illegible] '84
INTERNATIONAL SECURITY
REGISTRATION UNIT

HOGAN & HARTSON

EXECUTIVE BRIEFING ON NEW OPPORTUNITIES AND PROSPECTS FOR INTERNATIONAL SATELLITE SERVICES

23 February 1984

INTELSAT: YOU NAME IT: YOU GOT IT

Richard R. Colino
Director General
INTELSAT

Attachment H

INTELSAT: YOU NAME IT: YOU GOT IT

Thank you, Henry, for that very kind introduction. In the February 6 issue of Business Week, there was a story about INTELSAT and its new service offerings. In that article, Business Week quoted me as saying that my objective for INTELSAT could be rather succinctly summed up as follows: "Market, Market, Market -- Offer, Offer, Offer." For once, I can assure you, the press got it right.

INTELSAT can be expected to spend the rest of 1984, and 1985, and 1986, and 1987, and each and every year that follows doing some rather basic things: Market, Market Market -- Offer, Offer Offer! And doing these things in market areas in which INTELSAT is perceived as being inactive; a perception which is a mystery to me.

As telecommunications services for, say, electronic document transmission take hold in the international business community, INTELSAT will anticipate these new needs. INTELSAT will be there. The need to restore fiber optic cables will be met by INTELSAT. The new types of modulation and digital compression techniques are to ensure that overseas satellite communications are competitive with fiber optics will be introduced by INTELSAT. If companded single sideband is what our users want, then that's what they'll get. As needs for smaller, lower-cost earth stations emerge, INTELSAT will be ready to meet them. Requirements for low-power direct

broadcasting services which have emerged will be met. If there is a need for desk-top microterminals to access data distribution networks, INTELSAT will meet it.

I want to state, emphasize, and underline for the record, in bold typeface, that INTELSAT is working hard to maintain its position as the unquestioned source of innovation in satellite communications; is gearing up rapidly to expand its reservoir of new services; to enhance the flexibility of pricing and operations policies; and to take the lead in customer responsiveness. We intend to continue as the global leader, making the miracle of satellite communications available to essentially each and every person on the face of the planet earth. INTELSAT, to paraphrase a current U.S. computer commercial, is going to be very "competitive" but also very "compatible" with the needs of all of our system users around the world.

All of this is possibly because after nearly 20 years we can consolidate our experience and build upon our basic network more effectively. Let me put these comments in the proper historical perspective, so that you can clearly understand what INTELSAT -- the global commercial satellite cooperative -- actually is. INTELSAT revolutionized the world of communications by providing global interconnectivity during the 1960's and 70's. In 1965, INTELSAT was the first organization to provide operational transoceanic television services.

Before INTELSAT, transmission "Live Via Satellite" simply was not possible. In 1968, INTELSAT became the first organization to introduce satellite service with a despun antenna that provided a focused communications beam, rather than wasting most of the power by sending it out into space. In 1969, INTELSAT completed the global system with satellites, tying together the Atlantic, Pacific and the Indian Ocean Regions. Also in that year, INTELSAT provided the world's first truly global television show, when 500 million people around the world saw the moon landing.

In the years since then, INTELSAT has been the leader, pioneering the frequency reuse through polarization discrimination and geographic separation of beams. INTELSAT has been the innovator, in terms of on-demand telephone exchanges in orbit to support communications to third-world countries. INTELSAT was also the first provider of long-distance domestic communications, first in Algeria, then in Brazil. Now more than 30 countries have come to INTELSAT for long-distance telephone, data and television services. By the close of the 1980's, we fully expect 50 countries or more to be using INTELSAT for domestic services. And a significant number of countries plan to use INTELSAT Ku-band spot beams for TV distribution, for SMATV, for private TV networks and cable TV distribution, and a host of other domestic video-related services.

By the end of this year INTELSAT will have 17 satellites in operation in the geosynchronous orbital arc and it is my personal commitment to make sure that we make that capacity available in as many new and exciting and innovative ways as possible. The point is that we are exploring many ways for INTELSAT have capacity used effectively by many users. It is my intention that you, as users, are going to find the corresponding offerings by INTELSAT Signatories irresistible. INTELSAT is rapidly becoming a powerful force for service innovation, a tool of great flexibility for you, as system users, in the 1980's. Let me get specific and tell you some of the moves we are making right now. Moves that will, if we are anticipating your needs properly, dovetail with plans for your services this year and for the next few years to come.

Today, the INTELSAT V satellite series is being deployed. The V satellites each have a capacity of 12,000 telephone circuits and 2 TV channels. The V-A and V-B satellites can carry 15,000 telephone circuits. The V satellite series is the first to include 14/12 and 14/11 GHz and maritime capabilities.

INTELSAT will launch the INTELSAT VI satellites in a few years. This satellite will be able to provide in excess of 40,000 telephone circuits and television services OR, in an all-digital mode, will be able tp provide 3.5-billion bits of

information per second. This is sufficient capacity to transmit the Encyclopedia Britanica once every three seconds across the Atlantic OR 175 segments of "Dallas" simultaneously.

Not all of this is in the future. Last September, after extensive planning and careful international coordination, INTELSAT introduced the INTELSAT Business Service (IBS). This is a flexible digital communications service providing 24 hour-a-day or part-time and occasional-use access. It includes applications like digital telephone, telex, data, facsimile, videoconferencing, electronic mail and document distribution. The IBS is structured to achieve total interconnectivity within the satellite region at extremely low, and we are told, appealing rates. IBS also reflects the changing telecommunications environment by offering the capability for direct customer-premise access, as well as urban gateway and the traditional country gateway earth station access. And we know we're on the right track with IBS because initial customer interest is very high and we have every expectation of exceeding our traffic forecast estimates. On the basis of information received from Signatories and potential customers, we are continuing to refine this service and provide more and more service options.

In December of last year INTELSAT introduced its new VISTA low-density telephony service. This new service, which is

designed for rural and remote parts of the world, has been receiving enthusiastic reviews.

At its upcoming March meeting, the Board of Governors will have nearly 40 new tariffing concepts to consider and, we hope, approve, for immediate implementation. These include: tariffs for various bit rates of digital television; tariffs for a datanet distribution service to microterminals that range in size from 65 centemeters to 3 meters in size; and fiber optic and medium-capacity submarine cable restoration services. In addition, we are engaged in preliminary studies of diversified telephony services using new techniques that include analysis of companded single sideband techniques and tariffs; companded FDM/FM; 32 kilobit voice; digital carriers employing digital speech interpolation and "encoded phase" technologies applied to digital transmissions.

But the real story at this stage of our service innovation is video services we are proposing. INTELSAT's Board of Governors will be considering more than a hundred preemptible international video services and associated tariffs on satellites not now used as primary or major path satellites. These new proposals include services on global beam, hemispheric beam, zonal beam and spot beam transponders; on C-Band and Ku-Band transponders; offer interconnectivity in all possible configurations, East/West, West/East, East/East, West/West and global connectivity; on simplex and half duplex

channels; on 36 and 72 MHz transponders. At the core of these offerings is the notion that users are entitled to video transmission services that render them the highest degree of control possible, while ensuring the signal quality level that is desirable. Thus, the transmitting user would lease the space segment capacxity for transmission to any number of receivers at the same price. Further, these proposals offer the flexibility for users to select a wide range of earth station antenna sizes to meet customer requirements.

I wouldn't say that these video tariff proposals create an environment of "you name it and you've got it," but it comes close. We are proposing that the Board consider several 36 MHz transponder options for video services under a five-year lease commitment, for less than $.5 million per year, with no restrictions on the multidestination networking arrangements that the hub Signatory country wishes to provide these videoservices to. New datanet service for data distribution and microterminals will also follow a similar pattern of flexible tariffing as well, since it is being offered initially as a broadcast service.

None of these tariffs can become official until they are approved by our Board. Also, it must be understood that INTELSAT's rates cover only the cost and revenue requirements and do not reflect the end-user rates. The inevitable conclusion is that if the Board does approve these rates, the

beneficial flow-through to the end-user should be very impressive. Not only can one look to the possibility of lower rates, one can also envision tremendous flexibility in terms of earth station network design as well.

Obviously, I am enthusiastic about the many new tariff proposals we have designed in the seven, seemingly too short weeks since I assumed the office of INTELSAT's Director General. I am even more enthusiastic about the future; what INTELSAT can be and will be. And, most of all, I am excited about creating a positive new environment where you, the users, can communicate your requirements to INTELSAT: the service innovations and new tariffs you need; those aspects of our plans you specifically would like to know more about. So I would like to throw the floor open and become as interactive as possible at this point in our discussions.

Thank you very much.

INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION
ORGANISATION INTERNATIONALE DE TELECOMMUNICATIONS PAR SATELLITES
ORGANIZACION INTERNACIONAL DE TELECOMUNICACIONES POR SATELITE
490 L'ENFANT PLAZA, SW WASHINGTON, D.C. 20024 TELEX 89-2707 TELEPHONE (202) 488-2683

NEWS-NOUVELLES-NOTICIAS

EMBARGO: 6 February 1984
84-1

OLYMPIC TV COVERAGE GLOBAL

When millions of Americans turn their television sets to watch the excitement of the Winter Olympics in Sarajevo, Yugoslavia, they will also be seeing an international high-technology cooperative in action.

"For most viewers, the satellites and the global system responsible for bringing the Games live into their homes remains a mystery," said Richard R. Colino, the Director General of INTELSAT (International Telecommunications Satellite Organization).

Mr. Colino explained that it is, in fact, INTELSAT, which is responsible for flashing television and news of the Games around the world "live via satellite."

"Countries have already booked to receive some 900 hours of television transmission from Sarajevo via our satellites over the Atlantic and Indian Oceans," Colino said.

"Of that figure, about 400 hours will come to the U.S."

Colino estimated from previous INTELSAT experience that as the major events of the Sarajevo Games drew nearer, interest would heighten and bookings for satellite time would climb still further.

"Although we can only make an informed guess at this time, we wouldn't be surprised to see a world-wide viewing audience of over one billion people."

Other countries which have already reserved satellite time include Australia, Canada, France, Germany, Italy, Japan, Korea, Spain and the United Kingdom.

The total number of transmission bookings for the Winter Olympics received at the INTELSAT TV center in Washington, D.C. to date is 288.

Attachment I

"By comparison, we are holding 742 bookings for 7,000 hours of transmission for the Summer Olympics in Los Angeles next June and we are already talking to the Korean authorities about arrangements for international television from Seoul during the 1988 Games," Colino said.

This year's Winter and Summer Olympic Games coincide with INTELSAT's twentieth anniversary year. The 108-nation not-for-profit cooperative organization provides communications to 170 user countries. It has made the live television transmission of news and sports events a commonplace event for millions of Americans. And, about two thirds of the world's overseas telephone calls also go via its 16 satellite system.

"Most Americans -- and the rest of the world -- don't know how much they have come to rely on the INTELSAT system. Many don't even know it exists.

"But INTELSAT was born of U.S. initiative and technology and it's something in which every American can take pride," Colino said.

* * * * *

For further information, contact: Mr. Gavin Trevitt
Public Information Officer
(202) 488-2683

Burson-Marsteller

International Square
1825 Eye Street N.W.
Suite 950
Washington, D.C. 20006
202 833 8850

TO: T.V. Editors

FROM: Sherry Saunders

DATE: February 3, 1984

RE: Winter Olympic Games Coverage From Washington, D.C.

As described in the enclosed release, millions of Americans will be viewing the Winter Olympics from Sarajevo, Yugoslavia during the next two weeks thanks to the technology provided by INTELSAT (International Telecommunications Satellite Organization). INTELSAT's T.V. Operations Center where personnel will handle the Olympic transmission bookings is located right here in Washington, D.C.

The INTELSAT T.V. Operations Center is the only Olympic-related action in Washington and would make an interesting backdrop for any Olympic news or features you may be planning. In addition, an interview can be arranged with a member of the INTELSAT T.V. Operations Center Olympic Team to supplement your coverage.

To arrange a taping time or an interview, telephone Gavin Trevitt at 202-488-2300.

Attachemnt J

INTERNATIONAL TELECOMMUNICATIONS SATELLITE ORGANIZATION
ORGANISATION INTERNATIONALE DE TELECOMMUNICATIONS PAR SATELLITES
ORGANIZACION INTERNACIONAL DE TELECOMUNICACIONES POR SATELITE

490 L'ENFANT PLAZA, SW WASHINGTON, D.C. 20024 TELEX 89-2707 TELEPHONE (202) 488-2683

NEWS-NOUVELLES-NOTICIAS

FOR IMMEDIATE RELEASE
83-38-1
31 December 1983

FIRST AMERICAN NAMED TO TOP POST AT INTERNATIONAL SATELLITE ORGANIZATION

WASHINGTON, December 31--Richard Colino today became the first American to serve as Director-General of the International Telecommunications Satellite Organization (INTELSAT).

In a White House meeting marking the significance of the event, President Reagan offered congratulations to the new head of the international communications cooperative.

Colino, a 20-year veteran of the communications industry, has been involved and associated with INTELSAT for many years.

20 YEARS OF SERVICE

Entering its 20th year of service, INTELSAT has revolutionized worldwide communications. The 108-nation organization provides satellite links for international telephone calls, television, telex and data transmission to 170 user countries. According to Colino, "INTELSAT originated intercontinental transmission of live television. Today, satellite transmission of live sports and news has become so commonplace that networks have stopped identifying it as 'Live by Satellite.' Perhaps a less visible example of INTELSAT service, but a more important one, is the fact that we offer the opportunity for people to telephone people almost instantaneously, regardless of where they are in the world."

Colino calls INTELSAT a premier example of international cooperation. "The United States should be very proud of its role in initiating a nonprofit international communications system such as INTELSAT. Our record of twenty years of service has contributed to the realization of a true 'global village.'"

Attachment K

INTELSAT was spearheaded by the United States under the Communications Satellite Act of 1962. It has grown since to a network of 17 satellites. Telephone circuits on the system have multiplied from 240 in 1965 to 32,000. The organization, presently handling over two-thirds of the world's overseas communications, is building 13 more satellites to meet the demand for international communications.

One of INTELSAT's newest ventures will expand its service to business. Colino says that "INTELSAT has worked for several years to prepare special services to meet more directly the specific communications needs of business. Now we are ready to do that. For example, INTELSAT recently offered a service to its user countries that would enable businesses to establish their own networks within the INTELSAT system, possibly using small earth stations on their own premises, for all types of communications, including data transfer, audio and video conferencing and facsimile transmission."

ITS MOST CHALLENGING YEAR

INTELSAT operates under international treaty as a nonprofit cooperative. As a result it has been able to lower its charges for overseas telephone channels by more than 90 percent since 1965. However, according to Colino, despite its successes INTELSAT faces what could be its most challenging year. "It was probably inevitable that INTELSAT's success in meeting the demands for international communications would spawn competition. Without our growth, communications technology might still be in its infancy."

Two private companies are seeking permission from the U.S. Federal Communications Commission in Washington, D.C., to provide satellite systems which would cut into INTELSAT's mainstream traffic between the U.S. and Northern Europe. 'hat is INTELSAT's heaviest traffic route but, as Colino points out, INTELSAT still must service low traffic routes such as those to developing countries. Colino explains that "INTELSAT was created by international treaty and therefore has specific obligations. We must serve low density areas regardless of the competition for the few lucrative markets. Of course, competitors would not operate under such restrictions."

According to Colino the petitions under consideration would constitute inequitable competition and undermine INTELSAT's ability to continue to lower its rates. "It's not very hard to predict what will flow from that. INTELSAT, as a cooperative, will have to spread its largely fixed costs over a smaller traffic base and that means increased charges. Apart from a few entrepreneurs and Washington lawyers, it's hard to see who will be the winners if the U.S. decides to authorize these competitive systems. It certainly won't be the general consumer," he says.

Colino warns that in addition to burdening American consumers with higher charges, American-backed competition will tarnish the image of the U.S. in Third World countries. "As usually happens in such cases," Colino states, "the higher charges would hit the developing nations the hardest." Colino quotes a delegate from a small African country as speaking for many:

> "I cannot conceive that the pioneer country which made possible the creation of INTELSAT, today wishes to undermine and destroy it."

STAKE IN INTELSAT

Not only did the United States lead the movement which resulted in the establishment of INTELSAT, it has a major economic stake in the organization. As the world's largest commercial user of outer space, INTELSAT has spent over $4 billion on satellites, launch vehicles, related equipment and research and development since its inception. Over 80 percent of that money went to United States industry.

For further information, contact: Gavin Trevitt
Public Information Office
INTELSAT
(202) 488-2683

UNITED STATES DEPARTMENT OF JUSTICE
REGISTRATION UNIT
CRIMINAL DIVISION
WASHINGTON, D. C. 20530

NOTICE

Please answer the following questions and return this sheet in triplicate with your supplemental statement:

1. Is your answer to Item 16 of Section V (Political Propaganda - page 7 of Form OBD-64 - Supplemental Statement):

Yes x or No _____

(If your answer to question 1 is "yes" do not answer question 2 of this form.)

2. Do you disseminate any material in connection with your registration:

Yes x or No _____

(If your answer to question 2 is "yes" please forward for our review copies of all such material including: films, film catalogs, posters, brochures, press releases, etc. which you have disseminated during the past six months.)

Signature

5/29/84
Date

Jonathan Jessar
Please type or ~~print~~ name of signatory on the line above

Senior Vice President
Title