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89-31 AMENDMENTS TO COMMUNICATIONS ACT OF 1934

GOVERNMENT
Storage

HEARING
BEFORE THE
SUBCOMMITTEE ON COMMUNICATIONS
OF THE
COMMITTEE ON COMMERCE
UNITED STATES SENATE
EIGHTY-NINTH CONGRESS

FIRST SESSION
ON
S. 903, S. 1015, S. 1284, S. 1554, S. 1948, S. 1949,
and H.R. 7954

BILLS TO AMEND THE COMMUNICATIONS ACT OF 1934

JUNE 23, 1965

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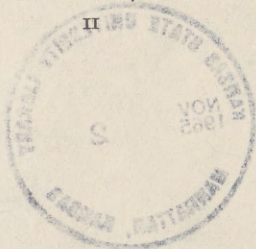
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AMENDMENTS TO COMMUNICATIONS ACT OF 1934

WEDNESDAY, JUNE 23, 1965

U.S. SENATE,
COMMITTEE ON COMMERCE,
COMMUNICATIONS SUBCOMMITTEE,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:07 a.m., Hon. John O. Pastore (chairman of the subcommittee) presiding, in room 5110, New Senate Office Building, Washington, D.C.

Senator PASTORE. This meeting will come to order.

This is a hearing on six bills, and these bills have been introduced at the request of the Federal Communications Commission.

S. 903, a bill which amends the Communications Act so as to require a permittee or licensee to maintain the painting and illumination of a tower which has been licensed to transmit radio energy. In the event the licensee should cease to be licensed by the FCC for the transmission of radio energy, the owner of the tower would be required to maintain the painting and illumination until its dismantlement and the FCC may require the owner to remove the tower when the Administrator of the Federal Aviation Agency deems that there is a reasonable possibility that it may constitute a menace to air navigation.

Now, I think we ought to confine ourselves to that bill at this point. (Full text of S. 903, follows:)

[S. 903, 89th Cong., 1st sess.]

A BILL To amend the Communications Act of 1934, as amended, with respect to painting, illumination, and dismantlement of radio towers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 303(q) of the Communications Act of 1934 (47 U.S.C. 303(q)) is amended by inserting after the period at the end thereof the following: "The permittee or licensee shall maintain the painting and/or illumination of the tower as prescribed by the Commission pursuant to this section. In the event that the tower ceases to be licensed by the Commission for the transmission of radio energy, the owner of the tower shall maintain the prescribed painting and/or illumination of such tower until it is dismantled, and the Commission may require the owner to dismantle and remove the tower when the Administrator of the Federal Aviation Agency determines that there is a reasonable possibility that it may constitute a menace to air navigation."

Senator PASTORE. All right, Mr. Henry.

Staff counsel assigned to this hearing: Nicholas Zapple.

STATEMENT OF HON. E. WILLIAM HENRY, CHAIRMAN, FEDERAL COMMUNICATIONS COMMISSION; ACCOMPANIED BY HON. ROBERT E. LEE, COMMISSIONER; HENRY GELLER, GENERAL COUNSEL; EDWARD ALLEN, CHIEF ENGINEER; AND WILLIAM LESHER, ATTORNEY, COMMON CARRIER BUREAU

Mr. HENRY. Mr. Chairman, I have a prepared statement covering each of the six bills that we are prepared to testify on this morning, and with your permission I thought we might put that in the record, and then I would just discuss very briefly each one.

Senator PASTORE. You mean the pertinent facts insofar as these bills are concerned? Does your statement cover each of the bills?

Mr. HENRY. Yes.

Senator PASTORE. All right. That portion of the statement that has to do with S. 903 will be inserted in the record at this point in its entirety, and you may give a résumé of what your statement contains.

(The portion of the statement pertaining to S. 903 follows:)

S. 903—TO AMEND THE COMMUNICATIONS ACT OF 1934, AS AMENDED, WITH RESPECT TO PAINTING, ILLUMINATION, AND DISMANTLEMENT OF RADIO TOWERS

S. 903 would amend section 303(q) of the Communications Act of 1934 to require that abandoned or unused radio towers continue to meet the same painting and lighting requirements that would be applicable if such towers were being used in connection with the transmission of radio energy pursuant to a license issued by the Federal Communications Commission. It further empowers the Commission to direct the dismantlement of such towers when the Administrator of the Federal Aviation Agency determines that there is a reasonable possibility that they may constitute a menace to air navigation.

Under section 303(q) of the Communications Act, the Federal Communications Commission has authority to require the painting and/or illumination of radio towers if and when in its judgment such towers constitute, or there is a reasonable possibility that they may constitute, a menace to air navigation. Pursuant to this statutory authority, the Commission has adopted criteria to gauge the aeronautical hazard in particular cases and has prescribed rules specifying the painting and lighting requirements for these towers.

However, when a radio station license expires, is canceled, or is revoked; these towers are no longer used in connection with authorized radio station operation. They are then "abandoned towers," and as such would not appear to fall within the Commission's jurisdiction so as to compel continued marking or lighting. Radio towers, which are of lattice construction, are inherently less visible than solid structures such as buildings, water towers, smokestacks, and the like. The potential menace to air navigation of such a tower left standing unlighted and unpainted is obvious.

The Joint Industry Government Tall Structures Committee (JIGTSC) established by the Air Coordinating Committee to investigate the problems raised by the joint use of airspace by the aviation and broadcast industries, and to recommend appropriate action establishing the position of the Federal Government, recommended in 1957 that "the Federal Communications Commission require the removal or appropriate lighting and marking of unused or abandoned towers if it has such authority, and if such authority does not exist * * * that the Federal Communications Commission seek appropriate legislation to attain this objective."

After study and consideration of the JIGTSC and other parallel recommendations, the Commission, convinced that the public interest would be served by implementation of such recommendations, submitted a legislative proposal which was introduced in the 85th Congress. That proposal would have amended section 303(q) of the Communications Act to authorize the Commission to require the continued lighting and marking of radio towers although the tower has since ceased to be used for radio transmitting purposes. The same proposal was introduced in both the 86th and 87th Congresses. In the 87th Congress, the Senate

Commerce Committee added an amendment authorizing the Commission to require the owner to dismantle and remove the tower when there is a reasonable possibility that it may constitute a menace to air navigation (S. Rept. 214, 87th Cong.). The Senate approved the bill, S. 684, 87th Congress, with the committee amendment. The House failed to act on S. 684 in that Congress.

The language of our present proposal is essentially the same as that approved by the Senate in the 87th Congress in S. 684. The sole difference is that the Federal Communications Commission's authority to require that a tower be dismantled would be based upon a finding by the Administrator of the Federal Aviation Agency that there is a reasonable possibility that the tower may constitute a menace to air navigation.

We believe that the proposal constitutes an effective and desirable solution to a problem raised by the joint use of airspace by the broadcast and aviation industries.

Mr. HENRY. All right, sir.

S. 903 would amend section 303(q) of the Communications Act of 1934 to require that abandoned or unused radio towers continue to meet the same painting and lighting requirements that would be applicable if such towers were being used in connection with the transmission of radio energy pursuant to a license issued by the Federal Communications Commission.

It further empowers the Commission to direct the dismantlement of such towers when the Administrator of the Federal Aviation Agency determines that there is a reasonable possibility that they may constitute a menace to air navigation.

Generally speaking, what this bill does is to give the FCC the authority to require the painting, lighting, or dismantlement of towers that have been abandoned and are no longer in use and may constitute a hazard to air navigation.

Senator PASTORE. Have we had instances in the past where this was so?

Mr. HENRY. We have had some instances of towers being abandoned. We do not know whether or not they have ever been considered by the FAA or other people to constitute a hazard to air navigation.

Senator PASTORE. The reason I raise the question is: What prompts this legislation? I mean there must be a reason for it.

Mr. HENRY. Well, we think it is a gap in the legislation. No one has jurisdiction over these towers. And we think that while there may not have been a problem, there may well be.

We do know that we have approximately 30 AM and FM stations and 20 UHF stations which have received permission to remain silent.

Now, these are not abandoned towers in the sense contemplated by this bill, but they are unused and dark and they may become a problem.

Senator PASTORE. Well, let's assume that a tower happens to be in a place where it is not being used but is not a hazard to air navigation. Would this bill require them to maintain the painting of that tower nevertheless?

Mr. HENRY. Well, I think it would give us authority to require it.

Senator PASTORE. Why should you want to do that? I mean does this come under the beautification program or what is the reason for it?

Mr. HENRY. Well, I don't think there would be any—

Senator PASTORE. I mean we have got to put this in the proper context. I think there ought to be some responsibility to maintain these

towers in such a way that they do not become a safety hazard, whether it is a hazard to aerial navigation or the towers have deteriorated to such an extent that they might fall and cause some injury to people.

I go along with this. But I am wondering if this is really a move to compel an unnecessary action on the part of certain people with regard to painting these towers and illuminating them when there is no essential need for it.

Now, that is the point I am raising, and that is the reason why I asked you if there were any complaints or any instances where this problem had come up.

Mr. HENRY. Well, I don't think that is the point, Mr. Chairman. This would require the same painting and lighting when the tower becomes abandoned that was employed when the tower was in use. And I think we may assume that there was a good reason to have it painted and lighted when it was in use, and I think we can pretty much assume that any tall structure such as a radio tower sticking up in the air, unpainted, and unlighted, is undesirable.

Senator PASTORE. In other words, what you are actually saying is that the same reasons that require painting and illumination at the time it was authorized are the same reasons that apply when it is not being used. Is that the point?

Mr. HENRY. That is correct.

Senator PASTORE. All right. Is there any objection to this legislation?

Mr. HENRY. We don't believe so, and we understand—

Senator PASTORE. I am addressing myself to the audience here now. Is there anyone here who desires to speak in opposition to this legislation?

(No response.)

(Full text of S. 1015 follows:)

[S. 1015, 89th Cong., 1st sess.]

A BILL To amend the Communications Act of 1934, as amended, to give the Federal Communications Commission authority to prescribe regulations for the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Communications Act of 1934, as amended, is further amended by adding thereto a new section 302 to read as follows:

“DEVICES WHICH INTERFERE WITH RADIO RECEPTION

“SEC. 302. (a) The Commission may, consistent with the public interest, convenience, and necessity, make reasonable regulations governing the interference potential of devices which in their operation are capable of emitting radio frequency energy by radiation, conduction, or other means in sufficient degree to cause harmful interference to radio communications. Such regulations shall be applicable to the manufacture, import, sale, offer for sale, shipment, or use of such devices.

“(b) No person shall manufacture, import, sell, offer for sale, ship, or use devices which fail to comply with regulations promulgated pursuant to this section.

“(c) The provisions of this section shall not be applicable to carriers transporting such devices without trading in them, to devices manufactured solely for export, or to devices for use by the Government of the United States or any agency thereof. Devices for use by the Government of the United States or any agency thereof shall be developed, procured, or otherwise acquired, including off-

shore procurement, under United States Government criteria, standards, or specifications designed to achieve the common objective of reducing interference to radio reception, taking into account the unique needs of national defense and security."

Senator PASTORE. The Chair hears none. We will move to the next one.

S. 1015 is a bill which would amend the Communications Act of 1934 so as to give the FCC authority to prescribe for the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception, such as electronic garage-door openers, certain electric toys, high-powered electric heaters, diathermy machines, welders, and other devices which have a cumulative effect of radiating radio-frequency energy that causes interference with authorized radio communications.

Well, now, this sounds to me like quite a bill, but go ahead. I'll hear you on this one.

Mr. HENRY. I do have a brief statement on this, and with your permission I will just read it.

S. 1015 would amend the Communications Act of 1934 by adding a new section 302. Under it the Commission would obtain authority to prescribe regulations for the manufacture, sale, offer for sale, shipment, and import of devices which cause harmful interference to radio communications or are capable of causing harmful interference to radio reception.

The chief purpose of this legislation is to give the Commission adequate authority to deal with increasingly acute interference problems arising from the expanding usage of electrical and electronic devices which cause, or are capable of causing, harmful interference to radio reception. This would be accomplished by empowering the Commission to deal with the interference problem at its root source—the sale by some manufacturers of equipment and apparatus which do not comply with the Commission's rules. It would require that equipment be properly designed to reduce radiation to specified and acceptable limits and, where necessary, permit the Commission to specify to the manufacturer operating frequencies before the equipment is sold to the consumer.

I might add at this point, Mr. Chairman, that this bill essentially would give us the authority to prescribe regulations on the radiation limit of equipment at the source—that is, require the manufacturer to meet those requirements rather than the user, which we can now require under existing law.

In other words, we can require these limitations on the use of this equipment now, under existing law. We can only require them, though, by dealing with the user of the equipment rather than with the manufacturer. And I will get into that later in my statement.

Senator PASTORE. Well, let's assume that we had a military installation, and then, in the national security, it was necessary to use an appliance which did cause some interference to some taxicab that is transporting people.

Do you mean to tell me the FCC should tell the military, "Don't use that device"?

Mr. HENRY. No, sir. There is a special exception in the bill that this would not pertain to devices used by the Government of the United States or any agency of the Government.

It says:

Devices for use by the Government of the United States or any agency thereof shall be developed, procured, or otherwise acquired, including offshore procurement, under U.S. Government criteria, standards, or specifications designed to achieve the common objective of reducing interference to radio reception, taking into account the unique needs of national defense and security.

Senator PASTORE. Give me a few examples where this problem has arisen.

Mr. HENRY. All right, sir. This fits right in with the continuation of my statement.

In recent years there has been a marked increase in the number and type of devices capable of causing harmful interference to radio reception. In many instances, radiating devices lie outside the area conventionally associated with radio transmission and reception. They include such devices as high-powered electronic heaters, diathermy machines, and welders, which radiate energy either purposely or incidentally to carrying out their primary functions.

They also include low-power devices such as electronic garage-door openers which, because of poor design or otherwise, emit radio-frequency energy beyond that needed for their functions. Even radio and television receivers may also emit some radio energy.

The cumulative effect of all this undesired radiation is most apparent in large metropolitan areas. Especially in peak periods of operation of radiating devices, such areas are blanketed by a "radiation smog" which makes it increasingly difficult for many users of radio communications to obtain interference-free reception.

This radiation problem is most serious in vital areas where radio is used for safety purposes, such as in air navigational control. In a number of instances, the Federal Aviation Agency has issued notices informing pilots that certain radio navigation devices are not usable in particular quadrants because the interference caused by industrial equipment makes these "navaids" unreliable.

We have had many instances, particularly with respect to these large electronic heaters used in manufacturing plastic raincoats and similar goods, causing serious interference to the navigational aids employed by aircraft, and, as I just said, sometimes so acute as to render those navigational aids inoperable.

We have also had instances in which public safety was involved and affected by these devices.

They can interfere with police and fire department radios.

Senator PASTORE. Well, let me ask you: Is it the construction of the device that causes it or the location of it that causes it? Does the same device have the same effect in all areas?

What is bothering me at this point is: Are we going to rule here at this point that because you have an automatic garage-door opener—I don't have the equipment on my garage door, but I do live very close to an airport—this device interfered with aircraft. I see where I should be stopped from using it because that endangers human life in that plane.

How are you going to control this? For instance, at a lot of other places, maybe a mile or two removed from where I was, the same device may not interfere with aircraft. How are you going to do it? Are you going to rule out such garage-door devices?

You do have the authority on the use. You could come and stop me from using it under the law, because in my particular location it does create this hazard, and you would have every right in the public interest to do this.

But I am questioning: Could you go to the manufacturer and say, "Stop making this device, because Senator Pastore is disturbing that plane"? This would mean millions and millions of users.

I mean, that is the thing that is bothering me here. I wonder. I can see where you people, of course, naturally would be very discreet about this and would be very reasonable about it, but, on the other hand, aren't we going a little bit too far when you are going to start walking into a manufacturing plant and tell them how or how not to build a certain machine? I am wondering if we are not getting a little bit out of the field of Federal communications.

I would like to hear you on this, Mr. Henry. After all, this is a problem you are meeting. I would consider this to be a very, very serious matter. This would arouse, of course, the interest of a lot of people in the manufacturing line. Is there anybody in this room opposed to this bill?

(No response.)

Senator PASTORE. You see, that is what is disturbing me here. I would assume there would be many manufacturers who would come here to cite their side of the story on this.

Mr. HENRY. Commissioner Lee is here with me, and he has been in touch with the Electronic Industries Association.

Senator PASTORE. All right, Mr. Lee. You know the problem I am setting forth here.

Mr. LEE. Yes.

I think it would be fair to say that industry generally recognizes that there is a problem, and they would like to see the problem corrected. They don't like to see the Government make them do it.

This is the same opposition as there was to the all-channel bill.

But we know through our experience with the all-channel bill and certainly by contact with the industry that we would be reasonable, and we would spend a lot of time with them and make the rule something that we could all live with.

Senator PASTORE. Well, let me ask you this question: Is there any appliance you know of now presently that, no matter where it is, is such that the very construction of the appliance does disturb this communication system and endanger public safety? Can you give me an example?

What brings us to this point is what is bothering me.

Mr. LEE. Well, we have run into it in our enforcement arm, and we have people here who could give you detailed cases.

But the problem of finding the interference is difficult. For example, in your case, if you had this garage-door opener and we hear from the FAA that there is interference somewhere, we don't know what it is, and it might take us a very long time to find you.

And then we say to you, the user, "You have got to do something about this." We do have the authority. And you say, "I just got it from this company. Why bother me?"

Whereas, if we could set the standard with our engineers, I think the industry probably would like this because then they would know that they were all competing fairly.

Senator PASTORE. Provided you didn't put them out of business. What if it came to the situation——

Mr. LEE. Well, I don't——

Senator PASTORE. Where you couldn't modify a specific motor to accomplish the objectives of eliminating the spurious radiations that cause the interference.

Mr. LEE. I think there is pretty general agreement—and I think the technicians could speak more specifically to it—that this will not be a major problem.

Senator PASTORE. Do we have technicians here?

Mr. HENRY. Yes, sir. Let me address myself generally to our problem, and my answer can be supplemented by Ed Allen, our chief engineer, who is here.

At the moment we do work with the manufacturers, and, generally speaking, they impose limitations on the amount of radio energy that will be emitted by these devices.

The problem arises, generally speaking, when some manufacturers don't comply with the generally accepted standards that have been set up on a voluntary basis.

The second problem arises in locating the devices that are actually causing the interference. We have a terrific problem locating these heaters used in the manufacture of plastic goods, for example.

We can put two or three or four men on the job, and sometimes it will take as long as a week to find them. Then when we find them and go into court to get an order against them, they simply shut down and move to another place.

We think if we could go to the manufacturer originally, we could deal with this problem much more adequately.

Last year, fiscal year 1964, rather, we received 38,000 interference complaints, and I think 20 to 25 percent of the total of the interference complaints we received did relate to these types of radiation devices that we are now considering—diathermy machines, electronic heaters, garage-door openers, and so on.

We do believe that if we put limitations on at the source, and if they are reasonable—and all of our past conduct in this field indicates that it will be reasonable——

Senator PASTORE. But this has had to do with safety though? It doesn't have to do with safety? May be any reason; is that so?

Mr. HENRY. It can interfere——

Senator PASTORE. I live in an apartment. Every time the people next door put on their vacuum cleaner, I hear it on the radio. Are we going to stop using vacuum cleaners? That's the point I'm raising.

Mr. HENRY. No. Of course, we will have to make some reasonable discretionary judgments under the law.

But to get back to your original question, it is both the kind of equipment and its location. But we think that we can impose reason-

able limitations on the amount of energy that can be emitted which will enable the device to function effectively and at the same time not interfere with other uses of radio.

Mr. Allen might want to supplement that.

Senator PASTORE. Yes. I'm not trying to give you a hard time. I am trying to get down to the basic facts.

Mr. ALLEN. Mr. Chairman, I do not think there will be any great difficulty in this area, particularly, say, with respect to the garage-door openers, as one of the devices.

We have had in our rules some rules relating to the amount of radiation and the operation of garage-door openers. They have worked very well. And as the chairman has said, the devices which comply with our rules have not been identified as a source of interference. It is the ones that exceed the rules that have given us the trouble.

And we have had recent meetings with the EIA and with the small-business group that are interested in manufacturing these devices, and we feel certain that the rules can be made in a reasonable manner that will permit the continued manufacture and use of these devices and at the same time give us some reasonable guarantees against excessive interference.

Senator PASTORE. Now, would this apply to electric toys as well?

Mr. HENRY. Yes, sir.

Senator PASTORE. Have you had experience with electric toys? Give me an example.

Mr. HENRY. We have a case under consideration at the moment that occurred out in Los Angeles. This was a business. But it used a toy, essentially a toy. It is a miniature racetrack, where a little car with a motor that is operated with a radio-emitting device runs around a track, and you compete with someone. You have a game to see who can win the race with the toy car.

And it is causing a substantial amount of interference to the use of, I think, television in the neighborhood.

Senator PASTORE. Television in the neighborhood?

Mr. HENRY. Yes.

Senator PASTORE. You mean now we are talking about the comfort of people, not talking about safety?

Mr. HENRY. In that instance we are, yes.

Senator PASTORE. All right.

Mr. HENRY. But again may I emphasize that this law would empower us to impose only the same rules on the manufacturer that we are now imposing on the user.

In other words, we do have, as Mr. Allen pointed out, rules governing the amount of energy that can be emitted by these devices now, but they relate to the use of such devices rather than to the manufacturer.

Senator PASTORE. Let's assume in the apartment where I live they had a high-powered electric heater, and that every time that heater turned on it did inconvenience everyone who was using radio and television in that apartment. Would you have the right under the law to stop him from using that heater?

Mr. ALLEN. Yes.

Mr. LEE. Yes.

Mr. HENRY. We would, Mr. Chairman.

Senator PASTORE. In other words, it is more important to see television than to take a bath?

Mr. HENRY. Not necessarily, no. But we would have the power to impose reasonable rules on the manufacturer, and we are confident that the same kind of heaters could be manufactured that are now manufactured.

In other words, we could put at the moment—

Senator PASTORE. No, but I am talking about the use now. Use has got nothing to do with the manufacture. Today you would have the authority to stop them using that heater?

Mr. HENRY. Yes. Because if it doesn't comply with our rules, generally speaking—

Senator PASTORE. I know that, for you to do something about it, it must be in violation of the rules. I am questioning whether or not you have the right under the law, even with a rule, to step in to decide such a case.

Mr. HENRY. We do, if we act reasonably. And that heater, if it was causing interference, I think would either be defective or the manufacturer would—

Senator PASTORE. Let's assume it wasn't defective. Let's assume it uses high power, because a lot of people live in the place and they need a lot of hot water.

Mr. HENRY. Mr. Allen.

Mr. ALLEN. Mr. Chairman, the types of heaters that have been referred to heretofore, the plastic heaters, are not the type that would be used in an apartment for heating water or taking a bath or heating the room.

There are certain types of heat generators, namely electronic ovens, that have been in use and will be used in the home. However, the FCC in its rules makes provision for frequency bands within which these can operate legally, and therefore they will not constitute, if properly designed, a hazard either to television reception, navigation, or other services.

Senator PASTORE. And make everybody happy?

Mr. ALLEN. We hope so, yes.

Senator PASTORE. All right. Tell me a little bit about these diathermy machines. I am questioning why you specify these various machines.

Mr. HENRY. Well, these are typical devices which are authorized under our rules but which, through faulty manufacture, and so on, often cause trouble.

These diathermy machines are the heat devices that are used for health measures.

Senator PASTORE. Now, I understand from you that you are more or less doing much of this on a voluntary basis, and there has been cooperation.

Mr. HENRY. Yes; that is right. I think the manufacturers—

Senator PASTORE. You feel that, for those who—possibly for profit reasons—would not subscribe to a voluntary arrangement, it would be in the public interest to have a law entitling you to do this, but you don't foresee too much trouble one way or the other? Is that correct?

Mr. HENRY. That is correct. We are primarily interested here in reaching the marginal manufacturer who is not living up to the voluntary rules presently imposed.

Senator PASTORE. Is there anybody in the room in opposition to this bill?

(No response.)

Senator PASTORE. I will ask it again. Is there anybody in this room in opposition to this bill?

(No response.)

Senator PASTORE. The Chair hears none.

(The full text of the statement on S. 1015 follows:)

S. 1015—To AUTHORIZE FCC TO PRESCRIBE REGULATIONS FOR THE MANUFACTURE, IMPORT, SALE, SHIPMENT, OR USE OF DEVICES WHICH MAY CAUSE HARMFUL INTERFERENCE TO RADIO RECEPTION

S. 1015 would amend the Communications Act of 1934 by adding a new section 302. Under it the Commission would obtain authority to prescribe regulations for the manufacture, sale, offer for sale, shipment, and import of devices which cause harmful interference to radio communications or are capable of causing harmful interference to radio reception.

The chief purpose of this legislation is to give the Commission adequate authority to deal with increasingly acute interference problems arising from the expanding usage of electrical and electronic devices which cause, or are capable of causing, harmful interference to radio reception. This would be accomplished by empowering the Commission to deal with the interference problem at its root source—the sale by some manufacturers of equipment and apparatus which do not comply with the Commission's rules. It would require that equipment be properly designed to reduce radiation to specified and acceptable limits and, where necessary, permit the Commission to specify to the manufacturer operating frequencies before the equipment is sold to the consumer.

In recent years there has been a marked increase in the number and type of devices capable of causing harmful interference to radio reception. In many instances, radiating devices lie outside the area conventionally associated with radio transmission and reception. They include such devices as high-powered electronic heaters, diathermy machines, and welders which radiate energy either purposely or incidentally to carry out their primary functions. They also include low-power devices such as electronic garage-door openers which, because of poor design or otherwise, emit radio-frequency energy beyond that needed for their functions. Even radio and television receivers may also emit some radio energy.

The cumulative effect of all this undesired radiation is most apparent in large metropolitan areas. Especially in peak periods of operation of radiating devices, such areas are blanketed by a "radiation smog" which makes it increasingly difficult for many users of radio communications to obtain interference-free reception.

This radiation problem is most serious in vital areas where radio is used for safety purposes, such as in air navigation control. In a number of instances, the Federal Aviation Agency has issued notices informing pilots that certain radio navigation devices are not usable in particular quadrants because the interference caused by industrial equipment makes these "navaids" unreliable. Problems in this area pose a genuine threat to safety of life, and as the volume of air traffic increases, this threat will become more acute.

To police and fire departments and others using radio for public safety purposes, interference could cause errors or delays affecting the preservation of life and property.

To radio listeners and television viewers, such excessive radiation also means the reception of distorted and garbled signals, or fluttering images, or pictures of a technical quality less than that possible when interference is under effective control.

To those who use radio for industrial communications services, the cumulative effect of undesired radiation means increased disruption of communications services.

And, finally, to those users of radio whose operations must be conducted under conditions of relatively low background interference (i.e., for the Commission's

monitoring activities, the operation of military communications systems, or radio astronomy observations), high levels of undesired radiation force the abandonment of geographic areas of high interference, or require special efforts to detect radiating devices which are causing harmful interference. Both of these alternatives impose additional costs of operation on the Government itself.

We received approximately 38,000 interference complaints during fiscal 1964. Several thousand of these complaints were attributable to the types of radiation devices we have been discussing (i.e., high-powered electronic heaters, diathermy machines, welders, electronic garage-door openers and low-powered walkie-talkies). Investigation, detection, and suppression of these devices has been accomplished at the expense of other important enforcement duties and, if the trend indicated in the last 2 months continues, the cost of detection and enforcement is expected to exceed that of last year. Passage of the bill will tend to minimize what would otherwise be an urgent need for increased manpower for these purposes.

Although the Commission presently has authority under section 301 of the Communications Act to prohibit the use of equipment or apparatus which causes interference to radio communications and, under section 303(f), to prescribe regulations to prevent interference between stations, it has no specific rule-making authority under the act to require that before equipment or apparatus having an interference potential be put on the market, it meet the Commission's required technical standards which are designed to assure that the electromagnetic energy emitted by these devices does not cause harmful interference to radio reception.

This gap in the Commission's authority has undesirable results. Since the prohibition presently falls only on the use of offending equipment, the Commission, in trying to eliminate interference, is confined largely to measures applying to the use of equipment which interferes with radio communications. In most instances, the users have purchased the equipment on the assumption that its operation would be legal. Thus the Commission is frequently confronted by the question: "If I can't use this equipment, why was he permitted to sell it to me?" The Commission is also reduced to an after-the-fact approach to controlling interference. There is no basis for proceeding against an offender until the Commission has discovered the interference, either through its Field Engineering Bureau or on the complaint of some user of radio equipment.

Many manufacturers have cooperated generously in assuming the responsibility to minimize interference problems. This cooperation is purely voluntary and has been most helpful. However, the responsible manufacturer who cooperates in holding down excessive radiation is at a competitive disadvantage vis-a-vis the marginal manufacturer who prefers to ignore our rules. Legislation such as S. 1015 appears necessary to solve the problem effectively.

We recognize, of course, that equipment designed to prevent radiation costs more than improperly designed equipment. But in most instances, we believe that the additional costs to manufacturers stemming from this legislation would be small in view of mass production techniques. Moreover, the proposed legislation would avoid subsequent additional expense to users.

Let me turn now to a brief analysis of the details of S. 1015. It consists of three subsections in a new section 302. Subsection 302(a) describes the radiating devices which would be subject to our authority as those "... which in their operation are capable of emitting radio frequency energy by radiation, conduction, or other means in sufficient degree to produce harmful interference to radio communications." The Commission would have authority under this subsection to prescribe rules for such devices applicable to their "manufacture, import, sale, offer for sale, shipment, or use." Subsection 302(b) prohibits the use, import, shipment, manufacture, sale, or offering for sale of devices which fail to comply with the regulations duly promulgated by the Commission under the authority of section 302.

Subsection 302(c) provides for three exceptions. The first is for carriers which merely transport interfering devices without trading in them. The second exception relates to the manufacture, sale, etc., of devices which are intended solely for export.

The final exception involves the use of devices by agencies of the Government. Under section 305 of the Communications Act, the Commission has no regulatory jurisdiction over stations owned and operated by the United States. The proposed subsection 302(c) recognizes this exemption from the Commission's jurisdiction. It provides, however, that such devices shall be developed or procured

by the Government under standards or specifications designed to achieve the common objective of reducing interference to radio reception, taking into account the unique needs of national defense and security. The various Government agencies are fully aware of the need for suppressing objectionable interference and, in many cases, the standards adopted by individual agencies are more stringent than those which the Commission would impose. In light of these considerations, it was considered appropriate to except from the operation of this legislation devices used by the U.S. Government or its agencies, leaving it to the agencies to cooperate in achieving acceptable levels of radiation. The Director of Telecommunications Management has assured us of his cooperation in this respect.

The Commission has established technical standards applicable to the use of various radiation devices. This legislation is not designed to result in the promulgation of stricter technical standards. We have adequate authority at present to adopt stricter technical standards whenever we find that the public interest requires such action with respect to the use of radiation devices. In many cases, our existing technical standards would simply be made applicable at the manufacturing level. In those few cases where we would implement this authority with new or additional technical standards, the Commission would be dealing with a kind of device recognized to be a serious source of interference; and the standards to be specified would be developed with the same close cooperation that we have heretofore received from industry. The most recent example was the generous and full cooperation given by the television receiver industry in connection with implementing the all-channel TV receiver law (Public Law 87-259, 87th Cong., 76 Stat. 150).

The latter example is pertinent to any new authority given the Commission under S. 1015. As in that case, we would contemplate holding a series of industry meetings, in order to discuss informally such matters as appropriate new standards and changeover periods. As in the case of the all-channel receiver regulations, our effort would be to achieve a satisfactory consensus.

Further, before promulgating any new standards, the Commission would give public notice of rulemaking proceedings, and interested persons, including all segments of the industry affected by a particular set of regulations, would have ample opportunity to comment on the proposed regulations. In short, if the Commission obtains this authority, it would proceed to implement it only after a thorough study of all the problems involved, and in such a gradual way as to minimize the effect of new standards on the industry.

Moreover, we do not envision prescribing technical standards for all radiation devices. Rather, we contemplate prescribing standards for those devices which in fact cause harmful interference to radio reception. We would begin with those presenting the most serious problems. Thus, it is expected that equipment, the use of which is now regulated by the Commission, such as industrial heaters, low power walkie-talkies, wireless microphones, and the receivers of garage door opener controls would be the first to receive our attention.

In summary, we expect that if S. 1015 is enacted, the technical quality of radio and television reception will improve, especially in those metropolitan areas where there is now excessive radiation. The efficiency of communications service in the industrial radio band will be enhanced. And, most important, some potentially serious threats to safe air navigation and control will be alleviated. Finally, the Commission's efforts in detecting and eliminating harmful interference will be made more efficient. All this will benefit the public, the users of devices which radiate electromagnetic energy, the great majority of manufacturers who presently attempt to avoid harmful interference problems, and the users of radio communications in general.

FEDERAL COMMUNICATIONS COMMISSION,

Washington, D.C., July 22, 1965.

Hon. JOHN O. PASTORE,

Chairman, Subcommittee on Communications, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The following is submitted as the Commission's views on amendments to S. 1015 suggested by the National Electrical Manufacturers Association and Edison Electric Institute, and our views on the comments of the Electronic Industries Association.

The statement on behalf of the National Electrical Manufacturers Association was contained in a letter dated June 21, 1965, to you from L. D. Price, Secretary of the Codes and Standards Committee of NEMA. That statement expressed the belief that there is no basic conflict with the Commission's intent and reasons for establishing reasonable control over some types of radio interference devices, but offered two clarifying amendments which are italicized in the revised paragraph, as follows:

"Sec. 302. (a) The Commission may, consistent with the public interest, convenience, and necessity, make reasonable regulations, *formulated in consultation with the affected industry representatives*, governing the interference potential of devices which in their operation are capable of emitting radio frequency energy by radiation, conduction, or other means in sufficient degree to cause harmful interference to *commercial, aircraft and public safety* communications. Such regulations shall be applicable to the manufacture, import, sale, offer for sale, shipment, or use of such devices."

The phrase "formulated in consultation with the affected industry representatives" is objectionable for two reasons. First, it may be interpreted as sharing or diluting the Commission's sole authority to make rules under the Communications Act. Second, even if it is not so interpreted, it is unnecessary and, we believe, inappropriate as a statutory requirement. Any rules promulgated in accordance with the statutory authority which S. 1015 would grant would be in accordance with the requirements of the Administrative Procedure Act of 1946 and would be adopted only after public rulemaking proceedings in which all interested parties would have opportunity to comment and submit views. Additionally, the Commission has expressed its willingness to cooperate, as it has in the past, in such industry committees and conferences as may be helpful in achieving the aims of the legislation.

The suggested limitation to devices which cause harmful interference to "commercial, aircraft, and public safety" radio communications is felt to be too restrictive. The Commission feels that the authority given to it by section 302 should be sufficiently broad to permit it to formulate rules relating to any service where interference from these devices is a serious problem. In this regard, it is believed that the language of S. 1015, "reasonable regulations" * * * "consistent with the public interest, convenience, and necessity" is a proper standard.

In the June 18, 1965 statement on behalf of Edison Electric Institute, by Edwin Vennard, managing director, that group recommends that section 302(a) be worded as follows:

"The Commission may, consistent with the public interest, convenience, and necessity, make reasonable regulations prohibiting the manufacture, import, sale, offer for sale, shipment, or use of devices of a specific design that has been proven to be electromagnetically incompatible in normal use with radio communication systems designed and operated in accordance with good engineering practice."

The proposed wording includes the phrase "prohibiting * * * devices of a specific design * * *." It is not believed that this language is appropriate, as it ignores the general nature of the rules which the Commission has promulgated or expects to promulgate in the area of interference prevention. The rules do not specify particular prohibited designs of equipment but set forth certain limits or criteria which equipment must meet in order to be acceptable for licensing or for use without the requirement of an individual license, as in parts 15 and 18 of the Commission's rules. The rules are in terms of applicable frequency, power, bandwidth, radiation limits, etc., when measured under specified conditions. They now provide design goals in terms of performance for equipment covered by our rules, but do not attempt to specify equipment designs as such. The Commission's objective is to permit the manufacturer as much flexibility and ingenuity as possible in equipment design while achieving the performance objectives.

The words "has been proven" also might give future difficulty, since they could be interpreted to mean that the Commission can promulgate rules only after a device has been placed in use and has actually caused interference, even though prior consideration would have predicted interference from its use. The Commission feels that any such "after the fact" procedure is impracticable and inappropriate, and provides little advance over the present "use" approach. The ability to anticipate interference problems and to specify "design performance criteria" is a much more workable procedure and much less onerous on the public, on industry, and on the Commission.

The proposed wording introduces the term "incompatible." While the terms "compatible" and "incompatible" have recently been coming into use in electronic and radio interference work at the technical level, they are not known to have received any official or legal sanction. The use of such a new term might pose future legal problems. It is thus preferable to use accepted terms such as "interference," which is now used in section 301 of the Communications Act. The term "harmful interference" now in S. 1015 has received international agreement and has been defined in the International Radio Regulations since 1947 (for current definition and procedures, see Executive I, 86th Cong., International Radio Regulations 1959, art. 1, secs. 1-93, and art. 15, secs. 15-01 to 15-15).

For the reasons stated, the Commission recommends that the suggested amendments of the National Electrical Manufacturers Association and Edison Electric Institute not be adopted.

The July 8 letter of the Electronic Industries Association makes five points, as follows:

1. "EIA is acutely aware of the need for appropriate controls of spurious radiation in order to obtain maximum efficiency from the limited radio spectrum and is sympathetic with the Commission's efforts to limit interference with services licensed to operate within the spectrum."

2. "Many members of EIA believe the FCC has sufficient regulatory power to control unwanted radiation through voluntary standardization practices by manufacturers, and they cite the experience of the radio-television industry as an example of effective action through Government-industry cooperation."

3. "The problems of interference caused by spurious radiation, while growing in number, have been known to the FCC and the industry for many years. Thus, there is no emergency or recent development which requires immediate congressional approval by Congress of S. 1015."

4. "On the other hand, hasty legislation may result in the imposition of unreasonable regulations on manufacturing which will retard rather than encourage technical developments designed to limit interference from radiation."

5. "EIA respectfully suggests that the Communications Subcommittee of the Senate Commerce Committee defer action on S. 1015 and instruct the Federal Communications Commission to confer with industry regarding the problems of spurious radiation and possible methods of controlling it after which a report and recommendations can be submitted to your subcommittee next year."

We believe the Commission in its written explanation of S. 1015 and in its testimony has amply demonstrated the need for such legislation. While the voluntary cooperation of many manufacturers in minimizing interference problems is gratefully acknowledged, this has not been sufficient to solve the problem satisfactorily.

We shall discuss the related points 3, 4, and 5 together. The Commission makes no claim that emergency or "hasty" action is required. On the other hand, we see nothing to be gained from delay in approving S. 1015 which simply gives the Commission authority to proceed in this area. EIA's concern with possible "unreasonable" regulations overlooks the statutory requirement of S. 1015 that any regulations on the subject be reasonable.

The Commission welcomes and anticipates such conferences and meetings with industry groups as may prove helpful in solving interference problems. As indicated earlier, public rulemaking proceedings will be utilized in the formulation of specific rules in any particular area. Industry-Government discussions after S. 1015 becomes law should prove helpful in directing our efforts toward first implementing the statute in the most serious areas in need of more immediate action. Then, as specific rulemaking proposals are formulated—directed toward limited areas of the problem, comments can be more meaningfully related to specific problems rather than dealing with broad theoretical concepts.

It appears that further industry discussions at this time would contribute little. In this regard, we note that EIA does not object to the statutory standard of S. 1015, but seems to be concerned with either the need for any legislation or how this legislation will be implemented. The Commission feels that a strong case for the legislation has been made, and that the procedures required by law in implementing the statutory authority give adequate protection to any

industry segments who care to contribute to a solution of these problems in the public interest.

In closing, we invite your attention to the July 1965 issue of *Electronic Industries* which editorially endorses S. 1015 as "a constructive step in the right direction." A copy of that issue has been made available to Mr. Zapple, counsel for the subcommittee.

This letter was adopted by the Commission on July 21, 1965.

By direction of the Commission:

E. WILLIAM HENRY, *Chairman.*

Senator PASTORE. We will come to the next one.

S. 1284, a bill which would amend section 203(a) of the Communications Act requiring the filing of schedules of charges by connecting carriers in the common carrier field. At present section 203(a) of the Communications Act exempts connecting carriers from the requirements of filing a tariff. This bill provides that whenever a connecting carrier makes available an interstate or foreign communication service which is subject to the FCC's jurisdiction, there should be a tariff on file with the FCC setting forth the charges and practices relating to the rendition of that service.

(Full text of S. 1284 follows:)

[S. 1284, 89th Cong., 1st sess.]

A BILL To amend section 203(a) of the Communications Act of 1934 with respect to the filing of schedules of charges by connecting carriers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of subsection (a) of section 203 of the Communications Act of 1934, as amended (47 U.S.C. 203 (a)), is amended—

(1) by striking out "except connecting carriers" and inserting in lieu thereof "including a connecting carrier when there is no other common carrier obligated to file the schedules required by this section on behalf of such connecting carrier"; and

(2) by striking out "subject to this Act".

Senator PASTORE. You take it from there, Mr. Henry.

Mr. HENRY. All right, sir.

A connecting carrier under our act, as I understand it, is a carrier—

Senator PASTORE. Before we come to this, Mr. Zapple has pointed out to me a clarifying amendment on the previous bill. Did you want to address yourself to that?

Mr. HENRY. That is the EEI suggested language?

Senator PASTORE. Yes.

Mr. HENRY. Yes. I think the principle embodied in that language is acceptable to us. We may have some difficulty with the specific language chosen, but we believe we can work that out.

Senator PASTORE. Well, all right. Then you will be in contact with Mr. Zapple?

Mr. HENRY. Yes, sir.

Senator PASTORE. All right, sir.

Mr. HENRY. Now, with respect to the bill which would amend section 203(a) relating to connecting carriers, a connecting carrier under our act is one which furnishes interstate or foreign service solely through connection with another nonaffiliated carrier.

There are three main examples of this where we have a problem.

The first is where a connecting carrier located in a State which borders Mexico or Canada connects to a Canadian or Mexican carrier and thereby provides foreign service.

The second is where a connecting carrier in one State connects with a connecting carrier in an adjoining State and only through that connection furnishes interstate service.

The third example is where a connecting carrier provides services in connection with chain broadcasting or incidental to radio communication, such as the provision of a studio link between the studio and the transmitter or a remote pickup of some kind from, say, the televising of a golf match down to the studio or transmitter.

Under the present law these connecting carriers which furnish these types of services don't have to file a tariff with the FCC for the rates which they charge for those services.

Now, I think we should make it clear that those carriers are subject to the jurisdiction of the FCC, and under 201-205 of the act they are required to do certain things—to provide service where it is needed, and so forth. But they don't have to file a tariff.

And we are simply interested and think it is appropriate to have on file with us the amount of money that they're going to charge for this service.

Senator PASTORE. Why?

Mr. HENRY. Well, because we don't know what they're charging. We don't know whether any abuses are present.

Senator PASTORE. You don't know what a broadcasting station charges me when I go on television?

Mr. HENRY. No, sir. But this is a common carrier. These only relate to common carriers furnishing service to a broadcaster.

Senator PASTORE. That's right. What concern is it of the Communications Commission?

Mr. HENRY. Well, under the law we are required to assure that common carrier rates are just and reasonable and that there is no discriminatory practice, and so forth.

Senator PASTORE. Can you do anything about it?

Mr. HENRY. Yes. If we find out about it. But at the moment——

Senator PASTORE. You mean under present law?

Mr. HENRY. Yes, sir. Under present law.

Senator PASTORE. Under present law you can regulate rates?

Mr. HENRY. Yes, sir. We can regulate the rates of all interstate service furnished by common carriers. The problem is that some of that service is furnished by the so-called connecting carrier, and under the present law they are not required to file tariffs. That is the only gap in the statutory system.

Senator PASTORE. But you can control their rates as well?

Mr. HENRY. Yes, sir. Under present law.

Senator PASTORE. So, in other words, to facilitate the controlling of rates, or the regulation of rates, you must know what the rates are?

Mr. HENRY. That is right. And I am at a loss to explain why it is not in the present law, but it isn't.

Now, we have been told that there is no evidence of any abuses, and we do not dispute that, but we simply say we don't know, and we see no reason why we shouldn't at least have the rate on file with us.

We have also been told that it would be a burden on these connecting carriers to file with us, because they have to file with the States.

Senator PASTORE. Do they file with the States?

Mr. HENRY. I think their practice—and I am not sure about this—but I think their practice is to file with the State. But I don't believe they are under any obligation to do so. These are solely for interstate rates, and interstate rates are subject to the sole jurisdiction of the FCC.

And, therefore, we don't believe it would be a burden, particularly if the result would be simply a shift from the filing of the tariff with the State to the filing of the tariff with the FCC.

This is our explanation and justification for S. 1284.

(The full text of the statement on S. 1284 follows:)

S. 1284—TO AMEND SECTION 203(A) OF THE COMMUNICATIONS ACT WITH RESPECT TO THE FILING OF SCHEDULES OF CHARGES BY CONNECTING CARRIERS

S. 1284 would amend section 203(a) of the Communications Act of 1934 to provide that a connecting carrier must file a tariff covering communications subject to the Commission's jurisdiction where there is no other carrier obligated by the statute to file a tariff covering such service. Presently, under section 203(a) of the act, connecting carriers are not required to file tariffs. A connecting carrier under the act is one which furnishes interstate or foreign service solely through connection with another nonaffiliated carrier. The vast majority of some 2,500 independent telephone companies are connecting carriers, since, for the most part, they render interstate service only through connection with a Bell System company.

Under section 203, the Bell System or any other interstate carrier with which such carriers connect is obligated to file tariffs covering the joint service, and connecting carriers are specifically relieved of any tariff filing requirements. However, there are certain instances where interstate and foreign communication service is being furnished solely by connecting carriers, none of which is obligated to file tariffs covering the service, and consequently no tariff is filed. There are three principal examples of this.

1. The first is where a connecting carrier located in a State bordering Mexico or Canada interconnects by wire or radio with a foreign carrier. The foreign carrier, not being subject to our jurisdiction, does not file a tariff, and the connecting carrier, because of section 203(a), is not required to file one.

2. A second example is where a connecting carrier in one State interconnects with a connecting carrier in an adjoining State by wire or radio. Both may retain their exempt status as connecting carriers notwithstanding the fact that the communication service they are rendering is interstate in character and subject to the Commission's jurisdiction as to whether the rates charged and the conditions of service are just and reasonable and otherwise lawful.

3. A third example where no tariff is required to be filed, despite the interstate character of the communication service involved, is in those instances where a connecting carrier provides services in connection with chain broadcasting or incidental to radio communication. A carrier supplying the link between the studio and the transmitter is a prime example of this. Another example would be a connecting carrier providing a local pickup for a baseball game which the local station broadcasts to the public and also supplies to a network. In such cases, the Commission has held that, although the provision of such service is subject to its jurisdiction, a carrier does not lose its connecting carrier status by providing the service. *Capital City Telephone Company*, 3 F.C.C. 189 (1936).

This proposal is the same as that introduced in the 88th Congress as part of the Commission's legislative program (S. 1503 and H.R. 6018). The House bill was the subject of hearings before the Subcommittee on Communications and Power of the Committee on Interstate and Foreign Commerce, House of Representatives, April 9 and 10, 1964. At those hearings, the U.S. Independent Representatives, April 9 and 10, 1964. At those hearings, the United States Independent Telephone Association opposed the bill unless it was modified to exempt "connecting carriers" from filing tariffs with the Federal Communications Commis-

sion for all services for which tariffs are filed with a State commission or other regulatory authority. The association contended that the independent telephone companies would, without justification, be burdened with the cost of duplicate tariff filings with State and Federal regulatory bodies.

But the charges which the proposed amendment would cause to be filed with the Federal Communications Commission are those applicable to interstate or foreign common carrier communications subject only to the jurisdiction of the Federal Communications Commission. State commissions do not have authority to regulate such charges. Filing them with State commissions would not inform or otherwise assist the FCC in discharging its regulatory responsibilities with respect to the charges. Effective rate regulation requires publication of rates in tariff schedules so that the users may be advised of the legally applicable charges for services or facilities, and the regulatory commission which has jurisdiction regarding such charges may have the opportunity to review them and, if necessary, to investigate their lawfulness.

Thus, all rates for interstate or foreign common-carrier communications should be set forth in tariffs required to be filed with the FCC so that we may fully exercise our statutory responsibility.

Senator PASTORE. Is there any opposition to this bill?

Mr. FULLARTON. Yes sir.

Mr. BAKER. Yes sir.

Senator PASTORE. All right. Step up here.

All right. Who is the first witness?

**STATEMENT OF DAVID C. FULLARTON, EXECUTIVE MANAGER,
NATIONAL TELEPHONE COOPERATIVE ASSOCIATION; ACCOMPANIED BY ROBERT J. LEIGH, STAFF COUNSEL AND DIRECTOR
OF INDUSTRY RELATIONS**

Mr. FULLARTON. Mr. Chairman, I am David C. Fullarton, executive manager of the National Telephone Cooperative Association, a national service organization which represents the interests of more than 225 cooperative telephone systems throughout the Nation.

I have with me today Mr. Robert J. Leigh, who is our association's staff counsel and director of industry relations.

Telephone cooperatives serve in 31 of the United States providing service to the less densely populated areas. Their operations are characterized by very few subscribers per mile of line and low revenues per mile of line.

Our member systems average only 2.8 subscribers per mile compared with the independent average of approximately 16 and the Bell average of something over 40.

On the revenue side of the picture, we realize approximately \$261 annually per mile of line, while the other independents realize just under \$2,300. No figures are available to us on the Bell system.

We appreciate the opportunity to appear today to present the views of the National Telephone Cooperative Association on S. 1284. We have been directed to oppose, in behalf of our members, amendment of section 203(a) with respect to the filing of schedules of charges by connecting carriers.

We believe the proposed amendment to be inappropriate for the following reasons:

First, its implications are too broad and all-embracing.

It creates a vagueness and uncertainty of obligation through its intent to obligate under penal provisions one of two connecting car-

riers, one of which may be a considerable distance from State borders.

As Mr. Henry just stated, no facts or special circumstances have been shown to demonstrate that it is necessary.

It is our understanding that the FCC has suggested that A.T. & T. would be a willing tariff administrator for toll traffic in which they are not directly participating, and we do not believe or are not convinced that this is the case.

Finally, the testimony of the Commission would indicate, we feel, that there is some sort of loophole in section 203(a) of the Communications Act.

Senator PASTORE. Can I interrupt you at this point?

Mr. FULLARTON. Yes, sir.

Senator PASTORE. You do admit FCC under existing law has the right to regulate your rates?

Mr. FULLARTON. Yes, sir.

Senator PASTORE. Will you give me a good reason why you shouldn't file a tariff?

Mr. FULLARTON. If I may continue, sir, I would like to—

Senator PASTORE. No, I'm asking you. I read your statement.

Mr. FULLARTON. A good reason why we should not?

Senator PASTORE. Yes.

Mr. FULLARTON. Well, there are instances, we believe, beyond those contemplated by the Commission, where this proposed amendment would have effect. And, if I may, I would like to illustrate those on this chart I have.

Senator PASTORE. Go ahead.

Mr. FULLARTON. The first two charts show the two examples cited where two connecting carriers, connecting company A and connecting company B, interconnect their toll facilities at the State border. Neither is a "fully subject carrier" as defined by the act. They are connecting carriers, because they cannot complete interstate toll calls over their own or affiliated company facilities. They presently do not have to file tariffs.

The second chart shows another instance dealing with Canada and the United States. I don't believe there is any instance of this sort on the Mexican border.

Now, in addition—and the third chart will illustrate this—we show two connecting carriers operating interconnected toll systems within the same State. For purposes of the example, it is not even necessary that both companies own toll facilities. One could own the entire toll route.

However, we show in the illustration how telephone company B could drift across a State line with a subscriber line to serve subscribers in adjoining States.

The same thing holds true of mobile radio service, where the base station is in one State and the mobile unit drifts across into another State.

Senator PASTORE. Well, if I understand this correctly—you correct me if I am wrong—first of all, I think your whole statement ought to be in the record in its entirety. And I am not doing this to cut you short, because I have a lot of time. If we don't finish today, we will come back some other day. I would like to get to the substance of these matters rather than getting into a lot of words.

(The prepared statement of Mr. Fullarton follows:)

STATEMENT OF DAVID C. FULLARTON, EXECUTIVE MANAGER, NATIONAL TELEPHONE COOPERATIVE ASSOCIATION

My name is David C. Fullarton. I am executive manager of the National Telephone Cooperative Association, a national service organization which represents the interests of more than 225 cooperative telephone systems throughout the Nation.

Telephone cooperatives serve in 31 of the United States, providing service to the more sparsely populated areas. Their operations are characterized by very few subscribers per mile of line, low revenues per mile of line, and a high percentage of revenues paid on borrowed capital. Telephone cooperatives average only 2.8 subscribers per mile as opposed to the independent average of approximately 16 and the Bell average of something over 40. Telephone cooperatives realize only \$261 annually for each mile of line, while other independents realize just under \$2,300. No figures are available to us on Bell System revenues per mile. Our average telephone cooperative serves 2,150 subscribers, half of which received initial telephone service through the cooperative.

Like all cooperatives, telephone cooperatives are owned by those they serve—by the subscribers. The testimony we present today, therefore, represents not only the concern and opinion of 225 operating systems but, more significantly, the concern and opinion of the more than one-half million rural subscribers who own these cooperatives.

We appreciate the opportunity to appear before you today to present the views of the National Telephone Cooperative Association on S. 1284. At the June 3, 1965, NTCA board of directors meeting, we were directed to oppose, in behalf of the association, amendment of section 203(a) of the Communications Act of 1934 with respect to the filing of schedules of charges by connecting carriers.

We believe the proposed amendment to be inappropriate and ill conceived for the following reasons:

1. Its implications are too broad and all embracing.
2. It would cause difficulty in the formulation of tariffs covering interstate toll service, where such service arises through interstate exchange lines or mobile radio service.
3. It creates a vagueness and uncertainty of obligation through its intent to obligate under penal provisions one of two "connecting carriers."
4. No factual or special circumstances have been shown to demonstrate its necessity or reasonableness.
5. The FCC has suggested that A. T. & T. would be a willing tariff administrator for toll traffic in which they are not directly participating. We do not believe this to be the case.
6. It attempts to burden "connecting carriers" serving broadcasters in a manner both futile and unwarranted.

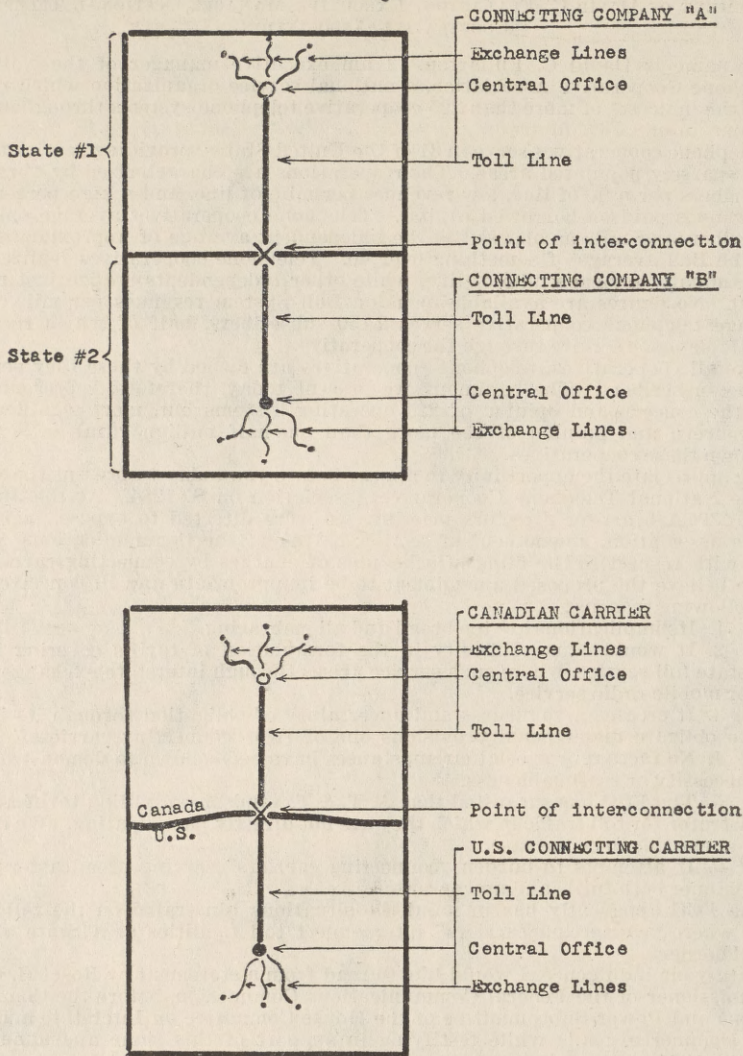
The FCC apparently has in mind the situations illustrated on the following page where "connecting carriers" interconnect toll facilities at a State or National border.

With your indulgence, I would like to read from a statement by Rosel H. Hyde, Commissioner of the Federal Communications Commission, before the Communications and Power Subcommittee of the House Committee on Interstate and Foreign Commerce, made while testifying in support of this same amendment on April 9, 1964.

"Under section 203, the Bell System or any other interstate carrier with whom such carriers connect is obligated to file tariffs covering the joint service, and connecting carriers are specifically relieved of any tariff filing requirements. However, there are certain instances where interstate and foreign communication service is being furnished solely by connecting carriers none of which is obligated to file tariffs covering the service, and consequently no tariff is filed. For example, a connecting carrier located in a State bordering Mexico or Canada may interconnect by wire or radio with a foreign carrier. The foreign carrier, not being subject to our jurisdiction, does not file a tariff, and the connecting carrier, because of section 203 (a), is not required to file one.

"Similarly, where a connecting carrier in one State interconnects with a connecting carrier in an adjoining State by wire or radio, they both retain their exempt status as connecting carriers, notwithstanding the fact that the communication service they are rendering is interstate in character and subject to the Commission's jurisdiction as to whether the rates charged and the conditions of service are just and reasonable or otherwise lawful.

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"Another example of where, despite the interstate character of the communication service involved, there is no tariff required to be filed is in those instances where a connecting carrier provides services in connection with chain broadcasting or incidental to radio communication. In such cases, the Commission has held that, although the provision of such service is subject to its jurisdiction, a carrier does not lose its connecting carrier status by providing the service.

Capital Telephone Company, 3 F.C.C. 189 (1936)."

What Commissioner Hyde is saying, in effect, is that unless a tariff is filed with the FCC, the Commission will not even be aware that interstate or international service is being provided by connecting carriers rendering such toll service by interconnecting their toll facilities at State or national boundaries. The FCC is not citing specific instances where it has had regulatory difficulty in the past with the rates and services of such connecting carriers. Instead, we feel it is coming to Congress for a cure-all amendment rather than work with the handful of scattered telephone systems which might possibly be interconnecting toll facilities at borders.

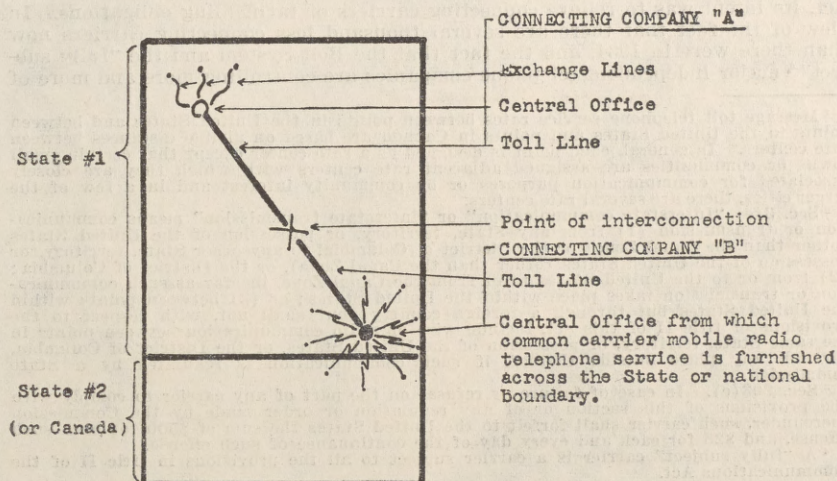
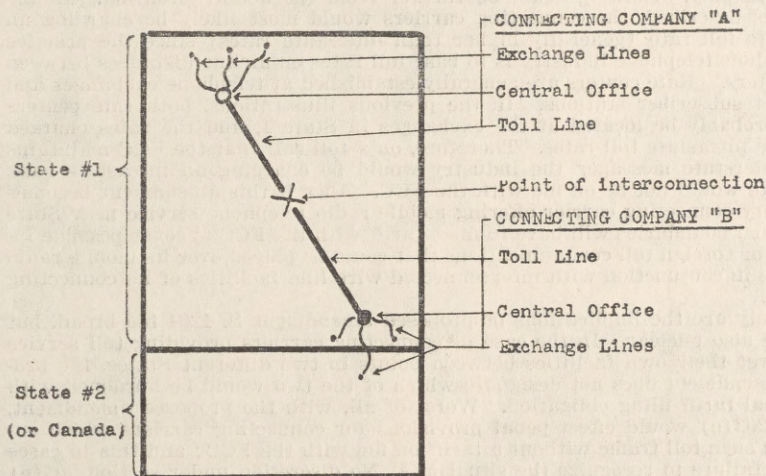
Nonetheless, we would have little objection to the proposed amendments if its implications were limited to the above applications. However, the implications are much, much broader and being such would invoke hardship and difficulty on the operating companies involved.

The sketches below illustrate additional circumstances where, under the proposed amendment, connecting carriers would be required to file tariffs with the FFC for interstate toll traffic they might be engaging in conceivably without any knowledge of the situation and possibly without even owning any toll facilities.

This is what we mean when we say the proposed amendment is too broad and all embracing.

The illustrations indicate two connecting carriers operating their interconnected toll systems within the same State. For purposes of these examples, it is not even necessary that both carriers own toll facilities. However, in the illustrations, we show how telephone company B could drift across State or National boundaries with exchange lines or mobile radio service to serve sub-

-7-



scribers in an adjoining State. This is, in fact, a common occurrence among our members in Midwestern and Western States. In so doing, telephone company B remains a connecting carrier because it cannot complete interstate toll messages solely over its own or affiliated company facilities and telephone company A would remain a connecting carrier for the same reason. However, when a subscriber of telephone company B in State 2 calls a subscriber of telephone company A in State 1 over the interconnected facilities of these two connecting carriers, we would have an interstate toll call handled solely by two connecting carriers neither of which has a tariff on file under the present requirements of section 203(a). These border exchange-line-type situations are by far more prevalent than the border toll-line-type interconnections with apparently distress the Commission.

Our second objection is that the FCC is attempting to plug a loophole of insignificant consequences by a method which would virtually open Pandora's box.

They presume that connecting carriers, engaged in interstate toll service by virtue of exchange lines or mobile radio service across a State or National boundary, would charge the filed interstate toll rates contained in the FCC tariff of the Bell System, and, therefore, the penal provisions of the act would not come into play. Nothing could be further from the actual situation. In the instances described, the connecting carriers would most likely be charging an intrastate toll rate (generally higher than interstate rates) since the practice of the whole telephone industry is to base toll rates on airline distances between rate centers.¹ Rate centers are generally established at telephone exchanges and rarely at subscriber stations. In the previous illustrations, both rate centers would probably be located at the exchanges in State 1, and the rates charged would be intrastate toll rates. Therefore, on a toll call that the FCC maintains is an interstate message,² the industry would be charging an intrastate rate. Such rate would not be on file with the FCC. Also, if this amendment becomes law, every connecting carrier offering mobile radio telephone service near State or national boundaries will have to file a tariff with the FCC to cover possible interstate or foreign toll communications that could be placed over its mobile radio facilities in conjunction with interconnected wire line facilities of its connecting carriers.

Not only are the implications of proposed amendment S. 1284 too broad, but they are also unclear. In the case of connecting carriers providing toll service solely over their own facilities between points in two different States, the proposed amendment does not designate which of the two would be burdened with the actual tariff filing obligation. Worst of all, with the proposed amendment, section 203(e) would effect penal provisions for connecting carriers which engaged in such toll traffic without a tariff on file with the FCC; and this in cases of mere failure to recognize the situation.³ No discretion under section 203(e) is left the FCC or the courts but to proceed in enforcing the penal provisions. Therefore, the proposed amendment is fatally defective if for no other reason than vagueness or uncertainty of obligation in the face of penal provisions.

When Congress originally enacted section 203(a) of the Communications Act, its intent was to relieve connecting carriers of tariff filing obligations. In view of the fact that there are several thousand less connecting carriers now than there were in 1934, and the fact that the Bell System and the "fully subject"⁴ major independent telephone companies are controlling more and more of

¹ Message toll telephone service rates between points in the United States and between points in the United States and points in Canada are based on airline distances between rate centers. In general, each point is designed as a rate center except that certain small towns or communities are assigned adjacent rate centers with which they are closely associated for communication purposes or by community interest and in a few of the larger cities, there are several rate centers.

² Sec. 3(e) "Interstate communication" or "interstate transmission" means communication or transmission (1) from any State, territory, or possession of the United States (other than the Canal Zone) or the District of Columbia, to any other State, territory, or possession of the United States (other than the Canal Zone), or the District of Columbia; (2) from or to the United States to or from the Canal Zone, insofar as such communication or transmission takes place within the United States; or (3) between points within the United States but through a foreign country; but shall not, with respect to the provisions of title II of this act, include wire or radio communication between points in the same State, territory, or possession of the United States, or the District of Columbia, through any place outside thereof, if such communication is regulated by a State commission.

³ Sec. 203(e). In case of failure or refusal on the part of any carrier to comply with the provisions of this section or of any regulation or order made by the Commission thereunder, such carrier shall forfeit to the United States the sum of \$500 for each such offense, and \$25 for each and every day of the continuance of such offense.

⁴ A "fully subject" carrier is a carrier subject to all the provisions in title II of the Communications Act.

the Nation's toll facilities, it is surprising that the FCC should, at this date, take the position that the imposition of the burden on the remaining connecting carriers is now necessary.

In past sessions of Congress, when giving testimony on this proposed amendment, the FCC has stated:

"As a practical matter, there is no reason to believe that a fully subject interstate carrier, which currently is required to show in its FCC tariffs its connecting carriers charges for joint services, would not be willing to include the subject interstate charges in its tariff schedules on behalf of the connecting carrier."⁵

A.T. & T. is not a tariff administrator for the hundreds of independent telephone systems scattered throughout the Nation. When such connecting carriers are providing interstate or foreign toll communications solely over their own facilities, A.T. & T. would have no obligation to file charges on behalf of such connecting carriers nor would it relish the assumption of such obligations for fear of becoming involved in justifying the charges under such "exception" or "other line" rates. The desire of A.T. & T. is a uniform rate schedule with as few "exception" or "other line" rates as possible.

There is another situation where the proposed amendment would require a "connecting carrier" to file a tariff and that is where it would render service in connection with chain broadcasting or incidental to radio communication. The smallest cooperative telephone system in the middle of California providing an open-wire pair between a broadcaster's studio and transmitter would have to publish and file its charges for such service in Washington, D.C. This is another Pandora's box. If this amendment were enacted, every independent telephone system would take this tariff-filing occasion to increase the rates for broadcast service. Too long has the broadcast industry been "freeloading" on telephone company lines. The FCC has investigated the rates of almost every type of private-line service—except that rendered to broadcasters. The Bell System is apparently reluctant to press for rate increases in this area. There is sentiment among our members that, when they do engage in broadcast services, the services are rendered at a loss under the Bell System rates filed with the FCC. The passage of this amendment would be the occasion for independent telephone systems to do one of two things: (1) File tariffs or "exception" rates in A.T. & T.'s tariff that would stagger many broadcasters, or, (2) provide broadcast or program-transmission services only under contract and not under tariff offerings. Bell System companies would then be required to lease at higher prices the facilities of the independent company upon entering the latter's territory to pick up programs. In cases where the broadcast arose and was transmitted from the independent company's territory, the broadcaster himself would have to bargain for the use of the facilities of the independent company much like the CATV operator.

It is our understanding the circumstances which occasioned the FCC's attempt to amend the act in this manner are circumstances which will also reveal the vital interests of the National Telephone Cooperative Association.

In March of 1962, the FCC made a recommendation to the Assistant Secretary of the Air Force that it would be in the public interest if three NTCA member cooperatives—Souris River Mutual Aid Telephone Cooperative, Minot, N. Dak.; Reservation Telephone Cooperative, Parshall, N. Dak.; and Northwest Mutual Aid Telephone Cooperative, Ray, N. Dak.—provided a requested CADIN-SAGE,⁶ service from Minot Air Force Base to a point of interconnection with a Canadian carrier at Portal, on the Canadian border. Our member cooperatives experienced in the use of wire carrier and radio microwave equipment received the FCC's recommendation to provide this service over a bid made jointly by American Telephone & Telegraph Co., Northwestern Bell Telephone Co., and Bell Telephone Co. of Canada. These telephone cooperatives, which were to provide the U.S. portion of the through service into Canada, were "connecting carriers" as defined in sections 3(u) and 2(b) (2) of the act,⁷ and, therefore, had no obligation under the present wording of section 203(a) to file tariffs with the FCC.

⁵ Supplemental statement of Commissioner Rosel H. Hyde on behalf of the Federal Communications Commission regarding H.R. 6018, a bill dealing with the filing of schedules of charges with the Commission by "connecting carriers."

⁶ CADIN, Continental Air Defense Integration North, is the Canadian counterpart of the U.S. Semi-Automatic Ground-Air Environment—SAGE system—which in turn is a system of air surveillance and control designed to aid in the air defense of the continental United States.

⁷ A carrier is classified as a "connecting carrier" when it owns no interstate toll plant and provides interstate toll service only by interconnection of its facilities with those of another carrier.

Normally, the tariff of the "fully subject" carrier with whom these carriers connect, for through interstate or foreign service, governs the charges and regulations under which the through service is rendered. In this case, the service was to be furnished without the participation of A.T. & T. or any other "fully subject" carrier. Hence, there was no tariff applicable and no carrier obligated to file such a tariff for this CADIN-SAGE service. Our member cooperatives, recognizing this situation, voluntarily filed with the FCC the charges, practices, classifications, regulations, and facilities under which they proposed to render the service for the United States and Royal Canadian Air Forces. There was no dispute about the Commission's regulatory jurisdiction over all aspects of this service. Despite the fact that no tariff was on file from these cooperatives, the FCC recommended them to provide the service, thereby acknowledging that its regulatory jurisdiction was not hampered by the lack of a tariff filing. How could the FCC have made such a recommendation if it sincerely feels, as it indicates, that tariffs are absolutely necessary to effectively regulate all services subject to its jurisdiction?

Since that day the FCC seems to have developed a preoccupation with the idea that somewhere along our State and National boundaries there are, or someday there will be, numerous but unspecified common carriers which as "connecting carriers" are linking their toll routes together to provide interstate or foreign toll communications service without the burden of filing tariffs setting forth the charges and practices relating to the rendition of such service.

The FCC's proposed legislation would lead us to believe that this is a "problem area"—a situation to be remedied in order to discharge regulatory responsibility. Since the Bell System owns better than 98 percent of the Nation's toll facilities, the view of this association is that whatever is left to "connecting carriers" would more properly be regulated by specific requests or orders made on the individual carriers whenever this problem might arise.

Our members, almost exclusively "connecting carriers," seek to avoid no obligation that would be in the public interest nor do they seek to preserve some loophole in the Communications Act. Their concern is that no further burdens as proposed here today be inflicted upon independent telephone system toll traffic. Toll business handled solely by "connecting carriers" is part of what is known as I-I traffic,⁸ a type of short-haul, light-volume toll traffic which the FCC would admit is mainly noncompensatory and generally avoided like the black plague. Our members would like nothing better than to interchange all their toll traffic with the Bell System and end the I-I toll business. However, they are forced to maintain it because the Bell System will not accept it as long as the other major independent telephone companies will not agree to relinquish it. I-I toll traffic is slow death to our members and a major reason why many independent telephone systems disappear each year.

In summary, and as developed above, NTCA objects to the proposed amendment because:

(1) Its implications are too broad and all-embracing, creating unnecessary, and perhaps unintended, burdens on noncompensatory "connecting carriers" toll traffic;

(2) It would cause great hardship for many "connecting carriers" who would be under penalty to bill their joint interstate toll messages pursuant to FCC filed tariffs. Currently, such billing is generally performed in accordance with telephone industry rate center concepts and no other method would be feasible for toll service to and from mobile radio units;

(3) Its intent to obligate under penal provisions one or two "connecting carriers" is unclear; it is, therefore, fatally defective for creating a vagueness and uncertainty of obligation;

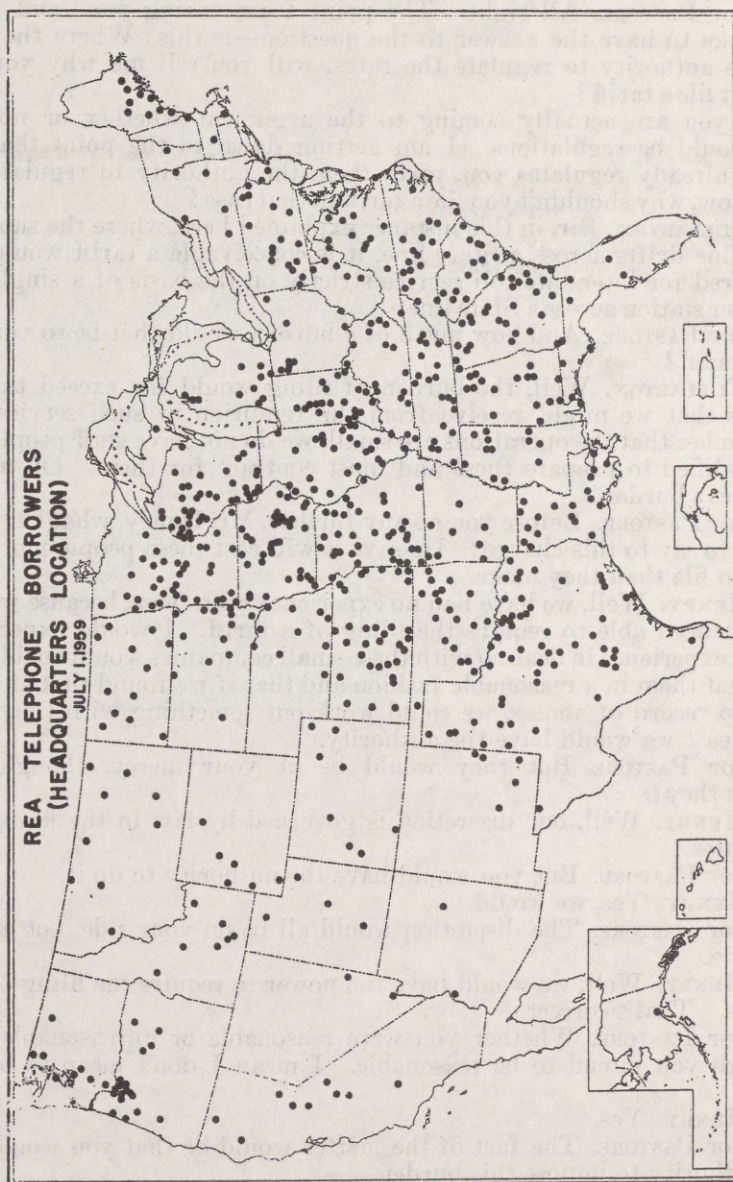
(4) No special factual circumstances or instances have been shown to demonstrate the necessity or reasonableness of this proposed amendment;

(5) It suggests that A.T. & T. is a willing tariff administrator for tariffs of "connecting carriers" engaged in toll traffic for which the Bell System in no way participates or is in no way responsible; and

(6) It attempts to impose unwise and futile tariff burdens on "connecting carriers" serving broadcasters.

For these reasons we respectfully request that S. 1284 not be recommended for passage.

⁸ Traffic interchanged between two independent (non-Bell System) companies. I-I toll traffic is generally noncompensatory because it is furnished at toll rate schedules that are the same as or similar to those established by the Bell System while at the same time it does not enjoy revenue support from long-haul, heavy-volume toll routes such as are operated by the Bell System.



665 REA Telephone borrowers as of 6/30/59
846 REA Telephone borrowers as of 5/31/65

Senator PASTORE. Now, in all these cases you are citing, does the FCC have authority to regulate your rates?

Mr. FULLARTON. Yes, but we are not required to file tariffs by specific exemption.

Senator PASTORE. All right. The point I am asking you—and I would like to have the answer to the question—is this: Where they have the authority to regulate the rates, will you tell me why you shouldn't file a tariff?

Now, you are actually coming to the argument whether or not there should be regulations. I am getting down to the point that the law already regulates you, gives them the authority to regulate you. Now, why shouldn't you file a tariff in that case?

Mr. FULLARTON. Sir, in this instance explained here, where the subscriber line drifts across a State line, it is conceivable a tariff would be required for interstate toll service strictly on the basis of a single subscriber station across a State line.

Senator PASTORE. And how much of a burden would that be to you to file a tariff?

Mr. FULLARTON. Well, the burden of filing would far exceed the revenues that we might receive from the rendition of such service.

Remember that the operations are small, we do not have staff people even qualified to prepare these and must contract for them. On us it becomes a burden.

Senator PASTORE. Before you go any further, Mr. Henry, what have you got to say to this charge? He says it will cost these people more money to file than they make.

Mr. HENRY. Well, we have had no experience with these, because we have not been able to require the filing of a tariff. I would expect that our experience in dealing with these small companies would enable us to treat them in a reasonable fashion and that if we found that and found no record of abuses, we could work out something with them. But at least we would have the authority.

Senator PASTORE. But they would be at your mercy, though; wouldn't they?

Mr. HENRY. Well, our discretion is governed by law in the fixing of the rates.

Senator PASTORE. But you would have the authority to do it.

Mr. HENRY. Yes, we would.

Senator PASTORE. The discretion would all be on your side, not on their side.

Mr. HENRY. Well, we would have the power to require the filing of the rates. That's correct.

Senator PASTORE. Whether you were reasonable or unreasonable? Although you intend to be reasonable. I mean I don't mean to be unfair.

Mr. HENRY. Yes.

Senator PASTORE. The fact of the matter would be that you would have authority to impose this burden—

Mr. HENRY. Yes.

Senator PASTORE (continuing). Under law.

Mr. HENRY. We would have the power to require them to file a tariff.

As I say, I have no experience or any evidence of what the cost of filing the tariff would be. I would assume the cooperative association could help in this matter and thus cut the costs.

Senator PASTORE. Can you give me some reasons why the public interest has been defeated or injured or diminished at all for the lack of this up to now?

Mr. HENRY. No, because we don't know whether there have been any abuses. But we think we should have the authority to find out if the rates are proper.

We can't tell you because we don't know what the rates are.

Senator PASTORE. Will you tell me what facts have occurred that have brought you to this point of decision?

Mr. HENRY. Well, this has been in our legislative program for a good many years.

Senator PASTORE. I realize that, but I mean where the pressure has been.

Mr. HENRY. I can't cite you any particular case, although we might have some in our files, in which we have found overcharges or failure to render service which would have been brought to light by the filing of the tariff. And if you would like it, I would like to perhaps supplement my testimony in that respect.

Senator PASTORE. I would like to have that. We have been without this since the beginning of the act, and now you are asking for it. And I would like to know what the reasons for it are.

(The supplement to the testimony referred to follows:)

SUPPLEMENTAL STATEMENT OF E. WILLIAM HENRY, CHAIRMAN, FEDERAL COMMUNICATIONS COMMISSION, REGARDING S. 1284

In my appearance on June 23, 1965, I stated that I would like to supplement my testimony on S. 1284 by listing some cases in which the filing of tariffs by connecting carriers would have aided the Commission in discharging its regulatory responsibilities regarding common carrier communication services. Our files for the last 2 or 3 years show that there were at least four situations involving connecting carriers, in which the filing of tariff schedules with the Commission by such carriers would have prevented complaint or aided in the resolution of inquiries regarding applicable rates for interstate or foreign communication services.

The first situation involved the rates for United States-Canada private line services furnished in the United States by the Souris River Telephone Mutual Aid Corp., Minot, N. Dak., a connecting carrier which participates in the furnishing of the subject service through interconnection with a Canadian company at the Canadian border. The Air Force complained to the Commission regarding termination charges for certain facilities and the Federal Aviation Agency, with respect to charges for certain equipment furnished by the Souris River company. Had such charges been on file with the Commission in appropriate tariff schedules, the controversies might have been prevented, or more readily resolved, since the Commission would have had the opportunity to review such charges in advance.

The same applies to the last three situations which involve the furnishing by connecting carriers of facilities used in connection with radio broadcasting. The question in these last cases involved the rates for facilities furnished a radio broadcasting station at Bowling Green, Ohio, by the Northern Ohio Telephone Co., facilities furnished radio station WAGL by the Lancaster Telephone Co., Lancaster, S.C., and facilities furnished to radio station WRHI by the Rock Hill Telephone Co., Rock Hill, S.C.

I also would like to comment on the position taken by the National Telephone Cooperative Association and the United States Independent Telephone Association in opposition to the proposed legislation. They are concerned that the

bill would impose an unwarranted burden on their member companies. I am attaching for the subcommittee's information a copy of the West Coast Telephone Co.'s Tariff FCC No. 6 which is filed with the Commission to govern interstate telephone service furnished between points on the system of the West Coast Telephone Co. in Oregon and points on the system of its affiliated company in California. Charges and regulations for communication services between points on the systems of the west coast companies and other places in the world are set forth in tariff schedules filed with the Commission by the American Telephone & Telegraph Co., in which the west coast companies concur.

The attached tariff schedule is an example of the type of tariff schedule that the affected connecting carriers might be required to file if the proposed legislation were enacted. You will note that it consists of only 20 pages of which 5 pages are blank and certain other pages are less than fully occupied by tariff material. Most of the regulations in the tariff are standard ones observed by all telephone companies. Moreover, many telephone companies, who are currently required to file tariff schedules with the Commission, arrange for A.T. & T. to file charges on their behalf in the A.T. & T. tariffs, in which they concur. We do not believe that the proposed legislation would impose any substantial burden on any independent connecting telephone company. In this connection the Commission's staff will be happy to assist such companies in any way it can in meeting such requirements.

The attached tariff schedule is an example of the type of tariff schedule that the affected connecting carriers might be required to file if the proposed legislation were enacted. You will note that it consists of only 20 pages of which 5 pages are blank and certain other pages are less than fully occupied by tariff material. Most of the regulations in the tariff are standard ones observed by all telephone companies. Moreover, many telephone companies, who are currently required to file tariff schedules with the Commission, arrange for A.T. & T. to file charges on their behalf in the A.T. & T. tariffs, in which they concur. We do not believe that the proposed legislation would impose any substantial burden on any independent connecting telephone company. In this connection the Commission's staff will be happy to assist such companies in any way it can in meeting such requirements.

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WEST COAST TELEPHONE COMPANY

F.C.C. No. 6
Second Revised Title Page
Cancels
First Revised Title Page

WEST COAST TELEPHONE COMPANY

THIS TARIFF NAMES RATES AND CONTAINS
RULES AND REGULATIONS GOVERNING SERVICE
FOR INTERSTATE TOLL TELEPHONE SERVICE
BETWEEN POINTS IN
COOS, CURRY AND DOUGLAS COUNTIES, OREGON,
OPERATED BY THE WEST COAST TELEPHONE COMPANY,
AND POINTS IN
DEL NORTE AND HUMBOLDT COUNTIES, CALIFORNIA,
OPERATED BY THE
WEST COAST TELEPHONE COMPANY OF CALIFORNIA,
A CONCURRING CARRIER
OF THE WEST COAST TELEPHONE COMPANY

(T)

Message toll telephone service is furnished by means of wire telephone, radio
telephone or, a combination thereof.

(T)
(T)

Issued: July 16, 1959

Effective: August 17, 1959

Issued by: Roy A. Peterson, General Commercial Superintendent
1714 California Street
Everett, Washington

WEST COAST TELEPHONE COMPANY

F.C.C. No. 6

Thirty-Eighth Revised Page 1

Cancels

Thirty-Seventh Revised Page 1

CHECK SHEET

Pages 1 to 20, inclusive, of this tariff are effective as of the date shown. Original and revised pages as named below contain all changes from the original tariff that are in effect on the date hereof.

<u>Page</u>	<u>Number of Revisions Except as Indicated</u>
Title	Second
1	Thirty-Eighth *
2	Sixth *
3	Second
4	Original
5	First
6	Original
7	Fifth
7A	First
7B	First *
7C	Original *
8	Third
9	First
10	First
11	Fifth
12	Twenty-Sixth
13	Sixth
14	First
15	First
16	First
17	Twelfth
18	Eleventh
19	Twenty-Fourth
20	Original

*Pages Issued: February 14, 1964

Issued: February 14, 1964

Effective: March 16, 1964

Issued by: L. Gray Beck, Vice President & General Manager
1800 41st Street
Everett, Washington

WEST COAST TELEPHONE COMPANY

F.C.C No. 6
 Sixth Revised Page No. 2
 Cancels
 Fifth Revised Page No. 2

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 1800 41st Street
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WEST COAST TELEPHONE COMPANY

F.C.C. No. 6
Second Revised Page No. 3
Cancels
First Revised Page No. 3

MESSAGE TOLL TELEPHONE SERVICE

CONCURRING CARRIER

WEST COAST TELEPHONE COMPANY OF CALIFORNIA

Issued: July 16, 1959

Effective: August 17, 1959

Issued By: Roy A. Peterson, General Commercial Superintendent
1714 California Street
Everett, Washington

WEST COAST TELEPHONE COMPANY

Original Page 4

F.C.C. No. 6

EXPLANATION OF SYMBOLS, REFERENCE MARKS, OR ABBREVIATIONS

The following symbols are used in this tariff for the purposes indicated.

- (C) - signifies changed regulation
- (D) - signifies discontinued rate or regulation
- (I) - signifies increase
- (N) - signifies new rate or regulation
- (R) - signifies reduction
- (S) - signifies reissued matter
- (T) - signifies a change in text but no change in rate or regulation

Issued July 10, 1938

Effective August 10, 1938

Issued by - E. R. Hannibal, Vice President
704 Medical-Dental Building
Everett, Washington

First Revised Page 5

Cancelling

WEST COAST TELEPHONE COMPANY

Original Page 5

F.C.C. No. 6

GENERAL CONDITIONS GOVERNING TOLL SERVICE

A. APPLICATION OF TARIFF

The following general conditions govern all classes of interstate toll telephone service between points served by the West Coast Telephone Company in Coos, Curry and Douglas Counties, Oregon, and points served by the West Coast Telephone Company of California, in Del Norte and Humboldt Counties, California. Additional conditions governing service will be found in the toll service rate schedules.

B. GENERAL REGULATIONS

1. Priority of Service

In case a shortage of facilities exists at any time either for temporary or protracted periods, the establishment of message toll telephone, message telegram and teletypewriter exchange services shall take precedence over all others.

2. Limited Conversation

The Telephone Company reserves the right to limit the length of conversation when necessary in times of emergency resulting in a shortage of facilities.

3. Liability of Telephone Company

a. In view of the fact that the customer has exclusive control of his communications over the facilities furnished him by the Telephone Company, and of the other uses for which facilities may be furnished him by the Telephone Company, and because of unavoidableness of errors incident to the services and to the use of such facilities of the Telephone Company, the services and facilities furnished by the Telephone Company are subject to the terms, conditions and limitations herein specified.

(C) b. The liability of the Telephone Company for damages arising out of mistakes, omissions, interruptions, delays, or errors or defects in transmission occurring in the course of furnishing service or other facilities and not caused by the negligence of the customer, or of the Telephone Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision, shall in no event exceed an amount equivalent to the proportionate charge to the customer for the period of service during which such mistake, omission, interruption, delay or error or defect in transmission occurs.

c. When the lines of other telephone companies are used in establishing connections to points not reached by the Telephone Company's lines, the Telephone Company is not liable for any act or omission of the other company or companies.

Issued November 1, 1938

Effective December 1, 1938

Issued by - E. R. Hannibal, Vice President
704 Medical-Dental Building
Everett, Washington

WEST COAST TELEPHONE COMPANY

Original Page 6

F.C.C. No. 6

GENERAL CONDITIONS GOVERNING TOLL SERVICE

B. GENERAL REGULATIONS (Continued)

(N) 4. Obligation of Customer

a. The calling party (or customer) shall establish his identity in the course of any communication as often as may be necessary.

b. The calling party (or customer) shall be solely responsible for establishing the identity of the person or persons with whom connection is made at the called station.

(N) 5. Advance Payments

Applicants for service who have no account with the Telephone Company, or whose financial responsibility is not a matter of general knowledge, may be required to make an advance payment at the time the application is signed, equal to the service connection or installation charges and at least one month's charges for the service provided.

The amount of the advance payment is credited to the customer's account as applying to any indebtedness under the contract.

(N) 6. Payment for Service

The customer is required to pay all charges for service in accordance with the Telephone Company's regular billing and collection practices.

(N) 7. Deposits

The Telephone Company may, in order to safeguard its interests, require an applicant or a customer to make a suitable deposit to be held by the Telephone Company as a guarantee of the payment of charges.

The fact that a deposit has been made in no way relieves the applicant or customer from complying with the Telephone Company's regulations as to advance payments and the prompt payment of bills on presentation. At such time as the contract is terminated the amount of the deposit is credited to the customer's account and any credit balance which may remain is refunded. At the option of the Telephone Company such a deposit may be refunded or credited to the customer at any time prior to termination of the contract. In case of a cash deposit, simple interest at the rate of six per cent. per year is paid on a deposit held by the Telephone Company for twelve consecutive months or more, provided the subscriber's service has not been temporarily disconnected for non-payment during that period. Interest is paid up to the date the subscriber is notified that the deposit is subject to refund.

Issued July 10, 1938

Effective August 10, 1938

Issued by - E. R. Hannibal, Vice President
704 Medical-Dental Building
Everett, Washington

WEST COAST TELEPHONE COMPANY

F.C.C. No. 6
Fifth Revised Page 7
Canceling
Fourth Revised Page 7GENERAL CONDITIONS GOVERNING TOLL SERVICEB. GENERAL REGULATIONS (Continued)8. Cancelation for Cause

Upon non-payment of any sum due the Telephone Company or upon a violation of any of the conditions governing the furnishing of a service, or upon the use of any service for the purpose of performing any service in competition with the service which the Telephone Company or its connecting carriers may now or hereafter furnish, the Telephone Company may, by notice in writing to the customer, without incurring any liability, forthwith discontinue the furnishing of said service.

9. Limitation on Charges for Service

Interstate message toll telephone service is furnished to hotels, apartment houses, clubs, hospitals, and other customers, upon the condition that the use of the service by others, when authorized so to be used, shall not be made subject to any charge by the customer in addition to the message toll charges of the Telephone Company, as set forth in this tariff.

10. Recording Equipment

Customer-owned voice recording equipment for the recording of telephone conversations may be used in connection with the facilities of the Company subject to the following conditions:

a. Connection with Company Facilities

- (1) Connection of customer-owned voice recording equipment with the facilities of the Company shall be made only through recorder connector equipment which contains a device automatically producing a distinctive recorder tone that is repeated at intervals of approximately fifteen seconds when the recording equipment is in use, except that in the case of private line service which has no connection with the exchange or toll system of the Company recorder connector equipment which does not contain the automatic tone device may be used at the option of the customer.
- (2) Permanent connection shall be made only through recorder connector equipment furnished, installed, and maintained by the Company.
- (3) Temporary connection for a period not to exceed thirty days may be made for trial or demonstration purposes through portable recorder connector equipment furnished by a recorder manufacturer or his agent, provided such equipment is obtained from and is maintained by the Company and is connected with the telephone line through jacks installed on the line by the Company for that purpose.
- (4) The customer-owned voice recording equipment shall be so arranged that at the will of the user it can be physically connected to and disconnected from the facilities of the Company or switched on and off.

(N)

(N)

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Everett, Washington

WEST COAST TELEPHONE COMPANY

F.C.C. No. 6

First Revised Page No. 7A

Cancels

Original Page No. 7A

GENERAL CONDITIONS GOVERNING TOLL SERVICE

B. GENERAL REGULATIONS (Continued)

10. Recording Equipment (Continued)

b. Responsibility of the Company

Telephone service furnished by the Company is not represented as adapted to the recording of telephone conversations by means of voice recording equipment. The use of customer-owned voice recording equipment in connection with the facilities of the Company is permitted only on the condition that the liability of the Company for damages arising out of mistakes, omissions, interruptions, delay, or errors or defects in transmission, or failures or defects in the recorder connector equipment occurring in the course of furnishing service or other facilities and not caused by the negligence of the customer, or of the Company in failing to maintain proper standards of maintenance and operation and to exercise reasonable supervision, shall in no event exceed an amount equivalent to the proportionate charge to the customer for the period of service during which such mistakes, omissions, interruption, delay, or error or defect in transmission, or failures or defects in the recorder connector equipment occurs.

c. Obligation of the Customer

(1) The operating characteristics of the customer-owned voice recording equipment shall be such as not to interfere with any of the services offered by the Company. Upon notice from the Company that the equipment of the customer is causing or is likely to cause hazard or interference, the customer shall make such changes as may be necessary to remove or prevent such hazard or interference.

(2) The customer indemnifies and saves the Company harmless against claim for libel, slander or infringement of copyright arising from the improper use of material transmitted over its facilities and recorded; against claims for infringement of patents arising from combining with, or using in connection with, facilities of the Company, apparatus or system of the customer; and against all other claims arising out of any act or omission of the customer in connection with facilities provided by the Company.

11. Use of Service for Unlawful Purposes

The service is furnished subject to the condition that it will not be used in violation of law or to aid and abet a violation of law.

(N)

(N)

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Everett, Washington

WEST COAST TELEPHONE COMPANY

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First Revised Page No. 7B
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Original Page No. 7B

GENERAL CONDITIONS GOVERNING TOLL SERVICE

B. GENERAL REGULATIONS (Continued)

12. Unauthorized Attachments or Connections

No equipment, apparatus, circuit or device not furnished by the Telephone Company shall be attached to or connected with the facilities furnished by the Telephone Company, whether physically, by induction or otherwise, except as provided in this Tariff. In case any such unauthorized attachment or connection is made, the Telephone Company shall have the right to remove or disconnect the same; or to suspend the service during the continuance of said attachment or connection; or to terminate the service.

(N)

(N)

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1800 41st Street
Everett, Washington

WEST COAST TELEPHONE COMPANY

F.C.C. No. 6

Original Page No. 7C (T)

GENERAL CONDITIONS GOVERNING TOLL SERVICE

C. CLASSES OF SERVICE

Two classes of toll telephone service are offered: namely, Station-to-Station service and Person-to-Person service. For each class of service, Day, Night and Sunday rates apply as follows:

1. Station-to-Station Service

a. Station-to-Station service is that service under which the person originating the call gives only the telephone number of the station or private branch exchange system desired or the name and address under which the telephone is listed and does not specify a particular person or private branch exchange station to be reached at the called point.

b. Day rates: Day rates apply from 4:30 A.M. to, but not including, 6:00 P.M. on all days except Sundays.

c. Night and Sunday rates: Night rates apply daily from 6:00 P.M. to, but not including, 4:30 A.M. Sunday rates apply on Sundays from 4:30 A.M. to, but not including, 6:00 P.M.

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1800 41st Street
Everett, Washington

WEST COAST TELEPHONE COMPANY

F.C.C. No. 6
Third Revised Page 8
Cancelling
Second Revised Page 8GENERAL CONDITIONS GOVERNING TOLL SERVICEC. CLASSES OF SERVICE (Continued)2. Person-to-Person Service

a. Person-to-Person service is that service under which the person originating the call specifies a particular person to be reached at the called point or a particular station, department, office or branch reached through a private branch exchange.

(1) Where the person originating the call wishes arrangements made in advance with a particular party or station for the establishment of a connection at a specified time, the call is classified as a Person-to-Person call.

(2) When it is necessary for the Telephone Company to employ a messenger or other means to bring the called party to a telephone, the call is classified as a Person-to-Person call and a charge is made for the exact amount expended, if any, for messenger service in addition to the charges for the message.

b. Day Rates - Day rates apply from 4:30 AM to, but not including, 6 PM on all days except Sundays. (T)

c. Night and Sunday rates - Night rates apply daily from 6 PM to, but not including, 4:30 AM: (T)
Sunday rates apply on Sundays from 4:30 AM to, but not including, 6 PM. (T)

3. Night and Sunday Rates

Night and Sunday rates do not apply on the "other line" portion of the haul on service to and from points served by connecting companies, the rates of which are on an "other line" rate basis, except where connecting company rates provide for Night and Sunday Station-to-Station and Night and Sunday Person-to-Person service.

4. Time Governing Calls

The time at the calling station at which connection is established governs.

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WEST COAST TELEPHONE COMPANY

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First Revised Page No. 9
Cancels
Original Page No. 9

GENERAL CONDITIONS OF SERVICE TO SUBSCRIBERS

1. PURPOSE OF SERVICE (Continued)

2. SCOPE OF SERVICE

The service is provided to all subscribers in the area of service. (D)

3. CLASS OF SERVICE

The class of service is determined by the type of service required. This page is reserved for future filing.

The service is provided to all subscribers in the area of service.

4. LIMITATION OF SERVICE

The service is provided to all subscribers in the area of service.

The service is provided to all subscribers in the area of service.

The service is provided to all subscribers in the area of service.

The service is provided to all subscribers in the area of service.

The service is provided to all subscribers in the area of service.

The service is provided to all subscribers in the area of service.

Issued: July 16, 1959

Effective: August 17, 1959

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1714 California Street
Everett, Washington

WEST COAST TELEPHONE COMPANY

F.C.C. No. 6
First Revised Page No. 10
Cancels
Original Page No. 10

GENERAL CONDITIONS GOVERNING TOLL SERVICEC. CLASSES OF SERVICE (Continued)5. Reversal of Charges

The reversal of charges is permitted on all messages at rates named herein for "collect" messages.

6. Time of Day

The time of day when conversation actually starts, determined in accordance with the time system - standard or daylight saving - legally or commonly in use at the point where the calling station is located, determines whether day, night or Sunday rates apply. This rule applies irrespective of whether the call is sent paid or collect.

In cases where a message begins in one rate period and ends in another, the rate in effect at the time conversation starts applies to the entire conversation.

7. Initial and Overtime Periods

a. Rates for message toll telephone service are quoted in terms of initial and overtime periods.

(1). The initial period is the interval of time allowed at the rate quoted for toll connections between given points.

(2). The overtime period is the unit of time used for measuring and charging for time in excess of the initial periods.

b. Timing of Messages

(1). Length of conversation is the elapsed time between the start and end of telephone communications.

(2). On calls placed on a station basis, conversation is considered (T) as starting at the time telephonic communication is established between the calling station and the called station or private branch exchange switchboard.

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WEST COAST TELEPHONE COMPANY

F.C.C. No. 6

Fifth Revised Page No. 11

Cancels

Fourth Revised Page No. 11

GENERAL CONDITIONS GOVERNING TOLL SERVICEC. CLASSES OF SERVICE (Continued)7. Initial and Overtime Periods (Continued)b. Timing of Messages (Continued)

(3). On calls placed on a person basis, conversation is considered (T) as starting at the time telephonic communication is established between the person calling and the particular person called, another party acceptable to the person calling, or the private branch exchange extension station called.

(4). On all calls, conversation is considered as terminated at the time the disconnect signal is received by the operator handling the call.

8. Rates Applicable on Certain Holidaysa. Christmas, Thanksgiving and New Year's Holidays

(1). On Christmas Day (December 25), on New Year's Day (January 1), and on Thanksgiving Day as named by Presidential proclamation, the Sunday toll rates named in this tariff will apply from 4:30 AM. to, but not including, 6:00 PM to all toll service rendered between points named in this tariff. In case the Christmas and New Year's legal holidays fall on dates other than December 25 and January 1, Sunday rates apply as provided above on such legal holidays.

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WEST COAST TELEPHONE COMPANY

F.C.C. No. 6

Twenty-Sixth Revised Page No. 12

Cancels

Twenty-Fifth Revised Page No. 12

SCHEDULE BF-601TOLL SERVICE - DAY STATION SERVICEAPPLICATION OF SCHEDULE

This schedule names rates for Day Station Toll Telephone Service between points served by the West Coast Telephone Company in Coos, Curry and Douglas Counties, Oregon and points served by the West Coast Telephone Company of California in Del Norte and Humboldt Counties, California. Rates quoted below are for an initial period of three minutes:

RATES

Between	<u>Crescent City</u>	<u>Idlewild</u>	<u>Klamath</u>	<u>Smith River</u>
and				
Bandon	\$1.00	\$1.00(N)	\$1.10	\$.95
Brookings	.40	.45(N)	.55	.30
Coos Bay	1.05	1.05(N)	1.15	1.05
Coquille	1.00	1.00(N)	1.10	.95
Gold Beach	.60	.65(N)	.80	.55
Lakeside	1.15	1.10(N)	1.25	1.10
Langlois	.90	.90(N)	1.00	.85
Myrtle Point	.95	.95(N)	1.05	.90
Port Orford	.85	.85(N)	1.00	.80
Powers	.90	.85(N)	1.00	.85
Reedsport	1.20	1.15(N)	1.30	1.15

Issued: February 26, 1962

Effective: March 29, 1962

Issued by: J. A. Whittaker, General Commercial Superintendent
1800 41st Street, Everett, Washington

(N) Effective February 28, 1962 under authority of Special Permission No. 4023
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WEST COAST TELEPHONE COMPANY

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Sixth Revised Page No. 13

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Fifth Revised Page No. 13

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 1714 California Street
 Everett, Washington

WEST COAST TELEPHONE COMPANY

F.C.C. No. 6
 First Revised Page No. 14
 Cancels
 Original Page No. 14

SCHEDULE BF-603TOLL SERVICE - RATES FOR ALL CLASSES OF SERVICEAPPLICATION OF SCHEDULE

This schedule names night and Sunday rates for station toll service and day, night and Sunday rates for person toll service corresponding to the day station rates named in Schedule BF-601.

RATE PAID AND COLLECT						
Station Service				Person Service		
Day (Except Sunday)		Night and Sunday		Day, Night and Sunday		
First 3 Minutes	Each Addl. Minute	First 3 Minutes	Each Addl. Minute	First 3 Minutes	Each Additional Minute First 3	After 3
\$.30	\$.10	\$.30	\$.10	\$.55	\$.15	\$.10
.35	.10	.35	.10	.65	.20	.10
.40	.10	.40	.10	.70	.20	.10
.45	.15	.45	.15	.80	.25	.15
.50	.15	.50	.15	.90	.30	.15
.55	.15	.50	.15	1.00	.30	.15
.60	.20	.50	.15	1.10	.35	.20
.65	.20	.55	.15	1.15	.35	.20
.70	.20	.60	.20	1.25	.40	.20
.75	.25	.65	.20	1.35	.45	.25
.80	.25	.70	.20	1.45	.45	.25
.85	.25	.70	.20	1.55	.50	.25
.90	.30	.75	.25	1.60	.50	.30
.95	.30	.80	.25	1.70	.55	.30
1.00	.30	.85	.25	1.80	.60	.30
1.05	.35	.90	.30	1.90	.60	.35
1.10	.35	.95	.30	2.00	.65	.35
1.15	.35	1.00	.30	2.05	.65	.35
1.20	.40	1.00	.30	2.15	.70	.40
1.25	.40	1.05	.35	2.25	.75	.40
1.30	.40	1.10	.35	2.35	.75	.40

CONDITIONS

For conditions governing these classes of service see General Conditions Governing Toll Service.

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Effective: August 17, 1959

Issued By: Roy A. Peterson, General Commercial Superintendent
 1714 California Street
 Everett, Washington

WEST COAST TELEPHONE COMPANY

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First Revised Page No. 15
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Original Page No. 15

This page is reserved for future filing.

Rates formerly appearing on this page are
now shown on Page No. 14.

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1714 California Street
Everett, Washington

WEST COAST TELEPHONE COMPANY

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First Revised Page No. 16
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1714 California Street
Everett, Washington

WEST COAST TELEPHONE COMPANY

F.C.C. No. 6

Twelfth Revised Page No. 17

Cancels

Eleventh Revised Page No. 17

SCHEDULE BF-611LIST OF TOLL POINTS - OREGONAPPLICATION OF SCHEDULE

This schedule names toll points served by the West Coast Telephone Company in Coos, Curry and Douglas Counties, Oregon and names the corresponding exchange from which these points are served.

(T)

<u>CITY, TOWN, OR LOCALITY</u>	<u>USE RATE TO</u>	<u>CITY, TOWN, OR LOCALITY</u>	<u>USE RATE TO</u>
Agness	Gold Beach	Gold Beach	Gold Beach
(D)		Glasgow	Coos Bay
Allegany	Coos Bay (C)	Gravelford	Myrtle Point
(D)		(D)	
Bandon	Bandon	Harbor	Brookings
(D)		(D)	
Brookings	Brookings	Lakeside	Lakeside
Broadbent	Myrtle Point	(D)	
(D)		Langlois	Langlois
Cape Arago Light Station	Coos Bay	(D)	
Cape Blanco Light Station	Port Orford	Myrtle Point	Myrtle Point
(D)		Norway	Myrtle Point
Carpenterville	Gold Beach	North Bend	Coos Bay
Castle Haven	Coos Bay (N)	(D)	
(D)		Ophir	Gold Beach
Charleston	Coos Bay	(D)	
(D)		Pistol River	Gold Beach
Coos Bay	Coos Bay	Prosper	Bandon
(D)		Port Orford	Port Orford
Coquille	Coquille	Powers	Powers
(D)		Reedsport	Reedsport
Delmar	Coos Bay	(D)	
Delliwood	Coos Bay (C)	Sixes	Port Orford
(D)		(D)	
Dora	Myrtle Point	Summer	Coos Bay
(D)		Sunset Bay	Coos Bay
Empire	Coos Bay	(D)	
Englewood	Coos Bay	Winchester Bay	Reedsport
(D)		(D)	
Gardiner	Reedsport		
(D)			

Issued: July 16, 1959

Effective: August 17, 1959

Issued By: Roy A. Peterson, General Commercial Superintendent
1714 California Street
Everett, Washington

WEST COAST TELEPHONE COMPANY

F.C.C. No. 6
Eleventh Revised Page 18
Cancels
Tenth Revised Page 18

This page is reserved for future filing.

Toll points formerly listed on this page are now shown
on Page 17.

Issued: July 16, 1959

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Issued By: Roy A. Peterson, General Commercial Superintendent
1714 California Street
Everett, Washington

WEST COAST TELEPHONE COMPANY

F.C.C. No. 6

Twenty-Fourth Revised Page 19

Cancels

Twenty-Third Revised Page 19

SCHEDULE BF-612LIST OF TOLL POINTS - CALIFORNIAAPPLICATION OF SCHEDULE

This schedule names toll points served by the West Coast Telephone Company of California in Del Norte and Humboldt Counties, California and names the corresponding exchange from which these points are served.

<u>CITY TOWN OR LOCATION</u>	<u>USE RATE TO</u>
Bar O Boys Ranch	Idlewild (N)
Crescent City	Crescent City
Darlingtonia	Crescent City (N)
Port Dick	Smith River
Gasquet	Crescent City (N)
Hiouchi	Crescent City (N)
Idlewild Camp	Idlewild (N)
Idlewild Resort	Idlewild (N)
Klamath	Klamath
Nielsen's Resort	Crescent City (N)
Patrick's Creek	Idlewild (N)
River Bar	Crescent City (N)
Smith Park	Crescent City (N)
Smith River	Smith River
Smith River Quarantine Station	Smith River
Symms Camp	Crescent City (N)
Trout Haven	Idlewild (N)
Wicklow Woods	Crescent City (N)

Issued: February 26, 1962

Effective: March 29, 1962

Issued by: J. A. Whittaker, General Commercial Superintendent
1800 41st Street, Everett, Washington

(N) Effective February 28, 1962 under authority of Special Permission No. 4023
of the Federal Communications Commission.

WEST COAST TELEPHONE COMPANY

F.C.C. No. 6
Original Page No. 20SCHEDULE BF-613SHIP AND AIRCRAFT TELEPHONE SERVICEAPPLICATION OF SCHEDULE

The regulations and rates applicable to Ship and Aircraft Telephone Service made available by this Company or jointly with other carriers are as set forth in Tariff F.C.C. No. 132 of the American Telephone and Telegraph Company and Tariff F.C.C. No. 89 of The Pacific Telephone and Telegraph Company, to which this Company concurs in its F.C.C. Concurrences Nos. 3 and 6, respectively.

Issued: April 3, 1959

Effective: May 7, 1959

Issued By: Roy A. Peterson, General Commercial Superintendent
1714 California Street
Everett, Washington

SUMMARY OF STATEMENT OF DAVID C. FULLARTON, EXECUTIVE MANAGER, NATIONAL TELEPHONE COOPERATIVE ASSOCIATION

My name is David C. Fullarton. I am executive manager of the National Telephone Cooperative Association, a national service organization which represents the interests of more than 225 cooperative telephone systems throughout the Nation. With me is Mr. Robert J. Leigh, our staff counsel and director of industry relations.

Telephone cooperatives serve in 31 of the United States, providing service to the less densely populated areas. Their operations are characterized by very few subscribers per mile of line and low revenues per mile of line. Telephone cooperatives average only 2.8 subscribers per mile as opposed to the independent average of approximately 16 and the Bell average of something over 40. Telephone cooperatives realize only \$261 annually for each mile of line, while other independents realize just under \$2,300. No figures are available to us on Bell system revenues per mile. Our average telephone cooperative serves 2,150 subscribers, half of which received initial telephone service through the cooperative.

We appreciate the opportunity to appear before you today to present the views of the National Telephone Cooperative Association on S. 1284. We have been directed to oppose, in behalf of our membership, amendment of section 203(a) of the Communications Act of 1934 with respect to the filing of schedules of charges by connecting carriers.

We believe the proposed amendment to be inappropriate for the following reasons:

Its implications are too broad and all embracing.

It would cause difficulty in the formulation of tariffs covering interstate toll service, where such service arises through interstate exchange lines or mobile radio service.

It creates a vagueness and uncertainty of obligation through its intent to obligate under penal provisions two "connecting carriers," one of which may be a considerable distance from State borders.

No factual or special circumstances have been shown to demonstrate its necessity or reasonableness.

The FCC has suggested that A.T. & T. would be a willing tariff administrator for toll traffic in which they are not directly participating. We do not believe this to be the case.

It attempts to burden "connecting carriers" serving broadcasters in a manner both futile and unwarranted.

Finally, the testimony of the Commission would indicate that there is some sort of loophole in section 203(a) of the Communications Act where interstate toll service subject to the jurisdiction of the Commission is either unregulated or ineffectively regulated. On this assumption, the Commission has proposed amendment of the act through S. 1284, which would directly place an obligation to file tariffs on connecting carriers.

Our position is that there is no possible loophole in section 203(a). The Congress originally enacted this section to specifically provide that connecting carriers would not be made to bear the burden of filing tariffs under any and all situations where such connecting carriers were engaged in interstate service. Using a loophole approach, the Commission is attempting to eliminate a time-tested exemption, thus creating burdens to connecting carriers that the present act specifically prevents. The Commission has not cited a single example where this so-called loophole has been used to adversely affect the public interest or the interests of any telephone subscribers anywhere. Through the amendment proposed in S. 1284, the Commission is attempting to broaden its jurisdiction beyond that presently authorized, not close a loophole in its present ability to regulate.

The FCC apparently has in mind the situations we have illustrated on the chart at my right where "connecting carriers" interconnect toll facilities at a State or National border.

However, the implications of the proposed amendment are much, much broader, and being such would invoke hardship and difficulty on the operating companies involved.

The sketches illustrate additional circumstances where, under the proposed amendment, "connecting carriers" would be required to file tariffs with the FCC for interstate toll traffic they might be engaging in conceivably without any knowledge of the situation and possibly without even owning any toll facilities.

This is what we mean when we say the proposed amendment is too broad and all embracing.

The illustrations indicate two "connecting carriers" operating their interconnected toll systems within the same State. For purposes of these examples, it is not even necessary that both carriers own toll facilities. However, in the illustrations, we show how telephone company B could drift across State or National boundaries with exchange lines or mobile radio service to serve subscribers in an adjoining State. This is, in fact, a common occurrence among our members in Midwestern and Western States. In so doing, telephone company B remains a "connecting carrier" because it cannot complete interstate toll messages solely over its own or affiliated company facilities and telephone company A would remain a "connecting carrier" for the same reason. However, when a subscriber of telephone company B in State 2 calls a subscriber of telephone company A in State 1 over the interconnected facilities of these two "connecting carriers," we would have an interstate toll call handled solely by two "connecting carriers" neither of which has a tariff on file under the present requirements of section 203(a). These border exchange-line-type situations are by far more prevalent than the border toll-line-type interconnections which apparently distress the Commission. In the provision of Foreign Exchange Service the same situation would exist.

One of two "connecting carriers" would be required to file interstate tariffs in Washington for services it could conceivably be rendering to a single subscriber across a State line. Our member telephone systems are small, sprawling, extended telephone networks. One of our member systems serves subscribers in 5 States through its far-reaching subscriber lines; some "connecting carriers" provide the only service available to certain borderline subscribers in Canada. These telephone systems, I repeat, average only 2.8 subscribers per mile. The cost of filing tariffs in situations such as these would be prohibitive. The expert advice necessary to the drafting of such tariffs would far exceed the revenues derived from the rendition of the service. And, of course, the cost of filing tariffs would eventually have to be passed on to the subscribers.

Our members, all connecting carriers, do not seek to avoid obligation that would be in the public interest. Nor do they seek to preserve some advantage to themselves. Their concern is that no further burdens such as those proposed here today be inflicted upon independent telephone toll or private line traffic in which "fully subject" or "concurring carriers" do not participate. As explained in our prepared statement, such traffic is, in the majority of cases, noncompensatory and avoided by our members whenever possible. We would like nothing better than to interchange all toll traffic with the Bell System and be covered by the A.T. & T. tariffs on file with the Commission. However, there are sparsely populated rural areas and isolated other situations where this is not possible and we must interchange traffic with other independent telephone systems. Such traffic is a small part of the total interstate traffic and we feel it unreasonable to require the generally small telephone systems involved to maintain tariffs on file with the Commission. Such tariffs were not deemed necessary in 1934 when there were several thousand more connecting carriers than there are today. In addition, the present trend is that the Bell System and the "fully subject" major independent telephone companies are controlling more and more of the Nation's toll facilities. This whole area, if it is a problem, is rapidly disappearing.

The Bell companies and their "concurring carriers" own more than 98 percent of the Nation's toll circuitry. The view of this association is that whatever is left to connecting carriers providing service without participation of the Bell System would more properly be regulated by specific requests or orders made on these individual carriers as envisioned by section 205 of the act and as has been done since 1934. This was, in fact, the approach taken by the Commission in the *Souris River* case which is outlined in our prepared statement.

These are some opinions that the rates of connecting carriers are included in the tariffs of fully subject carriers already on file with the Commission. However, we are not certain on this point. If the Congress is to amend the Communications Act in this regard, it is our position that rather than place a burden, binding under penal provisions, on the small connecting carriers, who must eventually pass their expenses on to the subscribers, the act, if it is to be amended at all, should be worded so as to place such obligation, clearly and unmistakably, on the fully subject carriers. The fully subject carrier would have little difficulty including an introductory sentence stating that its tariff covers all interstate

services provided by the connecting carriers. In those instances where the rates of the connecting carrier are different from those of the fully subject carrier, the tariff could include an extra page to set out such exception rates and a description of their application.

In conclusion, we believe that the FCC under section 205 has sufficient and appropriate jurisdiction to regulate effectively and we would recommend to this committee that S. 1284 be rejected.

Senator PASTORE. All right, sir. I didn't mean to cut you off. Go ahead. You take it from there.

Mr. FULLARTON. I would point out briefly, Mr. Chairman, there is a recent case in 1962 where the Commission was involved in a situation, not involving subscriber lines but involving the first chart, where the toll interconnection was at the Canadian border.

Three of our member systems were involved.

This is spelled out in detail in my prepared statement. However, the Commission did rule, I believe, that these three cooperatives, connecting carriers, were not required to file tariffs to provide this service. It was Cadin-Sage service to the United States and the Royal Canadian Air Forces.

Now, these systems are providing that service, and their tariffs I believe are on file with the Commission, and I believe that they were—I have to retract that point. Counsel here says no tariffs are on file with the Commission. However, the Commission did recommend that these carriers go ahead and provide this Cadin-Sage service.

Mr. HENRY. I guess that is one example of the situation in which it would have been helpful to have the tariff on file.

Mr. FULLARTON. I believe it is true the Commission did examine the rates of this service.

We believe further—and we represent the smaller telephone companies in this industry—as I mentioned earlier, this would be a burden placed on these small systems that they would find hard to justify economically.

It has been suggested by some people who examined the tariffs that fully subject carriers could very well include in their tariff filings all interstate toll services provided by connecting carriers. We think it would be a simple matter to have this done. And if the act is to be amended at all, we believe it should be in this manner.

It would be very simple for them, for instance, to include an introductory sentence in their tariff filing—and when I refer to the “fully subject carriers,” primarily A.T. & T., Bell-owned companies, and the larger independents—an introductory sentence in their tariff stating that its tariff covers all interstate services provided by the connecting carrier.

In those instances where the rates of the connecting carrier are different from those of the fully-subject carrier, the tariff would include an extra page to set out such exceptions to the rates and a description of their application.

We also believe that the FCC under section 205 of the act has sufficient appropriate jurisdiction to regulate connecting carrier rates effectively, and it is for this reason we would recommend to the committee that S. 1284 be rejected.

That concludes my statement, Mr. Chairman.

I would request, as you suggested, that my prepared statement in its entirety be made a part of the record.

Senator PASTORE. It has been ordered.

STATEMENT OF WARREN E. BAKER, GENERAL COUNSEL, UNITED STATES INDEPENDENT TELEPHONE ASSOCIATION

Mr. BAKER. Mr. Chairman, my name is Warren E. Baker. I am general counsel of the United States Independent Telephone Association, which is made up of independent telephone companies of which there are over 2,500 in the United States.

These companies operate approximately one-sixth of the total telephones in this country and they serve approximately one-half of the geographical area.

Obviously, they have a much lower number of telephones per mile of operation.

We appreciate an opportunity to express our views on behalf of the independent companies in opposition to S. 1284.

We have submitted to you a statement encompassing our views in detail.

Senator PASTORE. It will be placed in the record in its entirety.

(The prepared statement of Mr. Baker follows:)

STATEMENT BY WARREN E. BAKER ON BEHALF OF U.S. INDEPENDENT TELEPHONE ASSOCIATION

Mr. Chairman and members of the committee, my name is Warren E. Baker. I am general counsel of the U.S. Independent Telephone Association, which is made up of independent telephone companies, of which there are over 2,500 in the United States. These companies operate approximately one-sixth of the total telephones in this country and serve approximately half of the geographical service areas of the United States. We appreciate the opportunity to express views on behalf of these independent companies with respect to S. 1284.

THE PROPOSED AMENDMENT

S. 1284, submitted at the request of the FCC, would eliminate the present exemption of connecting carriers from filing their tariffs under section 203 of the act. Section 203(a) presently requires "every common carrier, except connecting carriers," to file tariffs for its interstate and foreign communications services. The proposal would substitute language to require "every common carrier, including a connecting carrier when there is no other common carrier obligated to file the schedules required by this section on behalf of such connecting carrier."

THE IMPACT OF THE PROPOSAL

The impact of this proposed amendment will fall solely on the smaller communication carriers, a great portion of which are members of this association. At the present time connecting carriers are not obligated to themselves file tariffs with the FCC for their interstate services. If the amendment is adopted, they will be required to file in every instance except where some other carrier is obligated to file on their behalf.

A connecting carrier, by definition, means a carrier which is engaged in interstate or foreign communication solely through connections with another common carrier. Most of the independent companies are, in fact, connecting carriers. Only approximately 40 of them are fully subject to title II of the Communications Act and required to file interstate tariffs on their own behalf. The remaining independent companies are connecting carriers which do not file tariffs with the FCC because their interstate services arise solely through connections with other carriers. Almost all interstate services in which they participate are covered in the tariffs of fully subject companies who are required to file for themselves and connecting carriers. The Communications Act left to the States and local regulatory authorities the regulation of local exchanges and intrastate communication. Thus, most independent companies have tariff-filing requirements only with State and local authorities. The proposed language, however, could bring many independent companies within the FCC tariff-filing requirements because of a very small portion of their services.

THE EXEMPTION WAS INTENTIONAL

The FCC by its proposed amendment is here requesting the withdrawal of an exemption given by Congress over 33 years ago to small telephone companies. The exemption was not a matter of inadvertence but rather was part of a comprehensive statutory scheme which deliberately contemplated less of the burden of Federal regulation being imposed upon smaller companies.

First, Congress withheld from the FCC any regulatory authority over common carrier intrastate communication services (sec. 2(b)(1)). It left this regulation entirely to the States. Further Congress withheld rate-regulating authority from the Federal Communications Commission over telephone exchange service even though it involved some interstate communication services, if the service was regulated by State or local authorities (sec. 221(b)). This, of course, involved telephone exchange service astride a State boundary, such as at the East St. Louis, Ill.-St. Louis, Mo. telephone exchange.

Next, with respect to the interstate and foreign communication services subject to Federal Communications Commission regulation, Congress divided the common carriers into two groups—making one group fully subject to all of the provisions of title II; that is, sections 201-222, while designating a second group, called connecting carriers, to be subject only to the rate regulatory authority of the FCC found in sections 201-205. Finally, it exempted those connecting carriers from the burden of filing tariffs on their own behalf by a specific exemption included in section 203 of the act. It is this latter exemption which has been in existence since the passage of the Communications Act of 1934, which the FCC here seeks to eliminate.

USITA opposes this withdrawal of an exemption from the smaller telephone companies because there has been no showing of a regulatory need for the change to correct any abuses and because the withdrawal will place an unnecessary economic burden on the smaller telephone companies and ultimately the local telephone subscribers of those companies.

THE ALLEGED NEED FOR CHANGE

In its justification for the amendment which is proposed, the FCC points out that there are several instances in which interstate or foreign communication services may be performed where no carrier is obligated to file a tariff covering such services with the FCC. The FCC concludes that in all of those instances no tariff is in fact filed. As we will later point out, this conclusion is not necessarily borne out. However, the Commission's contention apparently is that there was never any intent on the part of Congress that any service should be rendered without a tariff being filed with the FCC. The instances pointed out by the Commission under which no carrier is obligated to file a tariff with the FCC are: First, a situation where a connecting carrier provides service by connection with a foreign carrier across either the Canadian or Mexican border. Secondly, the Commission points out the technical possibility of the same situation occurring where two connecting carriers in different States connect at the State border. And lastly, the Commission points out that where a connecting carrier provides services in connection with a radio station, a tariff for the services which are part of interstate communications is not required to be filed. We do not dispute these technical possibilities. However, the existence of circumstances in which an exemption from filing tariffs in fact results in there being no obligation to file a tariff hardly demonstrates that the grant of the exemption was wrong.

The Commission, in suggesting that this 31-year-old exemption should be withdrawn, has not in fact submitted any instance of how this exemption has precluded them from carrying out their functions nor how it has in any way harmed the public. In fact the Commission has not pointed out any abuses that have arisen which necessitate the change proposed. Rather the Commission has merely stated that rate regulation envisions the publishing of rates through filed tariffs so that the public may be informed of the rates to be charged and the Commission may be in a position to exercise its existing statutory responsibilities in the regulation of common carrier charges and classifications, practices and regulations affecting such charges. In effect it merely asserts that it is necessary for effective regulation that all rates or services subject to the Commission's jurisdiction be contained in filed tariffs.

First of all, it would appear to us that if any real difficulties had arisen during the 31 years in which this exemption has existed, illustrations would be available. The lack of such a history belies the suggested regulation deficiency. We think it should be pointed out that Congress did not leave the Commission powerless with respect to any portion of its interstate responsibility; rather it merely determined that the burden of filing tariffs at the national level would not be imposed on the small independent company, which did not itself provide interstate services except by connections. Congress required the large communication carriers to file tariffs, not only for their own services, but for services provided jointly with connecting carriers. Because of the obligations placed upon carriers who were fully subject to title II, interstate tariffs covering almost every service of these small independents in fact have been filed with the Commission, whether or not the filings were encompassed in the obligations of those fully subject carriers. As to that small portion of interstate services for which tariffs have not in fact been filed, it would appear to us that the lack of complaint as to these services or rates is the best proof that there has been no need in these isolated instances to have tariffs covering them filed with the Commission.

It must be recognized that even though connecting carriers are not required to file tariffs, the provisions of section 201 through 205 of the Communications Act are applicable to the interstate services of those carriers, except to the extent specifically exempted therein. The only exemption contained in these five sections is that under section 203 with respect to the filing of the tariffs. The obligations to provide services upon reasonable request under just and reasonable charges as contained in section 201 is clearly applicable to connecting carriers. Similarly, the prohibitions against unjust and unreasonable discrimination contained in section 202 applies to connecting carriers. Perhaps most important, the Commission's authority to determine what are just and reasonable charges or classifications, regulations, or practices set forth in 205 is exactly the same with respect to connecting carriers as to other common carriers.

Thus, the only difference in the Commission's authority would be that, since the tariffs of connecting carriers do not have to be filed by the connecting carriers, the Commission does not have an opportunity to pass upon whether any tariff will go into effect when filed. Nevertheless, other perhaps than the power to suspend, the Commission still has exactly the same right, after notice and hearing, to prescribe the maximum, minimum, and just and reasonable rates, charges, classifications, regulations, and practices as it does for any other interstate services. It is clear that the powers contained in section 205 have been available and the very fact that the Commission has not needed to utilize the powers appears to be a strong indication that the exemption which Congress enacted for the benefit of the small carriers has not handicapped the Commission in carrying out its obligations.

Moreover, the fact is that the basic Bell tariffs, particularly those relating to the charges for toll telephone services, encompass the interstate services not only between points served by the Bell and associated Bell companies alone and between points served by Bell and the connecting or concurring independent companies, but between points served by independent connecting carriers. The interstate charges between every pair of points receiving telephone service in the United States appears to be encompassed in this tariff. It may be argued that Bell is not obligated to file a tariff which encompasses interstate services between connecting carriers not utilizing Bell facilities but it would appear that the tariff actually filed covers such services. Thus, from a realistic and practical standpoint, the instances in which a tariff for interstate or foreign services is not in fact on file are extremely isolated. It is difficult to see any justification for a burden being placed upon independent companies to file tariffs on their own behalf even if it is assumed that tariffs relating to these services are not filed under an obligation of the Bell company but merely as an accommodation.

Finally, even if it is assumed that some minuscule, but unknown, quantity of interstate service is being provided without in fact any tariff being lodged with the FCC, it has not resulted in any known abuse or harm to the public which could not easily be disposed of under the Commission's rate powers under section 205. If anyone has complained, and we do not know of any, the Commission has ample power to determine the justness of the complaint and correct any abuse which may have occurred. Certainly nothing has been submitted which would warrant the imposition of an additional burden being placed on the small telephone companies solely to obtain some theoretical complete-

ness of tariff filings. Surely the burden, if imposed on the small companies to file tariffs in every case where another carrier is not obligated to file such tariff, will be borne by the subscribers of the local exchange services of these companies. Without there being shown any need from the public standpoint of this rejection of Congress original intent 31 years ago, the burden should not be imposed.

To conclude, we believe there is no good reason for the bill. The public is adequately protected under existing law. Regulatory authority should not be expended solely for regulation's sake. We believe the bill should not be enacted.

I thank the committee for its courtesy in extending this opportunity to present our views.

Mr. BAKER. I would like, then, to merely summarize a few points with respect to it and comment on what already has been stated by both the Chairman of the Federal Communications Commission and Mr. Fullarton.

First of all, the basic thing which we have pointed out in our statement is that Congress in its wisdom when it passed the Communications Act defined or set up different kinds of regulation in relation to the total operations of individual companies.

It made a very, very complete regulation of common carriers that provided, themselves, interstate communication. This covered A.T. & T. and related companies and some, at the present time, approximately 40 of the larger independent companies.

It then specified that a portion of the common carriers who provided interstate services solely by connection would not have to be covered by all of the provisions of the act.

It defined what connecting carriers were, and it made them subject only to sections 201 through 205 of the act, thereby leaving them out from many of the multiple burdens of regulation at the Federal level, on the judgment, we assume, that as a small company it would have been a burden that was unnecessary to protect the public interest.

In addition, they made a further exemption from the provisions of 201 through 205 by allowing in section 203 that they did not have to file. That is, connecting carriers did not have to file their tariffs with the FCC.

In that same section they made a further burden on the major companies, requiring them to file tariffs covering not only the service they provided by themselves but the services they provided jointly with connecting and other carriers.

Senator PASTORE. Do you come under that?

Mr. BAKER. Yes.

Senator PASTORE. You answered me rather quickly. I mean you do come under that?

Mr. BAKER. Yes. We do come under that. The Commission has pointed out that because of the language here there appear to be some small instances in which neither carrier is obligated to file a tariff with the Commission. The Commission suggested that this is a gap in the law which should be corrected.

We suggest that it was a gap which was intended, and, more important, it has operated for 31 years without the Commission being able to point to any abuse under it.

The Congress when it adopted the act, in fact, decided not to place a greater burden on the carriers whose principal business was not interstate but is almost entirely intrastate exchange or local business. All of that is regulated by the State.

The little amount of interstate business that they do is regulated by the FCC. I would say 99 $\frac{94}{100}$ percent of this must be covered by tariffs already on file by other people. And the small amount that is left we do not believe is shown to be any handicap.

Senator PASTORE. In other words, when the larger carrier connects up with you and you go beyond the limits of your own State, your tariff becomes part of an obligation upon them to file with the FCC? Is that correct?

Mr. BAKER. They file it.

Senator PASTORE. Under the law they are obliged not only to state their own but to include you as well? Is that correct?

Mr. BAKER. That is correct.

Senator PASTORE. But in instances where, let's assume, they come in to your State and you get out of it before you go out of your State, in that particular instance, you are not obliged to file a tariff?

Mr. BAKER. In the small instances in which some portion of your service is provided by several connecting carriers and it does not involve the lines of A.T. & T. or one of the major independents, that tariff might not have to be filed.

Now, I wanted to say "might not have to be filed" because, as a matter of fact, we believe that in most instances it is, in fact, filed, even though the carriers are not obligated to.

Senator PASTORE. Now, what would be the harm in obliging you in that particular case? Where, in fact, your transmission lines are interstate, why shouldn't there be a filing?

Mr. BAKER. Well, if our lines are interstate, we are obligated. It is only where, because of a connection with someone else, both of us being connecting carriers—neither one of them goes across the State lines itself—that there can arise a situation where it is not obligated to file. These are an extremely minute situation.

Now, we have pointed out that these, first of all, are a small number of instances. Second, we believe that the actual requirement of every connecting carrier to not only file but to be sure that it has searched out every service which it participates in which no one else is obligated to file, and therefore file it, would be a burden.

We don't think that burden is justified, because abuses have not arisen. Most important, the Commission has authority to handle any abuse that arises. All of the provisions of sections 201 through 205 are there.

If any customer or any person who considers that it has been abused with respect to an interstate service brings the matter to the attention of the Commission, the Commission has exactly the same power as if the tariff were on file.

The only difference is that, the tariff not having been filed initially, they have not examined it initially and had the power to suspend it.

But under section 205 they have the power, after notice and hearing with respect to services provided that are not filed, exactly the same as they would if the tariff were on file—to examine what the just and reasonable rate would be and set it.

So what we have here is: Shall there be a burden on small carriers with small revenues to search out the instances in which they might be providing some service that nobody else provides a tariff for and file it with the burden—I mean the economic burden—solely for the

purpose of making sure that there is a piece of paper on file at the Commission which they can in advance look at?

Because, in the ultimate, if anybody has been discriminated against, if anybody has had a rate which is not reasonable, all they have to do is bring it to the Commission's attention and the Commission acts just as before.

Senator PASTORE. Now, on that very point, of course, you were a former associate of the FCC in a very important capacity. Let me ask you this question: Do you think that the obligation or the responsibility of any Federal agency is to wait for a complaint to be made before they promote the public interest?

Mr. BAKER. No, I do not. What I am really saying is that before Congress should impose an economic burden on any small entity of industry they ought to have some reason to believe that something is there that is contrary to the public interest that needs correction.

We say that for 31 years there has apparently been nothing which needed correction here.

To place a burden on these carriers——

Senator PASTORE. How do we know that? They don't have the tariffs on file to make a study to find out what the rates are all over the country.

They have the right to regulate, but they have no basis upon which to decide at this moment whether or not the rates are high or low or whether they compare well all over the country.

That is what they are driving at. Am I right, Mr. Henry?

Mr. HENRY. Yes, sir.

Senator PASTORE. They have a responsibility under the law to promote the public interest and to see that on a nationwide basis these rates are in line with one another.

There may be reasons why in some instances they ought to be higher or lower. But how do they know that unless there is a filing of a tariff?

Must they wait until a complaint is made?

Mr. BAKER. What I am saying is that if in a particular instance there is something wrong, they are going to know it regardless of whether tariffs are being filed. Someone is going to bring a complaint.

If what we are talking about is finding general levels of rates, they have the same power of investigating generally that they have with respect to anything else.

As I said, I wanted to make one point. That is, the particular language which is proposed here proposes to take the exemption which is now an absolute one on a connecting carrier and change it to one in which an obligation arises if no other carrier is obligated to file a schedule.

Now, at the present time many, if not all, of the kinds of instances which we are talking about here are, in fact, contained in the tariffs filed by the A.T. & T. We think that A.T. & T.'s tariff application is broader than they are obligated to file.

In other words, if you look at the total telephone service in this country, most of the illustrations that have been given as not being required to be filed by a connecting carrier or anyone else are, in fact,

rates which are in the tariffs filed by A.T. & T. for connecting and concurring carriers.

Between any two points in this country if you want to get toll telephone service and it's interstate, a charge is applied, and that charge is the one which is in the tariff.

If this law were changed at the present, then, irrespective of whether or not A.T. & T. had filed, as a matter of accommodation, rates which it was not obligated to do, you as a connecting carrier would be obligated to search that out and yourself file a tariff for that.

Along with Mr. Fullarton we suggest that if there is any need to close the gap, it should not be in removing any connecting carrier's exemption but should be in enlarging A.T. & T.'s obligation.

Senator PASTORE. All right, Mr. Henry, what do you have to say?

Mr. HENRY. Well, Mr. Chairman, I think you have appropriately stated the basic aim of the FCC in suggesting this legislation—that is, that we should not be required to sit back and wait until we have a complaint.

I for one would not want to be in the position, if you received a complaint from a constituent alleging a discriminatory practice, of having to answer you that we had no requirement to know what these were and therefore had no responsibility to find out what they were on our own and had not come to you seeking that legislation.

Second, if my understanding is correct—and I understand it is from what Mr. Baker says—that these smaller connecting carriers do file tariffs for these rates with the States on a voluntary basis, then certainly it would be very little if any extra burden to file such rates with us.

And, third, I think that we have to have someone responsible for filing the tariff. And it should be the person that is legally responsible or that we may hold legally responsible for making the rate.

In other words, the fact that A.T. & T. or some other carrier may file a tariff now—it is done on a voluntary basis. If we find a problem, they have no legal responsibility to correct that problem.

Often, if the A.T. & T. tariff does cover the situation, it doesn't say so on the face of the tariff. Therefore, we are not sure as to what it covers.

So, in general, we think it is just a much more healthy statutory scheme to require these connecting carriers to file their rates.

Senator PASTORE. A telephone communication comes from the Dulles Airport to Washington, does that come under an independent carrier?

Mr. HENRY. I think "partially" is the answer.

Senator PASTORE. Partially?

Mr. HENRY. Yes, sir.

Senator PASTORE. Do they have to file?

Mr. HENRY. Well, the question is: Are they legally—

Mr. LESHNER. This is one that A.T. & T. is legally responsible for, because it is a joint service.

Mr. HENRY. It is a joint service.

I suppose if A.T. & T. were not involved they wouldn't have to file.

Senator PASTORE. I think from a practical point of view you make sense to me. On the other hand, there is a tremendous amount of

sense being made on the other side. After all, this exemption has existed for 31 years, and while there may be arguments one way or the other, so far these arguments have been academic, because, as Mr. Baker has already pointed out, and also his colleague on the other side of the table has pointed out, there is a vast network of these small companies that runs into the hundreds, and so far the Commission has not been able yet to point out one case of abuse.

The question arises: Why do we want to burden these people at this time if they have been carrying on for 31 years in a very honorable way and in the public interest?

It strikes me that if there had been any abuses at all in the past they certainly would have come to your attention. And you come here and say there is a gap in the law, but you don't say that, "We have been overwhelmed by complaints in this respect that requires us now to move in this area."

Now, you have heard my statement. Can you answer me on that?

Mr. HENRY. Well, I don't think we have been overwhelmed by complaints. I was just reading Commissioner Hyde's testimony on this bill in the House last year in which he indicated that we had had some complaints, and I would be glad to get those for you.

But I don't think we can measure the appropriateness of this bill with the number of complaints.

I would assume that the Commissioners would not hear of these, because they could be adequately handled—

Senator PASTORE. No; but Mr. Baker makes the argument that there was a reason for this exemption in the beginning. It was the smallness of these companies, so we didn't subject them to this burden, which ultimately would have to be passed on to the consumer. Every time you require a company to get into paperwork, whether it is necessary or not necessary, it costs money.

Now, the question is: When it is necessary, even though it costs money, it should be done. On the other hand, if it is not necessary, why should it cost them money? Because they have got to pass it on anyway.

And their argument is they are regulated on a local level anyway.

Now, you do get supervision. Their argument is that the States do look them over.

Mr. HENRY. They don't examine the revenues that are earned from interstate services though. The States do not.

Senator PASTORE. But they do require the filing of tariffs.

Mr. HENRY. Well, they don't require the filing of tariffs, as I understand it, to cover these interstate services. And, as a matter of fact—

Senator PASTORE. But where they are interstate, they have to file with the big carrier. I thought we went through this. Where they are connected in interstate, the large carrier has to include them in their filing, and you have it on record.

Mr. HENRY. Only for a service that the large carrier participates in. We are talking about services which are furnished between connecting carriers only.

Senator PASTORE. Interstate or intrastate?

Mr. HENRY. Interstate, between connecting carriers only, not involving the large carriers.

I do think the burden is on these people to show whether they, in fact, have an economic burden. I am sure paperwork——

Senator PASTORE. I am going to get into that. You have heard that question, Mr. Baker. How much of a burden is that really?

Mr. HENRY. And already don't they have the burden by filing with the States?

Senator PASTORE. All right. Mr. Baker, how much of a burden is it really?

Mr. BAKER. Well, I think it would be a burden in this sense: that the way the law is being proposed, they are not obligated to file any tariff which anybody else is obligated to file. Therefore, what they must do is go through all of the service that is provided potentially by them with some 17,000 points in the United States and determine whether any other carrier is obligated to file a tariff with respect to every one of those pairs of points.

Once they have found that out, that no one is obligated to file it, then they must go through the paperwork of finding what the rules and regulations of the particular tariffs up here require and filing a particular piece of paper.

Now, I cannot say that this is something which in a particular instance is going to cost \$200 or is going to cost \$5,000, but it is going to take both time of someone searching it and money to file the papers.

Senator PASTORE. Aren't you doing that in the individual States anyway?

Mr. BAKER. No. First of all, within the State——

Senator PASTORE. I am talking about these connecting lines that we are talking about.

Mr. BAKER. Well, no. What happens is that you have a tariff filed by A.T. & T. which sets forth schedules of rates for all carriers that are covered by it between points within the United States. They don't list the 17,000 exchanges.

What you have in here is you have VH coordinates for every point in the United States. Those can be translated into mileage. And there is a schedule of charges for those mileages.

Whenever a telephone call is placed, it is translated by the particular toll operator or toll exchange that originates the service into how much is charged. And that is charged under the rate schedule as long as it is interstate.

If it is intrastate, then they have a different rate schedule which is on file in the State for the intrastate.

Therefore, a connecting carrier has nothing to do but to make the charges as they are now set forth in the tariff if they originate the call. Of if they don't originate the call, they eventually get a settlement for some portion of that rate—I mean that charge—which comes in to them.

They have to make one set of filings for the services they provide alone or concur with local carriers in a State in a general filing. And most of them do concur under State law with the A.T. & T. I mean the Bell Co.'s intrastate tariff.

Senator PASTORE. I would hope—not today—that someone would furnish for the record the man-hours and the dollars that might be involved if this tariff had to be filed on the part of these connecting services. I would hope that we could put that in the record.

Mr. BAKER. Mr. Chairman, I considered before I came down here how I would answer this question of how many man-hours it was, and I considered that it would cost our association, just to have me find out that question, far more than they now pay me per year. Because I would have to take it for every one of the members and go through the same process to do this.

This is why we have not come down to say what the total cost would be, because we think finding out what the cost would be on our part is going to cost a lot of money.

We suggest before the statute is changed there should be shown to be a substantial reason for it first.

Senator PASTORE. In other words, even answering my question you say would involve quite a bit of money?

Mr. BAKER. It certainly would if I have to answer it.

Senator PASTORE. Well, I don't know how much you make, and I don't want to know that. But tell me how much it would cost in your judgment.

Mr. BAKER. Well, I estimated before I started down here that if I were to obtain the information to answer this question it would cost me in legal fees at least \$10,000.

Senator PASTORE. What about the association?

Mr. BAKER. Well, I would expect the association to pay those fees. And I don't know how much would be absorbed by work of individuals answering my questionnaires and trying to analyze who files for every particular rate that they participate in.

Senator PASTORE. Are you in a position to answer that question for me, sir? [Addressing Mr. Fullarton.]

Mr. FULLARTON. No, sir. I am afraid I will have to generally agree with Mr. Baker. However, I am on salary, and thus my time is directed—

Senator PASTORE. I don't know what you people make, and that's none of my business. That has no part in this hearing. All I am trying to find out here is the question of how large a burden it would be to meet this requirement.

That is a very simple question. I think it is a logical question for me to ask, and I think we are entitled to an answer. After all, you people don't want this law passed for the reasons that you have given, and you are developing your reasons here, and you are only talking to one member of this subcommittee, as must be quite apparent to you here, and this has to be pursued further with the whole committee and with the Members of the Senate and the Members of the Congress.

I am here to develop this record, and I think one of the important points that has been made here is the burden that is involved. I would like to know in the record what is the burden. I think I have a perfect right to ask that.

Now, I realize, of course, \$10,000 is a lot of money. But, we are not talking to the corner grocery man. We are talking to telephone companies. Gentlemen, let's not kid one another.

Will you please furnish for the record what this will cost in man-hours and in dollars.

Mr. FULLARTON. Mr. Chairman, would you accept examples of the cost rather than a broad survey of a member system?

Senator PASTORE. Yes. That's right.

Mr. FULLARTON. We would attempt to provide that.

Senator PASTORE. That's right. In other words, to what burden would you be placed in the event that this did become the law?

Now, after all, a very important agency of the Government is asking for this amendment, and they give their reasons. You come here, and you have resisted this law on the grounds that it would burden you in man-hours and expense. And I think in order to better dramatize your part of the argument, you ought to give us the facts. That's all I am asking for.

Mr. FULLARTON. Mr. Chairman, one further request. In view of the detailed nature of the study, how long would the record be open to submit this?

Senator PASTORE. About how much time do you want?

Mr. FULLARTON. I don't know.

Senator PASTORE. Do you want 2 weeks?

Mr. FULLARTON. At a very, very minimum.

Senator PASTORE. Do you want a month?

Mr. FULLARTON. At least a month.

Senator PASTORE. You have a month.

SUPPLEMENTAL INFORMATION: COST IN MAN-HOURS AND DOLLARS

UNITED STATES INDEPENDENT TELEPHONE ASSOCIATION,
Washington, D.C., July 23, 1965.

HON. JOHN O. PASTORE,

Chairman, Subcommittee on Communications, Commerce Committee,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: During committee hearings of June 23, 1965, on S. 1284, a bill to amend section 203(a) of the Communications Act with respect to the filing of schedules of charges by connecting carriers, you requested additional data from those who opposed the proposal. You asked for information on the burden which the FCC-sponsored legislation would place on independent telephone companies. You indicated that in our reply we could use a sample of the industry on which to base our estimates. This letter is intended to supplement USITA's statement and testimony given before the committee.

There were 2,471 independent telephone companies in the United States as of March 31, 1965. Of that number only 54 were "fully subject" companies and filed interstate tariffs with the FCC. As pointed out in my testimony the remaining companies, all of which are "connecting carriers," rely upon the toll schedules in the Bell System tariffs since "the interstate charges between every pair of points receiving telephone service in the United States appear to be encompassed in this tariff."

Local tariffs are filed by all major independent companies. However, not all telephone companies are "major." Of the 2,471 total companies, 1,283 had less than 1,000 telephones. These smaller companies are one- and two-men companies relatively inexperienced in the filing even of local tariffs. Many are cooperatives and mutual telephone companies, where the subscribers are in fact the owners of the telephone company, and are not subject to State regulation and have no local tariffs. We do not know the number of these but we can assume it will exceed the number of borrower cooperatives from the REA which is 224. In Texas where there are 136 companies only those that serve the major towns are regulated and have tariffs.

It is obvious that for most independent companies both large and small, and particularly the small, the filing of an interstate tariff will be a new and undoubtedly expensive proposition. To obtain a basis for estimating the extent of this burden USITA sought information from a number of State telephone associations. In the time permitted we have been able to obtain information from eight rather widely separated States which provide a basis for estimating overall volumes.

The survey shows 48 non-Bell, cross-boundary exchanges in these eight States. These are telephone exchanges which serve local subscribers in two or more States. This would indicate that there would be approximately 275 non-Bell,

cross-boundary exchanges in the United States. In addition, the survey showed 17 instances where two non-Bell companies interconnected toll lines at State boundaries. By mathematical expansion this would indicate about 105 similar instances in the entire country exist.

The interstate toll tariffs of the American Telephone & Telegraph Co. contain the schedule of rates applicable for all message toll service. However, since A.T. & T. Co., is not obligated to file connecting carrier services where A.T. & T. Co. facilities are not used the proposed legislation would require independent carriers to file tariffs for a portion of the 380 (275 plus 105 from the preceding paragraph). The portion would be those companies operating toll messages which do not use any Bell company facilities. Without a detailed examination of the specific traffic routes for all these companies and their connecting carriers we cannot state what portion, in fact, would be required to file.

Furthermore, a very substantial number of independent telephone companies provide local loops to radio and television stations. The annual report of the FCC shows over 6,000 radio and television broadcast stations on the air in the United States. While associated Bell companies provide service to the majority, the independents since they operate over one-half the geographical service area of this country must provide service to a considerable number. Nevertheless, even the most conservative estimate would indicate that one-sixth of these are served by non-Bell telephone exchanges. In most instances Bell rates are charged. However, since A.T. & T. Co. is not obligated to encompass these local loop charges in its tariffs unless it participated in providing this service, these independent companies would either have to file interstate tariffs of their own with the FCC or have A.T. & T. Co. provide the service through leasing facilities of the local company. There would be the likelihood that the smaller independent telephone companies would turn the business over to the A.T. & T. Co. to avoid the cost of interstate filings.

The estimate of costs of an FCC filing vary widely but most estimate a minimum of \$1,000 for filing a complete tariff. This does not include the expense of submitting engineering or cost justifications or of any revisions. Some of the estimates, particularly of companies having small operations, indicate far larger expenses due to the necessity of utilizing outside experts.

Thus, the proposed bill, S. 1284, as written would cause a substantial as well as unnecessary burden on many smaller telephone companies. It is appreciated that you have been willing to keep the record open pending the submission of this additional data.

Sincerely yours,

WARREN E. BAKER,

Counsel, U.S. Independent Telephone Association.

STUDY OF THE NATIONAL TELEPHONE COOPERATIVE ASSOCIATION IN OPPOSITION TO S. 1284

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,

Washington, D.C., July 22, 1965.

Hon. JOHN O. PASTORE,
*Chairman, Subcommittee on Communications,
Commerce Committee, U.S. Senate,
Washington, D.C.*

DEAR SENATOR: At your subcommittee hearings held on June 23, 1965, relating to S. 1284, a bill to amend section 203(a) of the Communications Act with respect to the filing of schedules of charges by connecting carriers, you directed us to furnish certain data or cost studies which would indicate the extent of the burden that would be imposed on our cooperative telephone systems if the proposed amendment were to become law.

Enclosed herein you will find 27 studies from our member systems indicating that the costs of filing a tariff with the FCC would range between \$500 and \$7,000. Our intention is to provide you with a larger universe of such studies; however, within the confines of the 30-day period suggested for the purpose of providing the studies, we find that this is now impossible. We, therefore, request an additional 30 days' time to submit for purposes of the record, additional studies which are still in the process of being completed. The requests to our members for such studies were made on our better organized systems that would most likely have, or will have at some future period, interstate services that would fall within the purview of the amendment.

The letters enclosed will readily reveal the varied makeup of these telephone systems. It is difficult to describe the typical cooperative telephone system. You will find that they vary in size (with a few exceptions) from approximately 185 to 6,500 subscriber stations and serve on the average less than 3 subscribers per mile. They employ from 2 to 28 persons with the overall average being about 10. Some cooperatives operate joint electric power and telephone systems. In these cases, they generally consider themselves electric power systems and, although they also furnish telephone service, these latter operations are a secondary-type business. Approximately two-thirds of rural telephone cooperatives have some form of rate information on file with State commissions; however, in most cases these submissions are an advisory or informational gesture since many State commissions do not exercise jurisdiction over their services and rates. The rates of a cooperative are determined by the individual system's board of directors on the recommendations of REA. Subscribers exercise an indirect control over these rates by virtue of their power to elect from among themselves the telephone system board of directors.

In relation to S. 1284, our members are opposed to filing tariffs with the FCC because they feel the creation of such an obligation is not in the public interest for the following reasons:

1. Many systems could not and would not want to render interstate service that would enmesh them in costly tariff and regulatory problems (note the experience related by the Panhandle Telephone Cooperative, Inc., at Guymon, Okla.; this cooperative serves subscribers in five States via subscriber lines). The rural areas would suffer if cooperatives were not free to furnish requested services wherever needed—services which could not be obtained otherwise. The difficulty with the proposed amendment is that service to a single subscriber would most often occasion the necessity for the interstate tariff filing.

2. The minutes of subscriber usage on telephone systems generally follow a similar pattern which is approximately:

	<i>Percent</i>
Exchange usage.....	92
Intrastate toll usage.....	6
Interstate toll usage.....	2

If many State commissions in their task of protecting subscriber interests see no need for tariffs from cooperatives for the greater exchange and intrastate toll usage, it is not realistic that the FCC would have any need for a tariff on the small portion of the remaining 2 percent of the interstate service that cooperatives happen to be engaging in without participation by Bell companies or other fully subject companies.

3. The FCC argues a general regulatory need for the formulation of tariffs in order to protect the public, and we quote their language to this effect:

"Rate regulation envisions the publishing of rates through filed tariffs so that the public may be informed of the rate to be charged."

However, the FCC has full knowledge of the fact that the vast majority of cooperatives and independent telephone companies are not now furnished copies of the various A.T. & T. tariffs under which interstate services rendered in conjunction with Bell are furnished. Therefore, the customers of connecting carriers which do not operate toll centers (and relatively few operate toll centers) do not now have opportunity to inspect the tariffs under which their present interstate service is rendered. If there were a genuine need for tariffs, the FCC would not permit the present violation of this very same section 203(a) of the Communications Act: "* * * and such common carrier shall furnish such schedules to each of its connecting carriers, and such connecting carriers shall keep such schedules open for inspection in such public places as the Commission may require."

4. The experience of the FCC reveals no rate problems with cooperative telephone systems that would be corrected by removing the present exemption from tariff filings contained in section 203(a). Moreover, we feel sure that the FCC will produce no interstate regulatory problem of any kind arising out of the operations of telephone cooperatives. The rates of our member cooperatives, all of whom are REA borrowers, are reviewed and approved by REA and the subscribers themselves through the boards of directors. The public interest does not dictate that further formal and costly filings, made pursuant to rules and regulations which tend to grow and expand, be enacted into law. We can assure this subcommittee that individual cooperatives would be most willing to

justify any of their rates and practices in the informal expression of their managers or boards of directors upon any request by the FCC.

We appreciate the opportunity you have given us to be heard in behalf of more than 225 cooperative telephone systems which are doing their upmost to insure that this Nation continues to enjoy the best communications system in the world at reasonable rates and charges.

Most sincerely,

DAVID C. FULLARTON,
Executive Manager.

HALSTAD TELEPHONE CO.,
Halstad, Minn., July 8, 1965.

Subject: Senate bill S. 1284.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C.

GENTLEMEN: We understand that this bill is a proposed amendment of section 203(a) of the Communications Act of 1934; and that this amendment would require small cooperative and commercial telephone systems to file tariffs with the FCC for all their interstate service subject to FCC jurisdiction when such service is provided solely over facilities owned by these connecting carriers.

Our company objects to this amendment because it will require the costly preparation of such a tariff for a very small amount of interstate service. The geographic nature of the area served by our company is such that four of our central offices are within 3 miles of the North Dakota boundary. It therefore developed that our company was able to provide telephone service to farmers located in North Dakota who otherwise would not have been able to get telephone service from North Dakota companies until a much later date. The North Dakota Public Service Commission was very appreciative of the fact that our company was willing and able to provide service to these scattered farms. Our company has obtained all the required authorizations from the North Dakota Public Service Commission who accepted our schedule of rates as approved by the Minnesota Railroad & Warehouse Commission.

At the present time, our company is serving approximately 67 farms and 15 mobile customers who are located in North Dakota. In 1964 our gross receipts from North Dakota customers were \$9,257. Our company doesn't have any toll lines. We are completely dependent on the Bell Telephone System for toll connections.

Our company is a small cooperative corporation serving approximately 1,175 customers. It has an average of 2.9 main stations per route mile. The company has five full-time employees—three plant men, one office lady, the manager. This small staff is inexperienced in filing tariffs. It would be necessary to hire the assistance of an attorney, an accountant, and a consulting engineer to prepare an acceptable tariff for FCC as proposed.

The cost of preparing such a tariff is estimated as follows:

(1) Attorney costs for legal assistance in studying part 61 of the FCC's rules and regulations on tariff filings plus the drafting of regulations concerning obligations, liabilities, use, and abuse under which which we would provide service. Estimate, 20 hours, at \$25-----	\$500
(2) Engineering assistance to establish cost studies for determining revenue requirements associated with the particular interstate service. Estimate, 40 hours, at \$9-----	360
(3) Manager's salary for time involved in research, preparation and publishing the tariff-----	400
(4) Secretarial salary-----	100
(5) Printing costs-----	40
Total estimated cost-----	1,400

This cost is excessive for the small amount of revenue involved in our interstate operations. It would be an unreasonable burden for our small company.

It is hereby requested that due consideration be given to the problems of telephone cooperatives which in most cases are serving low-density rural areas which would not have been served as extensively by larger privately owned companies. It is further requested that the cooperatives continue to have the

specific exemption from tariff filing provided to connecting carriers in the present wording of section 203(a).

Sincerely yours,

CARROLL G. SNUSTAD, *Manager.*

DAKOTA CO-OPERATIVE TELEPHONE CO., INC.,
Irene, S. Dak., July 16, 1965.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Care of Robert J. Leigh, Staff Council,
Director of Industry Relations,
Washington, D.C.

DEAR MR. LEIGH: This letter is in regard to Senate bill S. 1284, which would amend section 203(a) of the Communications Act, which would require cooperative's such as ours to file a tariff with the FCC for all interstate service subject to FCC jurisdiction.

The costs involved in preparing and filing such a tariff are estimated as follows:

1. Legal assistance: It is our opinion that at least 4 days legal time would be spent in reviewing the FCC's rules and regulations on tariff filings, plus the drafting of the necessary papers and forms. This cost to the cooperative would be \$200.

2. Engineering and rate-fixing assistance to establish a feasible and non-discriminatory rate structure: In reviewing this matter with our consulting engineer, it is our opinion that at least 4 to 5 weeks would be involved to determine a feasible rate structure. In this case, the estimated expense involved would be \$2,500.

3. Miscellaneous items, such as telephone calls, printing costs, management, and management staff hours would be an additional 80 hours of labor, with a total cost involved of \$475.

4. It is our estimation that to file a tariff such as would be required by the FCC, a total cost of \$3,175 would be required.

At the present time, we do not derive any of our revenues from interstate services; however, as telephony changes, the future could demand that we participate in interstate services. At present, we serve 3,965 subscribers at a density of 2.4 per mile. We employ 19 employees as of this date. Our gross revenues for the year 1964 were \$304,000, with net margins close to \$13,000.

It is the feeling of our cooperative that the present wording of section 203(a) will eliminate an unreasonable burden of filing a Federal tariff.

Sincerely yours,

ROBERT A. MCARTON, *Manager.*

E. N. M. R. TELEPHONE COOPERATIVE,
Clovis, N. Mex., July 8, 1965.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C.

GENTLEMEN: The enactment of Senate bill No. 1284, a bill to amend section 203(a) of the Communications Act of 1934 with respect to the filing of schedules of charges by connecting carriers, would be extremely burdensome on this cooperative. While we have had no experience in filing tariffs with the FCC, we estimate that our cost for the initial filing would be as follows:

1. Legal services.....	\$3, 000
2. Engineering assistance.....	1, 500
3. Rate-fixing assistance.....	1, 500
4. Office expense.....	1, 000
Total.....	7, 000

We presume that additional expense would be incurred in keeping our tariffs current, after the initial filings had been made.

This cooperative has, since its inception, had an operating deficit every year. In 1964 total income from all sources was \$112,540. Expenses amounted to \$112,679.05, leaving an operating deficit of \$138.94. During 1964 we served approximately 695 stations over 1,036 pole line-miles of plant. Our density was

0.67 subscriber per mile of line. We employed four outside servicemen, which is all or more than we can afford. Our rates for multiparty telephone service are already high, and additional expense in relation to FCC filing would add additional expense which the subscriber would have to bear.

We strongly urge that cooperatives continue to have the exemption from tariff filing provided to connecting carriers in the present wording of section 203(a). Or barring this, that the burden of filing all tariffs with the FCC be placed on the fully subject companies.

Very truly yours,

JAMES L. BARROWS, *Manager.*

SOUTHEASTERN INDIANA RURAL TELEPHONE CO-OP., INC.,

Dillsboro, Ind., July 13, 1965.

Subject: Senate bill, S. 1284.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C.

GENTLEMEN: We object to the subject bill because of the unnecessary and discriminatory costs.

Our density is only 3.8 subscribers per mile. We employ six people and cannot support the added financial burden imposed by S. 1284.

We believe that compliance with the subject bill would cost us—

Legal fees.....	\$480
Engineering fees.....	360
Accounting and rate.....	320
Employee hours.....	168
Printing, miscellaneous.....	216
Total.....	1,544

Since we have no direct connections crossing State lines, we believe an interstate tariff to be completely unnecessary as well as a burden on our company.

Respectfully yours,

ROBERT G. ELDER, *Manager.*

GRAND RIVER MUTUAL TELEPHONE CORP.,

Princeton, Mo., July 8, 1965.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C.

GENTLEMEN: With reference to Senate bill 1284:

Under this proposed legislation our company apparently would be required to file with the FCC a tariff covering interstate service not of a local exchange type.

FCC claimed jurisdiction over our company when it was organized because some of our exchanges had customers in both Iowa and Missouri and Iowa had no regulatory commission. Less than 10 years earlier FCC had released the predecessor company operating these same exchanges when they had discontinued interstate toll transportation. Although the claim of jurisdiction over our company was considered far fetched, we submitted without protest.

It took us nearly 2 years to develop and file tariffs with the Missouri Public Service Commission. FCC was kind enough not to require a second printing for filing with them. They accepted a copy of our Missouri tariff.

This tariff is prepared in four sections with section IV covering toll or non-local services. It contains very little. We owned no toll line facilities at that time and did not believe our members had need for much other than straight toll teletype, private line, and the like. Owning no interexchange facilities for these purposes we merely filed a concurrence with Northwestern and Southwestern Bell Telephone Co.s' filings.

Now, 10 years later, the thought of preparing a tariff to cover these facilities is horrifying. The services offered have increased and continue to do so at a rapid pace.

We would need an engineer, a specialist in this field, to provide information on all of these services and provide estimates of the cost of providing the facilities so that proper rates could be established. Such an engineer does not work cheaply. I cannot see how we could get off for less than \$1,000.

If it takes the engineer 10 days to prepare basic information, it would require a month for me, or someone else equally familiar with tariff writing, to determine the rates and draft the tariff. A minimum of another \$1,000.

The draft should then be studied by an attorney to see that all legal requirements are satisfied. Not too expensive. Probably \$200.

I can conceive of a tariff section equivalent in size to our present complete tariff. It took a typist, working full time at it alone, over 2 months to type our present tariff. Under our pay scale and including payroll taxes, etc., this 346.66 hours at \$1.75 would amount to \$506.65.

Reproduction by Gestefax and Gestetner of 50 copies of 100 different pages would run about \$30 for material and about \$75 for labor.

Costing some \$2,500 to \$3,000, this tariff would be an expensive and unnecessary luxury. Bell system toll lines come into our offices except for six. From these six offices we own the toll facilities for a short distance, meeting Bell facilities within the State. We serve no radio or television stations, having on rare occasions a request for a local loop for a pickup for a foreign station. The interexchange facilities are then provided either wholly by Bell or jointly by Bell and Grand River. We operate a dial radiotelephone system at Princeton. All customers, now and in the past, have been landline users at Princeton.

Our report to FCC covering the year 1964 indicates no revenues of a toll nature other than message tolls. These calls all went over facilities provided either in whole by Bell companies or jointly by them and Grand River.

We serve a sparsely settled area, with 3.9 users per mile of line. Our operating revenues are only 14.47 cents for each dollar invested in plant. So you can see we must watch our expenses.

We trust the association will exert every effort to maintain our exemption from filing such a tariff.

Yours very truly,

C. W. CHASTAIN, *General Manager.*

FOOTHILLS RURAL TELEPHONE COOPERATIVE CORP., INC.,
Staffordsville, Ky., July 16, 1965.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Care of Robert J. Leigh,
Staff Counsel, Washington, D.C.

DEAR SIR: We would like to state the position of this cooperative regarding passage of Senate bill S. 1284—a bill to amend section 203(a) of the Communications Act of 1934.

This legislation is opposed because of the cost of preparing and maintaining a tariff on file with the FCC.

The amounts we would have to pay for services we cannot provide with our own personnel is as follows:

Legal advice and interpretation of FCC rules.....	\$500
Engineering assistance to determine necessary revenue.....	750
Rate structure and feasibility.....	400
Other miscellaneous items including printing, employee time, etc.....	625

This cooperative is serving approximately 3,300 subscribers with a density of 4 per mile. We employ 14 persons to operate this telephone system. None of our employees are experienced in filing tariff with State commissions. Due to the small size of our organization, such a tariff filing as is proposed would impose an unreasonable burden upon it.

It is suggested that all cooperatives continue to be exempt from tariff filing with FCC.

Very truly yours,

DUELL WILLIAMS, *Manager.*

HAMILTON COUNTY TELEPHONE CO-OP,
Dahlgren, Ill., July 16, 1965.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C.

GENTLEMEN: We are very much opposed to Senate bill S. 1284—a bill to amend section 203(a) of the Communications Act of 1934 with respect to the filing of schedules of charges by connecting carriers.

This bill would cost us a considerable amount of extra expenses that would have to be passed on to our subscribers. Thus making a situation of lesser telephone service at a higher cost, as we are incorporated as a not-for-profit organization.

The following is our estimated charges for filing with the FCC:

Engineering, at \$1 per subscriber-----	\$1, 474
Attorney fees, 80 hours, at \$20 per hour-----	1, 600
Travel and miscellaneous expense-----	800
Rate expert-----	700
Office help, telephone calls, etc-----	500
 Total-----	 5, 074

The above figures take into consideration that we employ six full-time employees of which none have any experience in filing tariffs. In the State of Illinois the cooperatives are not under jurisdiction of the Illinois Commerce Commission.

We have 1,474 subscribers now and our average per mile of line is 2.2 subscribers per mile. The rates at the present time are high without adding more cost to the membership. Our service area is strictly a rural area located in what has been designated as a low income or depressed area by the Federal Government.

Sincerely,

HAROLD L. FAIRBANKS, *Manager.*

CHARITON VALLEY TELEPHONE CORP.,
Bucklin, Mo., July 16, 1965.

MR. DAVID C. FULLARTON,
*Executive Manager, National Telephone Cooperative Association,
Washington, D.C.*

DEAR DAVE: This is in regard to your letters of June 24 and July 14, 1965, and to Robert Leigh's letter of July 2, 1965. This letter also refers to Senate bill S. 1284, which proposes to amend section 203(a) of the Communications Act of 1934.

This bill would be, in my opinion, very detrimental to the REA telephone program and especially to the cooperative segment of the industry. Most of the cooperatives are small in size and have very limited revenues with which to operate. The requirement of this bill for them to file a tariff with FCC would place a financial burden on them which, I believe, would be completely unnecessary. Personally, I see no reason why the present exemption in the Communications Act should not be continued for those companies who qualify as a connecting or a concurring carrier. Most of these companies, as you know, are extremely small by industry standards and the financial costs of this type of a tariff filing would place a hardship on them which, would of necessity, have to be passed on to their subscribers. These subscribers, in most cases, are rural and are already paying higher taxes and other costs for their telephone services than their city counterpart. This is largely because of the low density in rural areas.

This company is rather small by industry standards and yet is one of the larger cooperatives. If we were required to file such a tariff with FCC it would cost us between \$5,000 and \$6,000 for the initial filing.

I enclosed a summary of estimated costs for the FCC tariff filing. I would like to point out that some of these figures are somewhat arbitrary, but in my opinion would be minimum costs.

Chariton Valley's interstate revenue for the first half of 1965 (6 months) amounted to \$28,429.37. These revenues are from toll only. It seems to me completely unreasonable to require us to file a tariff which would cost us approximately one-fifth of these revenues. This company serves 5,800 subscribers over 2,000 miles of lines, which gives a density of 2.9 subscribers per mile, which does not compare very favorably with the Bell system density of approximately 40 subscribers per mile. We employ a total of 28 full-time personnel.

Regarding the cost summary, we can furnish more detailed figures later on if necessary. If any additional information is needed, please let me know.

Sincerely yours,

T. L. SELMON, *General Manager.*

Estimated costs for FCC tariff filing

Engineering, 240 hours, at \$5 per hour-----	\$1,200.00
Accounting, 160 hours at 5 per hour-----	800.00
Legal, 100 hours at \$9.50 per hour-----	950.00
Rate specialist services, 100 hours at \$5 per hour-----	500.00
Management research-----	800.00
Duplicating costs, 170 pages at \$0.10 each-----	17.00
Typing costs, labor 320 hours at \$1.50 per hour-----	480.00
Total-----	4,747.00
20 percent overhead-----	949.40
Total-----	5,696.40

GARRETSON COOPERATIVE TELEPHONE ASSOCIATION,
Garretson, S. Dak., July 19, 1965.

Subject: Senate bill S. 1284.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C.

GENTLEMEN: It is our understanding that the proposed amendment of this bill would in effect require each telephone company to file tariffs with the FCC for certain interstate services.

Our cooperative presently serves 1,163 subscribers in the southeast corner of South Dakota and a small portion of Minnesota. At present, 72 of the 1,163 subscribers are in Minnesota and are all farmers. This area in Minnesota has been served out of the Garretson exchange ever since telephone service was started in this part of the country. Their rates are the same as the South Dakota subscribers and have been approved by the commissions of both States.

Our revenue from these subscribers was \$4,316.65 last year.

Our cooperative presently has five employees and relies on consulting firms for legal and engineering assistance. These services would have to be hired to prepare a tariff which would be acceptable to the FCC.

The following is an estimated cost:

1. Legal assistance in studying part 61 of FCC's rules and regulations on tariff filings plus the drafting of regulations under which service would be provided-----	\$500
2. Engineering assistance to provide a cost study for determining revenue requirements necessary for such interstate service-----	500
3. Manager's salary for coordinating research and preparation of tariff--	300
4. Other costs-----	200

Total estimated cost----- 1,500

It is our opinion that this cost is an excessive and unnecessary expense in view of the small amount of revenue derived from interstate service.

We, therefore, request that the present tariff filing exemption contained in section 203(a) of the Communications Act, be left unchanged.

Very truly yours,

R. M. SCHREURS,
Manager, Garretson Cooperative Telephone Association.

EGYPTIAN TELEPHONE COOPERATIVE ASSOCIATION,
Steeleville, Ill., July 16, 1965.

Subject: Reference to Senate bill S. 1284—to amend section 203(a) of Communications Act of 1934.

ROBERT J. LEIGH,
Staff Counsel and Director of Industry Relations,
National Telephone Cooperative Association,
Washington, D.C.

DEAR MR. LEIGH: We are a cooperative serving 1,510 subscribers and have approximately 596 route miles of plant. Our average number of subscribers per mile being 2.5. We furnish dial service to rural people in five counties in

southern Illinois. Full-time employees of this cooperative is six, and our operating ratio is very high, leaving a small margin to be returned to our members as capital credit. We have in the past operated at a slight loss for several years. This cooperative is not required to file a tariff with the State commission.

None of our facilities cross State lines and any incoming or outgoing calls in our exchanges are over facilities owned by carriers that have their tariffs filed. For this cooperative to file would appear to be a duplication and a possible degrading of service to our members because of the added costs.

If the above bill were put into effect and we were required to file a tariff on interstate services with FCC, we would incur the following estimated costs which would require us to operate at a deficit or we would be compelled to raise our assessments to offset the costs. We estimate that our attorney would charge us for 10 days work in studying and preparing the necessary legal work to file the tariff with the FCC. The attorney's fee of \$20 per hour would bring this cost to \$1,600, plus out of pocket expense of 10 percent amounting to \$160. Engineering for the determination of revenue requirements would be approximately 60 hours at \$9 per hour, or \$540 plus out of pocket expense of 10 percent, or an additional \$54.

We estimate that our own employees would be required to spend about 120 hours at a rate of \$4.50 per hour including overhead for an amount of \$540. Printing, telephone calls, and other miscellaneous items estimated at \$100. Travel costs for preparation and filing is estimated at \$800. These estimated total costs add up to \$3,794 to file tariffs with FCC which would have to be passed on to our subscriber-members as an additional cost for the same service they have been receiving.

In our estimation we feel that it would be an unfair burden to the telephone cooperatives (operating under the not-for-profit act) to be required to file an interstate tariff with the FCC and we believe that they should continue to be exempt from the filing.

Yours very truly,

CLYDE E. BOLLINGER,
(For William E. Lipe, Manager).

PANHANDLE TELEPHONE COOPERATIVE, INC.,

Guymon, Okla., July 13, 1965.

Subject: FCC proposed amendment of section 203(a) of the Communications Act; Senate bill S. 1284; opposition; Panhandle Telephone Cooperative, Inc., Guymon, Okla.

MR. ROBERT J. LEIGH,
Staff Counsel and Director of Industry Relations, National Telephone Cooperative Association, Washington, D.C.

DEAR MR. LEIGH: This has reference to your letter received this morning, dated July 2, 1965, pertaining to above mentioned subject.

I am certainly proud of the fact that NTCA is going to bat for us there in Washington, at the Senate committee hearings. We are definitely opposed to such amendment of section 203(a) of the Communications Act, as proposed in Senate bill 1284.

In the first place, FCC jurisdiction has been enlarged to such an extent over the years, that it is next to impossible to get action on matters already under FCC jurisdiction. About 3 years ago, Panhandle Telephone Cooperative, Inc., purchased the old rural lines in and around Kenton, Okla., from T. & T. Telephone Co. At that time, telephone cooperatives were not under jurisdiction of the New Mexico Corporation Commission. The Legal Department of REA made us clear with FCC on the matter and consequently FCC required a "Certificate of Convenience and Necessity," to serve 18 or 20 subscribers in New Mexico. There were no toll lines involved, it was strictly subscriber service, being served from our Felt-Wheelless Exchange, located in Cimarron County, Okla. This certificate cost us plenty before we got it. We would have been better off by far, had we deleted the New Mexico area and just served the Oklahoma part of the area. These New Mexico people had been receiving telephone service for a long, long time from the old telephone system at Kenton, so we knew they would be left without telephone service, if we did not serve them, as it is miles and miles to the next nearest telephone facilities.

Now, I received word from the New Mexico Corporation Commission, July 6, 1965, that their telephone law has been amended, effective June 15, 1965, and now we are required to file our area and tariffs with their commission.

Since we secured the FCC certificate they have hounded us for a form M annual report, which our small organization is not financially able to make. Our system of accounting is not such that we are able to fill out the form M report. Our REA reports, and Oklahoma Commission reports are correct to the utmost and reflect a much clearer picture of our operations than an undertaking to fill out a form M report.

We only have one bookkeeper, who is also office manager, and we just do not have the time, with all the other accounting procedures, let alone the costs involved.

Our toll centers being with Southwestern Bell Co. and General Telephone Co., our toll rates would already be, or should be, under jurisdiction of FCC. Maybe you could help me find out why General Telephone Co. will not give us the same toll settlement as Bell Co., on toll tickets between our offices and General Telephone Co. offices. General has also raised the toll rates on these same tickets effective about a year ago. I am curious to know if General Telephone Co. filed these exception rates with FCC.

I do not know how to estimate the cost involved toward filing our tariffs with FCC. I do not know of a corporation lawyer in this area. Our attorney has been appointed county judge and for this type legal work, we would have to secure someone else. I would guess that it would cost us between \$3,000 and \$5,000 to get our three different rates filed with FCC. Of course, we have all our 10 exchange areas and tariffs filed with Oklahoma Corporation Commission in Oklahoma City, Okla.

If it would not be too late to contact you at the Denver regional meeting in August, perhaps I could have some additional information for you.

Very truly yours,

ROBERT L. JEFFRIES, *General Manager.*

RUNESTONE TELEPHONE ASSOCIATION,
Hoffman, Minn., July 9, 1965.

NTCA,
Washington, D.C.

GENTLEMEN: It is my understanding the FCC is proposing an amendment to section 203(a) of the Communications Act of 1934. I am specifically referring to the Senate bill 1284.

I believe if this amendment is passed it would place an undue hardship on our small cooperative and commercial companies who are presently striving to furnish quality telephone service at a reasonable rate to our rural areas where the population and net income revenue is rapidly declining.

If our company were to file a tariff with the FCC, I am sure we would have to hire and retain the services of a tariff specialist, which I am sure would charge no less than \$50 per day, plus travel expenses, etc. In addition we would have to hire an engineer to determine revenue requirements associated with the interstate service. Our present engineer charges \$6 per hour, plus out-of-pocket expenses. We would also have to hire an accountant and attorney to prepare and present our rate case to establish a feasible and nondiscriminatory rate structure. This would take several days, weeks, or possibly months to prepare and have approved.

In addition there would be several miscellaneous items and charges such as calls, printing costs, and possibly a meeting or two with members of the FCC to discuss the tariffs.

To determine the actual original cost of such a filing would be very hard. However, I imagine when this is compared with the costs for filing a tariff with our local regulatory body it would amount to a minimum of \$3,000 for a small company such as ours. This would only be the original cost, such tariffs must be reviewed continually and always be current.

Such an expense would add a terrific load to subscribers of a small company such as ours. We employ seven full-time employees and serve approximately 1,700 subscribers in seven small villages and rural communities in west-central Minnesota. Our present density is 2.6 subscribers per mile and we expect the next few years to lower this figure if our farm population and number of farms continue to decline as it has in the past.

In closing, may I state, that all possible efforts be made to help lessen the burden on our rural areas and small telephone enterprises, whether cooperative or commercial, by retaining the specific exemption from FCC tariff filing provided to the connecting carriers in the present wording of section 203(a).

I believe the burden of filing such a tariff with the FCC should be placed on the fully subject companies.

Yours truly,

BERDELL SKOGSTAD, *Manager.*

BENTON COOPERATIVE TELEPHONE CO.,

Rice, Minn.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C.

GENTLEMEN: At present we have no service or revenue involved in the proposed Senate bill, S. 1284, to amend section 203(2) of the Communications Act of 1934.

However, we feel that our experience with regulatory bodies would be comparable to the average small telephone cooperative, and that our ability to file and maintain such tariffs with the FCC would be at least average. Therefore, we feel quite certain that the following costs would be about average for small telephone companies.

The estimates for file and maintaining such tariffs, as ascertained from our consulting engineer, our attorney, and our CPA are that the initial filing would cost approximately \$500, and that our annual costs thereafter would be approximately \$125 per year.

These are, of course, estimates, but should be a reasonable reflection of actual costs.

Our cooperative feels that the existing specific exemptions in the present section 203(2) are fair to us, and should be maintained.

Sincerely yours,

L. D. EVEN, *Manager.*

HANCOCK RURAL TELEPHONE CORP.,

Greenfield, Ind., July 7, 1965.

MR. ROBERT J. LEIGH,

Staff Counsel and Director of Industry Relations,

National Telephone Cooperative Association,

Washington, D.C.

DEAR MR. LEIGH: We find it very disturbing to learn that a bill has been introduced in the U.S. Senate (S. 1284) which would amend section 203(a) of the Communications Act of 1934 and require the filing of FCC tariffs by telephone companies not presently required to file.

This proposed change would certainly place another burden on the small telephone companies and cooperatives who cannot afford to maintain large office and technical forces. Many of the smaller concerns would have less interstate toll traffic than our corporation which recent surveys showed to be 16 percent of total toll traffic. Our net toll revenue for the month of May 1965 was \$3,945, 16 percent of which is only \$631.

If our corporation were required to file such a report, outside legal counsel, accountants and engineers would need to be obtained. Judging from the reports we have seen, it seems likely that accounting alone would be equal to that of a yearly audit and the CPA bill for our last audit exceeded \$1,400. Our legal counsel bills at the rate of \$35 per hour and legal advice would seem a necessity on such a detailed filing.

All in all it seems that the cost of this filing would be in excess of \$5,000 per year while our estimated retained revenue from interstate toll is \$631 times 12, or \$7,572.

We feel that passage of S. 1284 would financially burden the members and subscribers of small telephone companies and cooperatives far beyond the good the FCC or anyone else would derive.

Yours truly,

JAMES D. O'CONNOR, *Manager.*

EMERY COUNTY FARMERS UNION TELEPHONE ASSOCIATION, INC.,
Orangeville, Utah, July 12, 1965.

Mr. ROBERT J. LEIGH,
*Staff Counsel and Director of Industry Relations,
 National Telephone Cooperative Association,
 Washington, D.C.*

DEAR MR. LEIGH: I am in receipt of your letter of July 2, 1965, in which you asked for information in regard to the filing of a tariff with the FCC. We would, of course, have to study the law and see to what extent we would be involved. However, it is always costly to prepare and maintain tariffs of any kind. Judging from the tariff we must file and maintain with the State public service commission I would estimate that it would cost us no less than \$500 simply to prepare a tariff for the Federal Communications Commission and it would cost in the neighborhood of \$250 annually to maintain it.

To add to our costs in connection with interstate services would be an unfair burden on our few members since we actually gain so little from interstate business that it simply would not be justified. Our income from interstate business is less than \$200 per month. We have less than 900 members that would have to pay for the added costs of filing and maintaining such a tariff as proposed in Senate bill No. 1284.

We urge you to do whatever is possible to insure our exemption status as granted in section 203(a) of the Communications Act.

If you would like further information from us please let me know.

Sincerely,

KEITH N. WARE, *Manager.*

GUADALUPE VALLEY TELEPHONE COOPERATIVE, INC.,
New Braunfels, Tex., July 12, 1965.

Subject: Estimated costs of cooperatives in filing and maintaining tariffs with the FCC.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C.

GENTLEMEN: This letter is in reference to the above subject, and Senate bill, S. 1284, a bill to amend section 203(a) of the Communications Act of 1934. It appears that this cooperative would not come under the proposed amendment at this time. However, no one can foresee what the future may bring. Therefore, we feel that any cooperative or independent telephone organization with limited toll line facilities would be burdened with an expense totally unnecessary. In the end, the expense would have to be passed on to the telephone subscriber. In the case of this cooperative, the total interstate toll amounts to about \$8,000 to \$10,000 per year for 12 exchanges. In four of these exchanges, Southwestern Bell Telephone Co. has toll lines direct into our exchange central office buildings.

This cooperative operates in a strictly rural area of 11 counties. A total of 2,020 subscribers receive service, the average distance per subscriber being 0.73 miles of line. We have 18 people employed in outside plant and office personnel. The necessary expense involved in having to file these rates with the FCC would, I am sure, exceed the revenue earned. Since there will be legal, engineering, and rate specialists to consult and many other incidental expenses, such as telephone calls, travel, and other out-of-pocket expense, this amendment would only increase operation costs.

Please record these comments in opposition to Senate bill, S. 1284, a bill to amend section 203(a) of the Communications Act of 1934.

Sincerely yours,

BEN F. WOLLE, *Manager.*

MCDONOUGH TELEPHONE COOPERATIVE,
Colchester, Ill., July 2, 1965.

Mr. DAVID C. FULLARTON,
*Executive Manager, National Telephone Cooperative Associations,
 Washington, D.C.*

DEAR MR. FULLARTON: With reference to the possibilities of this cooperative filing a tariff with the Federal Communications Commission, which would reflect necessary categories as required by Senate bill 1284, we have made some preliminary investigations as to cost.

We have contacted our consulting engineering firm for an estimate as to the cost for developing a tariff for this cooperative. It must be understood that an operating cooperative of this size does not have qualified people on the payroll to develop a tariff with the requirements that would be set out in S. 1284; therefore, a consulting firm must be secured for that purpose.

The consultants have estimated a total cost of \$3,500 for developing a tariff which would cover all requirements but this figure does not include the printing and time spent, by cooperative personnel supplying required information and statistics to the engineering firm.

In our opinion, the cost would be very burdensome and would amount to an average of \$1 per member in our system.

Very truly yours,

ELDON M. SNOWDEN, *Manager.*

NELSON TELEPHONE COOPERATIVE,
Durand, Wis., July 6, 1965.

Re Senate bill S. 1284, a bill to amend section 203(a) of Communications Act of 1934.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C.

GENTLEMEN: We are somewhat alarmed at hearing of the activity of the FCC in proposing that small companies, such as ours, file tariffs on interstate service.

We have no direct connection to companies across a State line and the possibilities of having such are not present. We have no radio link, no mobile service and no foreign exchange across the State line.

We think that, in our case as in most cases, someone is engaging in a butterfly chase with a holey net. The only result to us would be a heavy expense. We have no rate specialist, no engineer capable of determining revenue requirements necessary, and no permanent legal counsel.

We employ only six people and serve about 2,300 customers, mostly rural. Our approximate interstate revenue is \$44,000 and all of this is derived from toll settlement on calls through Bell long lines. The burden on such small companies is unreasonable; because any such tariff filing must be reviewed periodically, compounding the cost. Also, we feel that cooperatives are exempt from tariff filing through this original act and nothing has taken place to change the thinking behind the original intent written into the law.

Very truly yours,

BYRON C. DALE, *Manager.*

GARDEN VALLEY TELEPHONE Co.,
Erskine, Minn., July 8, 1965.

Re your letter of July 2, 1965.

Mr. ROBERT J. LEIGH,
Staff Counsel and Director of Industry Relations,
National Telephone Cooperative Association,
Washington, D.C.

DEAR MR. LEIGH: As manager of a cooperative telephone company I am concerned over the proposed amendment of section 203(a) of the Communication's Act.

The current FCC tariff application requirements, as for mobile telephone service, make it necessary for the majority of small telephone companies to acquire additional and specialized legal help and engineering. It is reasonable to allow a specialists' fee for expert service, and the fees are generous.

I have a mobile application in process. I expect to pay an engineering fee of \$250. I expect to pay a Washington attorney's legal fees of at least \$200. I expect to pay our local counsel \$150. I have applied at least \$250 of my time to the project, gathering the information on facilities, obtaining our State tariff authorization, topographical maps and a multitude of other evidence, including \$25 in official surveying fees.

I do not have immediate available information on telephone calls made to expedite the license application information needs, but they are many and they have been lengthy.

I am concerned most of all that our people who have requested the service will mark time for many months while the application is being processed. Until, or unless, it is approved, no construction can take place.

Our company, and many others like it hold our existence to a need for telephone service. We believe in our cooperatives and we have deserved pride in the service, quality of service, and competent availability of service, that we supply.

Our State of Minnesota Railroad and Warehouse Commission is an astute, well advised and proficient commission. Tariff authorizations are issued only after careful study as to its effects on the people and business. They have considerable firsthand knowledge of our area, our problems, and our financial condition.

I agree, we must have rules and laws, but to compound the situation with additional bounds will certainly require an out of proportion demand on the management and financial aspects of a small cooperative.

Yours truly,

H. W. PETERSON, *Manager.*

HORRY TELEPHONE COOPERATIVE, INC.,
Conway, S.C., June 28, 1965.

MR. DAVID C. FULLARTON,
*National Telephone Cooperative Association,
Washington, D.C.*

DEAR MR. FULLARTON: In response to your question on the cost of having to file a tariff with the FCC, it would be somewhat difficult to arrive at the exact estimated cost. The minimum cost would be about \$750 up to \$5,500. This would depend to some extent upon questions and hearings that might come up.

We should appreciate anything that you might do to defeat this proposal as it would be most difficult and costly for us, a small cooperative, to file and maintain a tariff with the FCC. Inasmuch as we use Bell's rates on services that come under the FCC, it appears that we should be able to continue to let the Bell System file the tariff.

Very truly yours,

ROBERT E. JAMISON, *Manager.*

WASHINGTON COUNTY RURAL TELEPHONE COOPERATIVE, INC.,
Pekin, Ind., July 13, 1965.

Re Senate bill S. 1284.

MR. ROBERT J. LEIGH,
*Staff Counsel and Director of Industry Relations,
National Telephone Cooperative Association,
Washington, D.C.*

DEAR SIR: We wish to advise you of the unreasonable burden that would be placed on our cooperative if this amendment is passed. I have talked with our attorneys and they inform me that it would be more costly than filing with the Indiana Public Service Commission. They estimate their fees alone would be in excess of a thousand dollars. Also we have no qualified personnel in a cooperative this small to take care of the engineering that would be required. This would make it necessary for us to employ an engineering firm which would mean several hundred dollars added expense.

The revenues collected for services which would fall under these tariffs has been less than \$50 per year.

We suggest that because of the small amount of revenue and the excessive cost of filing a tariff that cooperatives continue to have the specific exemption from tariff filing provided to connecting carriers in the present wording of section 203(a) or that the burden of filing all tariffs with the FCC be placed on the fully subject companies.

Sincerely,

FRANK S. GRAVES, *Manager.*

BUGGS ISLAND TELEPHONE COOPERATIVE,
Chase City, Va., July 16, 1965.

Mr. DAVID C. FULLARTON,
Executive Manager,
National Telephone Cooperative Association,
Washington, D.C.

DEAR SIR: For some time I have been concerned over the possible passage of the amendment to section 203(a) of the Communications Act now being considered by the subcommittee of the Senate Commerce Committee.

In our particular situation, we are completely ignorant of the procedures and requirements of filing tariffs with the FCC. If this amendment is passed we must then employ consulting engineers and expert legal talent to prepare for us any necessary filing. It is difficult to arrive at any cost of making the filing inasmuch as we are not familiar with the requirements at all. It should suffice to point out that all work in connection with the filing would have to be done with outside expert assistance. We have no one in our organization qualified to undertake such a task.

In order to get the proper prospective I would like to point out that we have a very small telephone system. As of this date, we have only 626 stations, practically all of which are on multiparty service, and installed in rural farm homes. At this time our interstate toll, all of which is handled through the Bell System, amounts to approximately \$13,000 annually. An extremely rough guess as to the cost of obtaining expert assistance to prepare the filing would be about \$1,000. This, as you can see, is a rather large percentage of our total toll revenue. I do not feel that the problems arising in connection with FCC jurisdiction would be justified or in the best interest of the members of the cooperative.

Very truly yours,

E. C. EDWARDS, Jr., *Manager.*

TWIN LAKES TELEPHONE COOPERATIVE CORP.,
Gainesboro, Tenn., July 15, 1965.

Mr. DAVE C. FULLARTON,
National Telephone Cooperative Association,
Washington, D.C.

DEAR MR. FULLARTON: This is in regard to the estimated cost of this cooperative filing and maintaining tariffs with the FCC.

We have no staff to develop information for filing tariffs with the FCC or, for that matter, with the State commissions. We have determined from estimates of engineering firms and legal consultants the cost to us for filings before the FCC would be a minimum \$5,000.

Our annual revenues derived from forms of communications which would require filings are \$1,484.40.

In view of this we feel that it would be an undue imposition upon our members to require these filings.

Yours very truly,

SAM O. ANDERSON, *Manager.*

SOUTH PLAINS TELEPHONE COOPERATIVE, INC.,
Lubbock, Tex., July 9, 1965.

Subject: Opinion concerning cost estimate of filing and maintaining tariffs with FCC.

Mr. DAVE FULLARTON,
National Telephone Cooperative Association,
Washington, D.C.

DEAR DAVE: After reading a letter received from Robert Leigh, concerning Senate bill S. 1284 that proposes to amend section 203(a) of the Communications Act of 1934, I become very angry at the big brother attitude of the Government in its attempt to further burden the small telephone companies' industry with additional expenditures for paperwork, so that the Government might hire more people to further file and maintain the already mountainous volumes of paper which in many instances is of little value, such as this would be.

I suppose the thing that irritated me most is the small value to be gained from the huge expenditures that would be made over the entire United States as a result of this proposal. To this day, 3 days later, I am in a bad mood when I think about any agency of our Federal Government trying to force an additional burden of this nature upon us.

Dave, we have very little or nothing to do with communications of this nature. However, I can foresee the possibility of some future military contract, or the possibility of providing one end of a national radio or TV hookup that may be set up temporarily in our area. This, of course, would place us under control of this act and would require us to go to the trouble and expense of filing a tariff with the FCC.

I have no objections to interstate regulation by the FCC, where the volume of business is large enough and where the general public needs protection from unscrupulous charges which might be made by a very small percentage of the telephone companies.

We are not under a utility commission in this State of Texas, and we have no experience on these matters, but I estimate that the original filing of a tariff with FCC would cost us from \$2,000 to \$5,000, with a probable additional \$5,000 expended to correct the errors and omissions that would be found in the original by the FCC, due to our ignorance of all the laws, regulations, obligations, liabilities, etc.

The only thing of value we would gain by this expenditure of 2 or 3 years' margins, could be the experience and knowledge of how to file something which I feel to be needless in the first place.

I would like to suggest as an alternate to this regulation to assure proper and reasonable charges to the American public would be to make a random spot check or investigation of systems around the Nation be made under the existing policies which no doubt permit this to be done. This would result in a lower cost to our Government, as opposed to filing and maintaining the mountain of paperwork that S. 1284 would require. It would also definitely keep the costs to small telephone systems, especially cooperatives, at a lower level. The rates to our members and customers could then be held to the present level rather than be forced into an increase.

Dave, as you know, I am not opposed to regulation, only strangulation.

Sincerely,

CHARLES M. MEANS, *Manager.*

SANBORN TELEPHONE CO-OP, INC.,
Woonsocket, S. Dak., July 16, 1965.

Subject: Senate bill S. 1284.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C.

GENTLEMEN: It is our understanding that Senate bill, S. 1284, proposes to amend section 203(a) of the Communications Act of 1934 with respect to the filing of schedules of charges for connecting carriers.

We would oppose this amendment and present reasons as follows to support our opposition:

The maintenance of an up-to-date tariff is a never-ending task. In order to properly prepare same it is necessary to secure legal and engineering assistance. If Senate bill, S. 1284, should be passed I would estimate a legal cost of \$300 to logically prepare a tariff such as would be provided in this measure. We would then look to our engineer for assistance in determining requirements associated with this particular interstate service and ask advice as to feasibility and a nondiscriminatory rate structure. This would cost an estimated \$200. Miscellaneous costs such as telephone calls, printing, and our own employee man-hours to prepare such a tariff would probably add another \$200.

In my estimation the present exemption provided in section 203(a) of the 1934 Communications Act is adequate. Should we be forced to file a tariff as a result of an amendment of this act the cost of same would of necessity be passed on to our subscribers. We have a relatively small cooperative consisting of 1,709 subscribers on an average of approximately 2 per mile. We have six full-time employees that for all practical purposes have no experience in filing tariffs. In 1964 we had approximately \$25,500 revenue from interstate services.

With our low density and small size the filing of a tariff as proposed in Senate bill 1284 would add to our cost of doing business with said cost being passed on to our patrons.

It is our feeling that cooperatives should continue to have the specific exemption from tariff filing provided to connecting carriers in the present wording of section 203(a).

Would you please do what can be done to seek the defeat of Senate bill, S. 1284.

Yours truly,

R. M. JUDY, *Manager.*

UINTAH BASIN TELEPHONE ASSOCIATION, INC.,
Roosevelt, Utah, July 16, 1965.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C.

DEAR DAVE: In reference to your letter of July 14: Estimated costs of cooperatives in filing and maintaining tariffs with the FCC; to report and file tariffs with the FCC would be costly to small cooperatives mainly because of needs for legal advice, time involved in research to determine which calls are involved, also many telephone calls to determine involvement.

To a larger company who employs engineers and legal assistance on a full-time basis this additional filing may not be a problem but to small cooperatives it takes on different proportions.

The additional expense to a company of our size would probably be a minimum of \$500 in monetary outlay, but the nuisance value would be hard to estimate.

We, as a company, want you to defeat Senate bill 1284. We would like to retain our status of exemption for filing tariffs with FCC where our only means of outlet is through the Bell Systems. We would like to see 203(a) remain as it is.

Very truly yours,

ELMER B. YERGENSEN, *Manager.*

BENTON COOPERATIVE TELEPHONE CO.,
Rice, Minn., July 19, 1965.

DAVID C. FULLARTON,
Executive Manager,
National Telephone Cooperative Association,
Washington, D.C.

DEAR MR. FULLARTON: At our July 16, 1965, directors meeting, the Minnesota Telephone Cooperative Association adopted the following resolution:

It is hereby resolved that connecting carriers, as defined by the Communications Act of 1934, not be required to file tariffs with the FCC in those instances where connecting carriers are providing interstate toll or private line connections over their joint facilities, without the participation of a Bell System company or other fully subject carrier; or where connecting carriers furnish local loops to broadcasters—a service subject to FCC jurisdiction.

It is our desire that you use this information to oppose passage of S. 1284.

This informal association represents 13 REA telephone cooperatives, serving approximately 27,000 member-subscribers throughout central and northern Minnesota.

Respectfully yours,

L. D. EVEN, *Secretary.*

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C., August 17, 1965.

HON. JOHN O. PASTORE,
Chairman, Subcommittee on Communications, Commerce Committee, U.S. Senate,
Washington, D.C.

DEAR SENATOR PASTORE: At the subcommittee hearings held on June 23, 1965, relating to S. 1284, a bill to amend section 203(a) of the Communications Act with respect to the filing of schedules of charges by connecting carriers, you directed us to furnish certain data or cost studies which would indicate the extent of the burden that would be imposed on our cooperative telephone systems if the proposed amendment were to become law. In our letter of July 22,

1965, we included 27 studies from our member systems with a request for an additional 30 days' time to submit for purposes of the record, additional studies which were still in the process of being completed. We are now submitting additional studies which are attached to this letter. This completes our showing made pursuant to your request at the subcommittee hearings.

If additional information is desired, do not hesitate to contact our association. We will be happy to obtain from our member systems any materials you desire. We sincerely appreciate the opportunity you have given us to be heard in their behalf.

Most sincerely,

DAVID C. FULLARTON,
Executive Manager.

RENO TELEPHONE ASSOCIATION, INC.,
Hutchinson, Kans., July 30, 1965.

Re impact of proposed amendment of Senate bill S. 1284.

MR. DAVID C. FULLARTON,
*Executive Manager, National Telephone Cooperative Association,
Washington, D.C.*

DEAR DAVE: The impact of Senate bill 1284 upon the Reno Telephone Association, Inc., would be to require expenditures which must ultimately be a burden borne by the subscribers of our company. The cost of preparing and filing such tariffs would be highly unrealistic when compared to the revenue derived from these minor services which would require such FCC filing. The Reno Telephone Association, Inc., operates in the central and the eastern part of the State of Kansas serving some 4,000 telephone subscribers. Reno also offers mobile dial telephone service which occasionally could create an isolated interstate call between Kansas and Oklahoma, especially when IMTS is being used over the entire States of Kansas, Colorado, and Oklahoma.

We also provide a cable pair between the local radio station studio and transmitter which as we understand the proposed amendment would require an FCC filing.

Reno has no toll lines of its own and finds itself completely dependent upon the United Telephone of Kansas and the Bell System for all toll connections.

Our company, although not familiar with each and every requirement of the FCC for filing of rules, regulations, and tariffs, has made a cost study which is attached hereto and which shows that the minimum result of this proposed amendment could be a requirement that our company expend approximately \$4,625 in order to file tariffs covering services whose yearly average revenues are less than \$200.

It is Reno's position that the impact of Senate bill 1284 upon it as well as all other communication carriers, is unrealistic and unnecessary, and we wish to go on the record as opposing such amendment.

Companies such as ours have a difficult enough time in providing telephone service to sparsely populated areas without being saddled with additional burdens such as filing FCC tariffs for very minor services.

Very truly yours,

D. W. WRIGHT, *Manager.*

Cost estimate for FCC filing

1. Management salaries for time involved in research, preparation, and publication of FCC tariffs-----	\$800
2. Engineering assistance required to establish cost studies for determination of revenue requirements. 120 hours, at \$10 per hour-----	1,200
3. Legal costs for studying pt. 61 of FCC rules and regulations on tariff filings together with drafting of regulation of regulations concerning obligations, liabilities, use, and a base under which company would provide service. 50 hours, at \$25 per hour-----	1,250
4. Rate specialist assistance to establish a feasible and nondiscriminatory rate structure. 75 hours, at \$5 per hour-----	375
5. Miscellaneous expense such as typing, printing, telephone, and other expenses required in preparing and filing FCC tariffs-----	1,000
Total-----	4,625

THE PIONEER TELEPHONE ASSOCIATION, INC.,

Ulysses, Kans., July 26, 1965.

In re impact of proposed amendment of Senate bill S. 1284.

DAVID C. FULLARTON,
Executive Manager,
National Telephone Cooperative Association,
Washington, D.C.

DEAR MR. FULLARTON: The impact of Senate bill S. 1284 upon the Pioneer Telephone Association, Inc., would be to require expenditures which must be a burden borne by the subscribers of our company. The costs of preparing and filing such tariffs would be highly unrealistic when compared to the revenue derived from these minor services which would require such FCC filing.

The Pioneer Telephone Association, Inc., operates in the southwest corner of the State of Kansas serving some 7,000 telephone subscribers. In our West Manter exchange, it contains 37 subscribers who are located within the State of Colorado. Pioneer also offers mobile dial telephone service which occasionally could create an isolated interstate call between Kansas and Colorado or Oklahoma. We also provide a cable pair between the local radio station's studio and transmitter which as we understand the proposed amendment would require an FCC filing.

Pioneer has no toll lines of its own and finds itself completely dependent upon the Bell System for all toll connections.

Our company, although not familiar with each and every requirement of the FCC for filing of rules, regulations, and tariffs, has made a cost study which is attached hereto and which shows that the minimum result of this proposed amendment could be a requirement that our company expend approximately \$4,000 in order to file tariffs covering services whose yearly average revenues are less than \$200. For example, Pioneer receives approximately \$7 per month or \$84 per year for the wire pair provided the radio station. Under the mobile dial telephone service there is the possibility that one call a month or even less, over a State boundary could create the necessity for filing a FCC tariff, yet the company receives no additional revenue for such call. In our West Manter exchange with 37 subscribers receiving local exchange service and making calls over State boundaries, the Pioneer Telephone Association, in serving the 37 isolated ranches, realizes such operation revenues from this exchange such as a net operation revenue of \$74.71 for June 1965, and a net loss of \$212.12 for the month of May.

It is Pioneer's position that the impact of Senate bill S. 1284, upon it as well as all other communication carriers, is unrealistic and unnecessary and we wish to go on the record as opposing such amendment. Companies such as ours have a difficult enough time in providing telephone service in sparsely populated areas without being saddled with additional burdens such as filing FCC tariffs for very minor services.

Very truly yours,

JOSEPH B. CHILEN, *Manager.*

Cost estimate for FCC tariff filing

Management salaries for time involved in research, preparation, and publication of FCC tariffs.....	\$650
Engineering assistance required to establish cost studies for determination of revenue requirements. 120 hours, at \$9 per hour.....	1, 080
Legal costs for studying pt. 61 of FCC rules and regulations on tariff filings together with drafting of regulation of regulations concerning obligation, liability, use, and abuse under which company would provide service. 50 hours, at \$25 per hour.....	1, 250
Rate specialist assistance to establish a feasible and nondiscriminatory rate structure. 75 hours, at \$5 per hour.....	375
Miscellaneous expense such as typing, printing, telephone, and other expenses required in preparing and filing FCC tariffs.....	625
Total.....	3, 980

DICKEY RURAL TELEPHONE CORP.,
 Ellendale, N. Dak., July 27, 1965.

Mr. ROBERT J. LEIGH,
Staff Counsel and Director of Industry Relations, National Telephone Cooperative Association, Washington, D.C.

DEAR MR. LEIGH: This is in reply to your letter of July 2, 1965, in which you requested estimated costs from the individual cooperatives in filing and maintaining tariffs with the FCC. Even though this information is late, I hope it will be of some value to your office in the future.

Our company has no experience in this type of undertaking, therefore, we would be unable to give you any accurate figures as to costs if we were required to comply with such a law.

We are submitting for your information the following cost estimates.

1. We estimate that this would take our legal counsel at least 10 days to study, part 61 of FCC's rules and regulations on tariff filings plus the drafting of regulations, etc. This would amount to something like \$600 to \$800.

2. Engineering assistance to determine revenue requirements associated with the particular interstate service would run anywhere from \$1,000 to \$1,500.

3. Rate-fixing assistance to establish a feasible and nondiscriminatory rate structure would run at least another \$1,000.

4. Miscellaneous items, such as telephone calls, to consult FCC staff personnel, printing costs, our own employee labor cost, such as supervision and compilation of this information and data required would run at least \$3,000.

The total of the above figures amounting to \$5,600 would represent the estimated minimum cost to our company to establish and file such a tariff. We estimate that it would cost us an additional \$2,000 per year for maintaining such a tariff.

The total amount of revenue derived from interstate services, which consist of local exchange service to subscribers living outside the State of North Dakota amounted to \$7,084 for 1964.

We have a total of 2,199 subscribers with an average density of 1.1 subscribers per mile of line, throughout our system. We only employ a total of 12 full-time personnel to operate our system and have no experience in filing tariffs other than our own State commission.

It is quite obvious that from the size of our company, without any consideration for such additional expense allowed in our rate base, we would be financially unable to assume such a burden of filing all tariffs with FCC.

It is our opinion and recommendation that cooperatives should continue to have specific exemption from tariff filing provided to connecting carriers as contained in the present wording of section 203(a). As an alternate recommendation we feel that the burden of filing all tariffs with the FCC be placed on fully subject companies. We hope that this will give your office some information as a basis for argument to defeat Senate bill S. 1284 which would amend section 203(a) of the Communications Act of 1934 with respect to the filing of schedules of charges by connecting carriers.

If there is any additional information that your office might need from our company do not hesitate to communicate with us.

Very truly yours,

ERVIN C. VOGEL, *Manager.*

 MOUNDRIAGE TELEPHONE CO.,
 Moundridge, Kans., July 29, 1965.

DAVID C. FULLARTON,
*Executive Manager, National Telephone Cooperative Association,
 Washington, D.C.*

DEAR MR. FULLARTON: Senate bill 1284 currently being considered by the Senate would, if enacted, create a hardship upon the small independent telephone companies throughout the United States.

The Moundridge Telephone Co. is an independent company which does not own its own toll lines. Toll service is contracted with Southwestern Bell Telephone Co. Though at the present time we are not under contract to furnish service to any broadcasting facility, we are called upon to furnish such service.

for a month at a time for the purpose of broadcasting special events such as football games and basketball tournaments. The revenue we receive for providing such service is small and certainly does not warrant the expenditure for filing a tariff with the Federal Communications Commission.

To prepare a tariff for filing it would cost our company considerably more than any revenue which we might receive which is evidenced by the estimated cost study as follows:

Management salaries for time spent in research, preparation, and publication of FCC tariffs-----	\$450
Engineering assistance to establish cost studies for determination of revenue requirements, 100 hours at \$9 per hour-----	900
Legal costs for studying part 61 of FCC rules and regulations on tariff filings and drafting regulations concerning obligations, liabilities, and use under which company would provide service, 25 hours at \$25 per hour-----	625
Rate specialist assistance to establish a feasible and nondiscriminatory rate structure, 50 hours at \$5 per hour-----	250
Miscellaneous expense such as typing, printing, telephone, and other expenses required in preparing and filing FCC tariffs-----	500
Total-----	2,725

Yours truly,

JOSEPH C. HARDER, *Secretary.*

THE CRAW-KAN TELEPHONE COOPERATIVE ASSOCIATION, INC.,
Girard, Kans., July 28, 1965.

Mr. DAVID C. FULLARTON,
Executive Manager,
National Telephone Cooperative Association,
Washington, D.C.

DEAR SIR: This is to advise that we would appreciate your representing us in opposing the pending Senate bill seeking amendment of the Communications Act which will require all common carriers to file tariffs with the FCC if they provide service to the broadcasting field or provide interstate service through connections with companies other than A.T. & T. long lines.

I feel there is justification in opposing this legislation as it will require small telephone companies to file these tariffs at considerable expense. I feel it will cost a minimum of \$1,500 for the Craw-Kan Telephone Cooperative to file this type of tariff with the FCC.

We hope that through your organization you may be in a position to help us with this problem.

Very truly yours,

JOHN FRERICHs, *Manager.*

FRANKFORT, KANS., July 30, 1965.

Re effect of proposed amendment of Senate bill S. 1284.

Mr. DAVID C. FULLARTON,
Executive Manager, National Telephone Cooperative Association,
Washington, D.C.

DEAR MR. FULLARTON: The writer is attorney for the Blue Valley Telephone Co., a small cooperative with seven exchange centers, in three Kansas counties, and with a part of one exchange just across the line in Nebraska. We have in the neighborhood of 2,000 subscribers.

If Senate bill 1284 were to take effect today, our company would be required to file tariffs with the FCC, because within a few days a radio station intends to do some broadcasting from one of our exchange towns as an isolated commemorative program, for which our company will provide a cable pair. The revenue to our company for this service will amount to \$9.

While we are not thoroughly conversant with all provisions of the FCC for the filing of rules, regulations, and tariffs and have not made a cost estimate of our own of the cost incident to the making of such a filing, we have talked with representatives of some other small cooperatives that have made studies of the expense to them for making FCC tariff filings, and based on such comparative figures, it appears that the expense to our company would range from \$1,500 to \$2,800.

We are directed to advise you that our company is unalterably opposed to the proposed amendment and that we feel it is wholly unjustified imposition of Federal controls with an additional financial burden on small companies trying to do a good job in areas sparsely populated.

Very truly yours,

WILLIAM M. SHAFFER,
Company Attorney.

RURAL TELEPHONE SERVICE CO., INC.,
Lenora, Kans., August 3, 1965.

In re proposed amendment of Senate bill S. 1284.

Mr. DAVID C. FULLARTON,
Executive Manager, National Telephone Cooperative Association,
Washington, D.C.

DEAR MR. FULLARTON: Proposed Senate bill S. 1284 would be a burden to this company as it would require expenditures which would have to be born by the subscribers of the company. The costs of preparing and filing such tariffs would be unrealistic when compared to the revenue derived from these minor services which would require FCC filing.

Rural Telephone Service Co., Inc., operates in the northwest portion of the State of Kansas serving over 5,000 subscribers. We offer mobile dial telephone service which occasionally could create an isolated interstate call between Kansas and Nebraska or Colorado. We also provide a cable pair between a local radio station studio and transmitter. We understand the proposed amendment would require an FCC filing for this type of service.

We have no toll lines of our own and we are completely dependent upon the Bell System for all toll connections.

This company, although not familiar with each and every requirement of the FCC for filing of rules, regulations, and tariffs, has made a cost study which is attached hereto and shows that the minimum result of this proposed amendment could be a requirement that our company expend approximately \$2,000 in order to file tariffs covering services whose yearly average revenues are less than \$100. As an example, for the wire pair provided for the radio station rural receives \$5 per month or \$60 per year.

It is our position that Senate bill S. 1284 would create a hardship on this company and wish to go on record opposing such amendment.

If any further information is needed, please do not hesitate to contact me.

Sincerely yours,

C. K. NELSON.

Cost estimate for FCC tariff filing

Management salaries for time involved in preparation and publication of FCC tariffs.....	\$500
Engineering assistance required to establish cost studies for determination of revenue requirements, 60 hours, at \$9.....	540
Legal costs for studying pt. 61 of FCC Rules and Regulations on tariff filings together with drafting of regulations concerning obligations, liabilities, use and abuse under which company would provide service, 25 hours, at \$25.....	625
Rate specialist assistance to establish a feasible and nondiscriminatory rate structure, 35 hours, at \$5.....	175
Miscellaneous.....	200
Total.....	2,040

THE GOLDEN BELT TELEPHONE ASSOCIATION, INC.,
La Crosse, Kans., August 4, 1965.

Mr. DAVID C. FULLARTON,
*Executive Manager,
 National Telephone Cooperative Association,
 Washington, D.C.*

DEAR MR. FULLARTON: Senate bill S. 1284 would amend the Communications Act and as a result require small independent telephone companies to file tariffs with the FCC if they provide service for broadcasting or interstate service through connection with companies other than A.T. & T. If this bill is passed, Golden Belt Telephone Association, Inc., would be involved in a very expensive project of preparing the tariff.

At the present time, we do not provide any broadcasting loop and we do not provide toll connections to any company other than Southwestern Bell Telephone Co. However, at such time as such service would be provided by our Association, we would have the expense of filing this tariff. Our cost estimate shows that we would have a total cost of \$1,675 in preparing this tariff.

We cannot see the necessity of this proposed amendment and we wish to go on record as opposing it.

Yours truly,

DAVID J. MCKAY, *Manager.*

Cost estimate for FCC tariff filing

Management: Salaries for research, preparation, and publication-----	\$400
Legal: Study of pt. 61 of FCC Rules and Regulations and Drafting Regulations, 30 hours, at \$20-----	600
Rate specialist assistance, 60 hours, at \$5-----	300
Clerical, printing, telephone, and miscellaneous expense in preparing FCC tariffs-----	375
Total-----	1, 675

MID CENTURY TELEPHONE COOPERATIVE,
Canton, Ill., July 28, 1965.

Re estimated costs of cooperatives in filing and maintaining tariffs with the FCC.

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C.

(Attention: Mr. Robert J. Leigh, staff counsel and director of industry relations.)

DEAR SIR: In response to your letter of July 2, 1965, we submit our company's estimate in filing and maintaining tariffs for this cooperative. After much consideration, it appears that the preparation of these tariffs and the filing of same with FCC would result in an expenditure by this cooperative of \$850. It further appears to us that to maintain this tariff filing with FCC would result in a yearly expenditure of approximately \$500.

We might further add that under the present cooperative set up, we cannot see where the Commission could benefit by our filing of this tariff.

Therefore, in regard to Senate bill S. 1284 (a bill to amend 203(a) of the Communications Act of 1934 with respect to the filing of schedules of charges by connecting carriers) is opposed by this cooperative. We are against any legislation which purports to change the above said act as herein outlined.

Very truly yours,

CLYDE E. ESKRIDGE, *Manager.*

J. B. N. TELEPHONE CO., INC.,
Wetmore, Kans., July 27, 1965.

In re Senate bill S. 1284.

Mr. DAVID C. FULLARTON,
Executive Manager,
National Telephone Cooperative Association,
Washington, D.C.

DEAR MR. FULLARTON: It is our understanding that the above referenced bill would require all common carriers to file tariffs with the FCC, if they provided service to the broadcasting field or provide interstate service through connections with companies other than A.T. & T. long lines.

This company feels it very necessary to oppose this legislation as it would require small telephone companies to expend large sums of money in order to comply, and yet the revenues from those services are very slim.

Sincerely,

ROBERT C. CARSON,
President and Manager.

MADISON TELEPHONE CO., INC.,
Madison, Kans., July 27, 1965.

Mr. DAVID C. FULLARTON,
Executive Manager,
National Telephone Cooperative Association,
Washington, D.C.

DEAR SIR: The Madison Telephone Co., Inc., Madison, Kans., would like to go on record as being against Senate bill S. 1284.

Our company realizes very little revenue from providing radio loops and mobile dial service—\$14 for providing a radio loop for 2 months this last year, and 5 cents per message if and when we should have mobile dial service. This service is provided for us by the Southwestern Bell Telephone Co. We have no one using this service at present.

We do not have an exact cost estimate, but our attorney advises us that it would not be less than \$1,500 for the expense of figuring and filing of rates, engineering fees, lawyers fees, etc. Because of the scarcity of such customers, this expense would have to be borne by our company. We would have no way of passing on even a part of such a burden, and it would be a burden, an unnecessary one, for either the customer or the company.

We feel that we must provide these services when there is a demand for them, but we do not feel that we should be punished financially in order to provide a special service.

Very truly yours,

L. D. HARRINGTON, *President.*

THE WHEAT STATE TELEPHONE CO.,
Udall, Kans., July 26, 1965.

In re burden of small telephone companies complying with proposed Senate bill S. 1284.

DAVID C. FULLARTON,
Executive Manager, National Telephone Cooperative Association,
Washington, D.C.

DEAR MR. FULLARTON: The burden that will be placed on the small independent telephone companies in complying with S. 1284 pending before the U.S. Senate would be disastrous to some of the smaller companies.

Our paperwork is increasing almost monthly, and getting to the point where it seems even the smallest operators will soon be forced to have a full-time attorney, for litigation purposes, engineer and rate expert on the payroll in order to comply with rules and regulations laid down by our State commission, FCC, and Congress. I'm sure you realize where the small companies will go if this trend continues. The larger company will accomplish its objective and have a total monopoly. I honestly feel that the FCC already has more to supervise than it can do so efficiently.

The Wheat State Telephone Co., Inc., operates in five small towns in four counties. The smallest town has 97 subscribers and the largest town has less than 400. We are serving some 1,099 subscribers over 1,244 miles of line and cable, or less than 1 subscriber per mile, while the larger company has a density of 42 subscribers per mile of line. How are we going to continue to serve the public with modern dial equipment with a saturation factor of this type without hiring more help if such bills as S. 1284 become law?

At the present time we have no such arrangement and do not contemplate any but surely would not want to be burdened in the future to comply with such regulation.

In the interest of the small telephone company we hope you see fit to fight the passage of this bill.

Very truly yours,

PAT C. HURD, *President.*

All right. Let's get to the next bill. Thank you very much.

The next bill is 1554. This is a bill which would amend sections 214 and 222 of the Communications Act so as to substitute the Secretary of Defense rather than the Secretaries of the Army and Navy as the person entitled to receive official notice of the filing of certain applications in the common carrier service.

(Full text of S. 1554 follows:)

[S. 1554, 89th Cong., 1st sess.]

A BILL To amend subsection (b) of section 214 and subsection (c) (1) of section 222 of the Communications Act of 1934, as amended, in order to substitute the Secretary of Defense (rather than the Secretaries of the Army and the Navy) as the person entitled to receive official notice of the filing of certain applications in the common carrier service

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 214 of the Communications Act of 1934, as amended (47 U.S.C. 214(b)), is amended by deleting from the first sentence thereof "the Secretary of the Army, the Secretary of the Navy," and inserting in lieu thereof "the Secretary of Defense".

Sec. 2. That subsection (c) (1) of section 222 of the Communications Act of 1934, as amended, is amended by deleting from the first sentence thereof "the Secretary of the Army," and "the Secretary of the Navy," and inserting in lieu thereof "the Secretary of Defense," immediately after "Secretary of State," in such sentence.

Senator PASTORE. All right, Mr. Henry.

Mr. HENRY. This bill, in contrast to the former one, would eliminate paperwork. When a common carrier wishes to extend its lines or discontinue or curtail its services, it is required to give notice of its application to do so to the Secretary of the Army and the Secretary of the Navy. It has been our experience that the Department of Defense is the agency that makes the required reply in the vast majority of cases, and we think, therefore, it would simplify matters to designate the Secretary of Defense as the Government official who should get a copy of the application.

(The full text of the statement on S. 1554 follows:)

S. 1554 would amend sections 214(b) and 222(c) (1) of the Communications Act of 1934, as amended, to substitute the Secretary of Defense (rather than the Secretaries of the Army and the Navy) as the person entitled to receive official notice of the filing of certain applications.

When a common carrier wishes to extend its lines or to discontinue or curtail existing services, it must file an application for permission to do so. Section 214(b) of the Communications Act provides that among those entitled to receive official notice of the filing of such an application are the Secretary of the Army and the Secretary of the Navy. A similar provision for official service is contained in section 222(c) (1), in cases of consolidations and mergers.

By amending sections 214(b) and 222(c)(1) of the Communications Act to provide for officials notice to the Secretary of Defense and to delete "Secretary of the Army" and "Secretary of the Navy" where those titles appear in such sections, S. 1554 would eliminate unnecessary paperwork. Experience has proved that while copies of applications have been sent to the Departments of the Army, Navy, and Air Force, as well as the Secretary of Defense, the Department of Defense is the agency that makes the required reply in the vast majority of cases.

Limiting official notice to the Department of Defense in such cases should provide adequate notice to the military and, at the same time, eliminate unnecessary administrative work.

Senator PASTORE. Is there anyone in this room either for or against this bill?

(No response.)

Senator PASTORE. Is there anyone against it?

(No response.)

Senator PASTORE. The Chair hears none. We will get to the next one.

S. 1948, a bill which would amend section 4(b) of the Communications Act of 1934 as it applies to Commissioners, employees, and executive reservists of the Federal Communications Commission. The bill would revise conditions concerning the financial interests of Commissioners and employees by bringing it under the conflict-of-interest statutes enacted into law in 1962, Public Law 87-849. The conflict-of-interest provisions of the Communications Act would exempt employees or persons with special knowledge or skills whose principal employment is outside the Government and who are employed with the FCC only intermittently or temporarily. Instead, the general conflict-of-interest statute enacted in 1962 and the rules and regulations promulgated thereunder will apply.

(Full text of S. 1948 follows:)

[S. 1948, 89th Cong., 1st sess.]

A BILL To amend the Communications Act of 1934, as amended, with respect to commissioners, employees, and executive reservists of the Federal Communications Commission

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (b) of section 4 of the Communications Act of 1934, as amended, is amended to read as follows:

"(b)(1) Each member of the Commission shall be a citizen of the United States. A commissioner shall not engage in any other business, vocation, profession, or employment. He shall not, for a period of one year following the termination of his service as a commissioner, represent any person before the Commission in a professional capacity, except that this restriction shall not apply to any commissioner who has served the full term for which he was appointed. Not more than four members of the Commission shall be members of the same political party.

"(2) No member of the Commission or person in its employ shall have a financial interest in, be employed by, or have any official relation to—

"(A) any person engaged in radio broadcasting;

"(B) any person engaged in communication by wire or radio as a common carrier;

"(C) any person a substantial part of whose activities consists of the manufacture or sale of radio apparatus for wire or radio communication;

"(D) any person a substantial part of whose activities consists of the installation, servicing, operation, or maintenance of apparatus used for the transmission of communications by wire or radio;

"(E) any person a substantial part of whose activities consists of the providing of services to any other person a substantial part of whose activities consists of radio broadcasting or communications by wire or radio as a common carrier; or

"(F) a holding company, mutual fund, or other investment company whose investments are concentrated substantially in the areas covered by clauses (A) through (E) of this paragraph (2).

"(3) Paragraph (2) of subsection (b) of this section shall not apply—

"(A) to a 'special Government employee' as defined in section 202(a) of chapter 11 of title 18 of the United States Code; or

"(B) to persons acting as executive reservists pursuant to subsection (e) of section 710 of the Defense Production Act of 1950, as amended (96 Stat. 583, 50 U.S.C. App. 2160(e)), and (i) not otherwise employed by the Government in a full-time capacity, or (ii) when employed full time in time of war or during periods of national emergency declared by the President."

SEC. 2. The second sentence of subsection (j) of section 4 of the Communications Act of 1934, as amended, is hereby repealed.

Senator PASTORE. All right, Mr. Henry.

Mr. HENRY. Mr. Chairman, this would amend subsection 4(b) of the Communications Act.

Let me state at the beginning and assure you that the Commission is very much in favor of the conflict-of-interest provisions in the law. They have a highly salutary purpose of insuring that Government officials act in the public interest and maintain their affairs so that there is no actual or apparent personal interest in the matters which come under their jurisdiction and which might cloud their official decisions.

We believe that our suggested revision of section 4(b) is fully in accord with the spirit of these laws.

But Congress has also recognized that Government employees, generally speaking, should be free to engage in lawful financial transactions to the same extent as private citizens where there is no real conflict of interest.

Now, I think the principal matter that is eliminated or the principal problem that is eliminated by 4(b), as is suggested here, is to eliminate the requirement that FCC members and employees may hold no interest in any company that is licensed by the FCC.

Under present law, under 4(b), while it doesn't establish an absolute rule to that effect, as it's been interpreted it does create extreme doubt as to interests that can be held in companies which are subject to our jurisdiction.

This would eliminate that shadowland, we think, by providing that an FCC Commissioner or employee could own an interest in or in some instances be employed by a company that was only incidentally concerned with communication. Because practically every company in the country is incidentally concerned with communication. It may be through the fact that their company airplane has a license from the FCC and that may be their only connection with the FCC.

But by a strict interpretation of 4(b), no one connected with the FCC could own an interest in that company.

(The full text of the statement on S. 1948 follows:)

S. 1948 would amend subsection 4(b) of the Communications Act (47 U.S.C. 154(b)) to bring the provisions dealing with the financial interests of Commissioners and Commission employees more closely into line with current national policy on conflicts of interest. It would also exempt from the provisions of subsection 4(b) "special Government employees," i.e., the short-term consultant, and persons serving in the Commission's executive reserve program.

Conflict-of-interest provisions in the law have the highly salutary purpose of insuring that Government officials act in the public interest and maintain their affairs so that no actual or apparent personal financial motivations cloud their official decisions. We are in full accord with this objective.

Congress has also recognized, however, that Government employees should be free to engage in lawful financial transactions to the same extent as private citizens where no real conflict of interest exists. This approach has been followed in both the general revision of the conflict-of-interest laws enacted by the Congress in 1962 (Public Law 87-849, approved Oct. 23, 1962) and in President Johnson's Executive Order No. 11222 of May 8, 1965, prescribing standards of ethical conduct for Government officers and employees.¹

Section 4(b) of the Communications Act, as it presently stands, contains a wide prohibition against any financial interest by any Commissioner or Commission employee in any company connected with radio. It covers not only communication common carriers, and broadcast and other radio licensees, but also any company manufacturing radio apparatus, and every company furnishing services or radio apparatus to companies which are licensees or manufacturers. It prohibits the ownership of "stocks, bonds, or other securities of any corporation subject to any of the provisions of the act."

When it was enacted in 1934, the relevant background was the use of radio by broadcast companies and the regulation of communications common carriers. Since that time, however, the Commission has licensed over a million companies and individuals in the safety and special radio services.

Thus, today many corporations having nothing to do with broadcasting or communications common carriers subject to the Commission's regulatory authority are Commission licensees, and our employees are prohibited from buying their stock, solely because their corporate airplane is equipped with radio, or because in some other incidental way they use radio communications in their business. States and municipalities are also usually licensees of police and fire radio systems. In fact, practically every facet of modern industry and commerce, whether it be farming, mining, manufacturing, transportation, or public utilities, uses radio communication and is, therefore, subject to the licensing provisions of the Communications Act. The growth of mutual funds containing a wide diversity of stocks, some of which are almost certain to be in the communications field, raises further problems under the broad language of subsection 4(b).

While FCC Commissioners and employees should be prohibited from investing in broadcast companies and communications common carriers, we strongly believe that the broad language of subsection 4(b) should be changed to remove the shadowland involving those thousands of companies which use radio merely as an incident of their business, and situations such as investment in an ordinary mutual fund.

S. 1948 would go a long way both in clarifying and making realistic the law in this field, without sacrificing the necessary and meaningful restrictions on substantial outside interests which might affect a Commissioner's or an employee's performance of his duties. It would continue to prevent the same types of activities now prohibited by subsection 4(b)—that is, investment, employment by, or holding "official relation to" certain types of companies. It would continue to apply these prohibitions both to Commissioners and Commission employees. It would continue to preclude direct investment by Commissioners and Commission employees in broadcasting or communications common carriers, the primary fields of Commission regulatory activity.

Moreover, it would continue to apply to relationships with, and investments in, companies a substantial part of whose activities consists of the manufacture or sale of radio apparatus or of apparatus for wire or radio communication or the providing of services to radio broadcasters or to common carriers offering communication services by wire or radio. The language also adds a specific reference to prohibit official relationships with, or investment in, companies a substantial part of whose activities is the installation, servicing, or maintenance of apparatus used for the transmission of communications by wire or radio. These provisions would, for example, preclude investment in networks, manufacturers of telephones, radio and television sets, etc. However, a furniture store which happens to include a broadcast licensee among its customers would not ordinarily be a prohibited investment, nor would a department store which handles television sets among countless thousands of other items. Such operations clearly have no bearing upon any conflicts of interest, real or apparent, which the section is designed to prevent.

¹ See, e.g., H. Rept. No. 748, 87th Cong., 1st sess., p. 6, and sec. 203 of Executive Order No. 11222, May 8, 1965, 30 F.R. 6469.

S. 1948 would also prohibit investment in a holding company, mutual fund, or other investment company whose activities are concentrated substantially in broadcasting, communications by wire, or the other mentioned activities. In such circumstances, the nonparticipation test of Public Law 87-849 would apply; that is, whether the investment is so substantial as likely to affect the integrity of the services which the Government may expect, or whether it is too remote or inconsequential to affect the integrity of such services.

Finally, we have been continuing to consider these conflict-of-interest provisions, and would like to bring to the subcommittee's attention one important matter not presently included in S. 1948.

Even under S. 1948, situations of injustice and hardship may arise in exceptional circumstances. Thus, for example, if a Commission employee were to be named beneficiary of a trust containing, among other things, a few shares of stock of an interstate communications common carrier, he would be in violation of the act if he continued in the Commission's employ. Yet he might have no control over the trust and not be able to get the trustees to sell the offending shares. Other factual situations, each one unique, could arise.

We believe that there should be some provision for flexibility so that such cases will not be violations of the law where no substantial actual or apparent conflict of interest exists. We suggest, therefore, that a provision similar to that in the general conflict-of-interest law (18 U.S.C. 208) be included, so that the proscription of the act would not apply where, after full disclosure, a written determination is made by the appointing official that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from the Commissioner or employee.

This could be accomplished by adding a new paragraph (4) to subsection (b) of section 1 of S. 1948 as follows:

"(4) Paragraph (2) of subsection (b) of this section shall not apply if the Commissioner or employee advises the Government official responsible for appointment to his position of all pertinent circumstances and receives a written determination made by such official that the financial interest, employment, or official relation to a person described in paragraph (2) is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from such Commissioner or employee."

S. 1948 also exempts from the financial interest provisions of subsection 4(b) "special Government employees" as that term is defined in Public Law 87-849, 76 Stat. 1119, approved October 23, 1962, 18 U.S.C. 201. The broad scope of existing section 4(b) stands as an obstacle to the use of part-time consultants contemplated by Public Law 87-849, which has liberalized the conflict-of-interest standards as they apply to special Government employees. That act is designed to " * * * help the Government obtain the temporary or intermittent services of persons with special knowledge and skills whose principal employment is outside the Government." (Attorney General's "Memorandum Regarding Conflict-of-Interest Provisions of Public Law 87-849," dated Jan. 28, 1963 (28 F.R. 985).)

Such an employee would continue to remain fully subject to all the conflict-of-interest standards now contained in Public Law 87-849. And, in the event a "special Government employee" should become a regular employee of the Commission, or a member thereof, he would then become subject to section 4(b) (2) of the Communications Act. In short, it is not intended to confer on "special Government employees" any rights beyond those now set out in Public Law 87-849.

Also exempt from the financial interest provisions of subsection 4(b) would be persons acting as executive reservists pursuant to subsection (e) of section 710 of the Defense Production Act of 1950, as amended (69 Stat. 583, 50 U.S.C. app. 2160(e)), and not otherwise employed by the Government in a full-time capacity, and those executive reservists employed full time in time of war or during periods of national emergency declared by the President.

The executive reserve program, approved in Congress in 1955, authorized the President to provide for the establishment and training of a nucleus executive reserve for employment in executive positions in Government during periods of emergency. It further authorized the President to provide by regulation for the exemption of members of such reserve from the operation of the conflict-of-interest provisions in sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (sec. 99 of title 5). This he did in his Executive order establishing the National Defense Executive Reserve. (E.O. 10660, Feb. 15, 1956, 21 F.R. 1117.)

The financial interest provisions of section 4(b) of the Communications Act have been found to be unduly restrictive in the recruitment for the executive reserve training program of the Commission. This has been one of the difficulties encountered in the search for well-qualified appointees. And it is those people who, by reason of their past employment in the Commission or employment in executive positions in the communications industry, are the best qualified and most valuable to serve the Government as full-time Commission employees in periods of national emergency or time of war.

In view of the foregoing, the Commission supports S. 1948 as a bill of important practical significance to its employees and one whose purpose is consistent with the recent expressions of congressional and administration intent, while maintaining full protection to the public interest in leaving administrative proceedings free from actual or potential conflicts of interest.

Senator PASTORE. Has the Budget Bureau passed on this?

Mr. HENRY. Yes.

Senator PASTORE. They have no fault to find with it?

Mr. HENRY. No, sir.

It applies to such circumstances as an employee who might want to work for his brother on the weekends at a gas station. If the gas station has a citizen's band radio to use in its business, then theoretically the Government employee can't work for his brother on the weekends nor can he loan him a thousand dollars to help him with the business and take an interest in and so on.

It is this kind of thing that our amendment addresses itself to.

Senator PASTORE. And you mean that the conflict-of-interest section in the Communications Act is very strict along these lines and inflexible?

Mr. HENRY. Yes; it is.

Senator PASTORE. What would be the guidelines of protection that we wouldn't run into abuses here?

Mr. HENRY. What would be the guidelines of what?

Senator PASTORE. So that we would not run into abuses.

Mr. HENRY. Well, this is the primary thing that is eliminated.

RETAINED IN SECTION 4(b)

Retained in section 4(b) is that:

No member of the Commission or person in its employ shall have a financial interest in, be employed by, or have any official relation to—

(A) any person engaged in radio broadcasting;

(B) any person engaged in communication by wire or radio as a common carrier;

(C) any person a substantial part of whose activities consists of the manufacture or sale of radio apparatus for wire or radio communication;

(D) any person a substantial part of whose activities consists of the installation, servicing, operation, or maintenance of apparatus used for the transmission of communications by wire or radio;

(E) any person a substantial part of whose activities consists of the providing of services to any other person * * *

Now, what those provisions—

Senator PASTORE. Now, let me ask you this question: In other words, what you are saying to me is this: If they own a gasoline station and they do towing service and on that tow truck there is a radio, that because their radio is licensed under the law an individual who works for the FCC could not go there of a Saturday afternoon and pump some gasoline in an automobile? Is that what you're saying?

Mr. HENRY. Yes. This is the doubt created by the present formulation.

Senator PASTORE. You are trying to get away from these small, minimal cases which were never contemplated within the purview of the conflict of interest? Is that correct?

Mr. HENRY. Yes.

Senator PASTORE. Do I give the right example here?

Mr. HENRY. Yes, sir.

Senator PASTORE. All right. Let's get to the next bill.

Any objection to this bill?

(No response.)

Senator PASTORE. All right. Let's go to the next one.

Mr. HENRY. We are just, for your information, Mr. Chairman, adding an additional clause which would allow waivers of 4(b) in appropriate circumstances along the lines presently provided for in the conflict-of-interest laws. That is where full disclosure has been made and a written determination by the appointing official that the interest is not so substantial as to be deemed likely to affect the integrity of the services rendered.

Senator PASTORE. Now, that has been cleared too?

Mr. HENRY. Yes, sir.

Senator PASTORE. All right.

Now we come to S. 1949.

This is a bill amending the Communications Act of 1934 so as to give full and complete effect to the Convention for the Safety of Life at Sea. This convention was formulated in London in 1960 and was ratified by the Senate on April 12, 1962, pursuant to the terms of the convention, and was to come into force on May 26, 1965.

Generally, the objective of the legislation was designed to modernize the ship radio requirements. The three substantive changes in the present law to be made by the legislation are:

1. Lower the limit from 500 to 300 gross tons with regard to cargo ships which are required to carry radio installations;
2. Eliminate nuclear ships from the categories of ships with regard to which the Commission is authorized to make exemptions insofar as radio installations are concerned; and
3. Eliminate the compulsory radio requirements of the Communications Act for vessels which are navigated both in the open sea and on the Great Lakes during such time that such vessels are on the Great Lakes. Vessels operating on the Great Lakes are subject to the safety radio requirements of the Great Lakes Agreement between the United States and Canada.

Since the announcement of our hearings, the House Interstate and Foreign Commerce Committee reported a companion bill, H.R. 7954, and it passed the House of Representatives on June 7, 1965, and has been referred to this committee, so H.R. 7954 will be considered by the committee at this time.

(Full text of S. 1949 and H.R. 7954 follows:)

[S. 1949, 89th Cong., 1st sess.]

A BILL To amend the Communications Act of 1934, as amended, to conform to the Convention for the Safety of Life at Sea, London (1960)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Communications Act of 1934, as amended (47 U.S.C. 153), is amended as follows:

(a) Subsection (w) is amended by adding paragraph (5) to read as follows:
 “(5) ‘Nuclear ship’ means a ship provided with a nuclear powerplant.”

(b) Subsection (x) is amended to read as follows:

“(x) ‘Radiotelegraph auto alarm’ on a ship of the United States subject to the provisions of part II of title III of this Act means an automatic alarm receiving apparatus which responds to the radiotelegraph alarm signal and has been approved by the Commission. ‘Radiotelegraph auto alarm’ on a foreign ship means an automatic alarm receiving apparatus which responds to the radiotelegraph alarm signal and has been approved by the government of the country in which the ship is registered: *Provided*, That the United States and the country in which the ship is registered are parties to the same treaty, convention, or agreement prescribing the requirements for such apparatus. Nothing in this Act or in any other provision of law shall be construed to require the recognition of a radiotelegraph auto alarm as complying with part II of title III of this Act, on a foreign ship subject to such part, where the country in which the ship is registered and the United States are not parties to the same treaty, convention, or agreement prescribing the requirements for such apparatus.”

(c) Subsection (y) is amended to read as follows:

“(y) (1) ‘Operator’ on a ship of the United States means, for the purpose of parts II and III of title III of this Act, a person holding a radio operator’s license of the proper class as prescribed and issued by the Commission.

“(2) ‘Operator’ on a foreign ship means, for the purpose of part II of title III of this Act, a person holding a certificate as such of the proper class complying with the provisions of the radio regulations annexed to the International Telecommunications Convention in force, or complying with an agreement or treaty between the United States and the country in which the ship is registered.”

(d) Subsection (z) is redesignated “(aa)” and a new subsection (z) is added as follows:

“(z) (1) ‘Radio officer’ on a ship of the United States means, for the purpose of part II of title III of this Act, a person holding at least a first- or second-class radiotelegraph operator’s license as prescribed and issued by the Commission. When such person is employed to operate a radiotelegraph station aboard a ship of the United States, he is also required to be licensed as a ‘radio officer’ in accordance with the Act of May 12, 1948 (46 U.S.C. 229a-h).

“(2) ‘Radio officer’ on a foreign ship means, for the purpose of part II of title III of this Act, a person holding at least a first- or second-class radiotelegraph operator’s certificate complying with the provisions of the radio regulations annexed to the International Telecommunication Convention in force.”

(e) Present subsections “(aa)” through “(dd)” are redesignated as “(bb)” through “(ee)”, respectively.

(f) Present subsections “(ee)” and “(ff)” are deleted and the present subsection “(gg)” is redesignated “(ff)”.

Sec. 2. (a) Section 351 of such Act, as amended, is amended by revising the heading to read as follows: “SHIP RADIO STATIONS AND OPERATIONS”.

(b) Subsection (a) of section 351 of such Act, as amended, is amended to read as follows:

“Sec. 351. (a) Except as provided in section 352 hereof it shall be unlawful—

“(1) For any ship of the United States, other than a cargo ship of less than three hundred gross tons, to be navigated in the open sea outside of a harbor or port, or for any ship of the United States or any foreign country, other than a cargo ship of less than three hundred gross tons, to leave or attempt to leave any harbor or port of the United States for a voyage in the open sea, unless such ship is equipped with an efficient radio station in operating condition, as specified by subparagraphs (i) and (ii) of this paragraph, in charge of and operated by one or more radio officers or operators, adequately installed and protected so as to insure proper operation, and so as not to endanger the ship and radio station as hereinafter provided, and in the case of a ship of the United States, unless there is on board a valid station license issued in accordance with this Act.

“(i) Passenger ships irrespective of size and cargo ships of one thousand six hundred gross tons and upward shall be equipped with a radiotelegraph station complying with the provisions of this part;

“(ii) Cargo ships of three hundred gross tons and upward but less than one thousand six hundred gross tons, unless equipped with a radiotelegraph station complying with the provisions of this part, shall be

equipped with a radiotelephone station complying with the provisions of this part.

"(2) For any ship of the United States of sixteen hundred gross tons and upward to be navigated in the open sea outside of a harbor or port, or for any such ship of the United States or any foreign country to leave or attempt to leave any harbor or port of the United States for a voyage in the open sea, unless such ship is equipped with efficient radio direction-finding apparatus approved by the Commission, properly adjusted in operating condition as hereinafter provided."

SEC. 3. (a) Subsection (a) of section 352 of such Act, as amended, is amended to read as follows:

"Sec. 352. (a) * * *

"(6) A ship navigating solely on any bays, sounds, rivers, or protected waters within the jurisdiction of the United States, or to a ship leaving or attempting to leave any harbor or port of the United States for a voyage solely on any bays, sounds, rivers, or protected waters within the jurisdiction of the United States;

"(7) A ship navigating solely on the Great Lakes of North America and the River Saint Lawrence as far east as a straight line drawn from Cap des Rosiers to West Point, Anticosti Island, and, on the north side of Anticosti Island, the sixty-third meridian, or to a ship leaving or attempting to leave any harbor or port of the United States for a voyage solely on such waters and within such area;

"(8) A ship which is navigated during the course of a voyage both on the Great Lakes of North America and in the open sea, during the period while such ship is being navigated within the Great Lakes of North America and their connecting and tributary waters as far east as the lower exit of the Saint Lambert lock at Montreal in the Province of Quebec, Canada."

(b) Subsection (b) of section 352 of such Act, as amended, is amended by changing the introductory text and paragraph (1) to read as follows:

"(b) Except for nuclear ships, the Commission may, if it considers that the route or the conditions of the voyage or other circumstances are such as to render a radio station unreasonable or unnecessary for the purposes of this part, exempt from the provisions of this part any ship or class of ships which falls within any of the following descriptions:

"(1) Passenger ships which in the course of their voyage do not go more than twenty nautical miles from the nearest land or, alternatively, do not go more than two hundred nautical miles between two consecutive ports;"

(c) Section 352 of such Act, as amended, is further amended by adding a new subsection (d) thereto to read as follows:

"(d) Except for nuclear ships, and except for ships of five thousand gross tons and upward which are subject to the Safety Convention, the Commission may exempt from the requirements, for radio direction-finding apparatus, of this part and of the Safety Convention, any ship which falls within the descriptions set forth in paragraphs (1), (2), (3), and (4) of subsection (b) of this section, if it considers that the route or conditions of the voyage or other circumstances are such as to render such apparatus unreasonable or unnecessary."

SEC. 4. Section 353 of such Act, as amended, is amended to read as follows:

"RADIO OFFICERS, WATCHES, AUTO ALARM—RADIOTELEGRAPH EQUIPPED SHIPS

"SEC. 353. (a) Each cargo ship which in accordance with this part is equipped with a radiotelegraph station and which is not equipped with a radiotelegraph auto alarm, and each passenger ship required by this part to be equipped with a radiotelegraph station, shall, for safety purposes, carry at least two radio officers.

"(b) A cargo ship which in accordance with this part is equipped with a radiotelegraph station, which is equipped with a radiotelegraph auto alarm, shall, for safety purposes, carry at least one radio officer who shall have had at least six months' previous service in the aggregate as a radio officer in a station on board a ship or ships of the United States.

"(c) Each ship of the United States which in accordance with this part is equipped with a radiotelegraph station shall, while being navigated in the open sea outside of a harbor or port, keep a continuous watch by means of radio officers whenever the station is not being used for authorized traffic: *Provided*, That in lieu thereof, on a cargo ship equipped with a radiotelegraph auto alarm

in proper operating condition, a watch of at least eight hours per day, in the aggregate, shall be maintained by means of a radio officer.

"(d) The Commission shall, when it finds it necessary for safety purposes, have authority to prescribe the particular hours of watch on a ship of the United States which in accordance with this part is equipped with a radiotelegraph station.

"(e) On all ships of the United States equipped with a radiotelegraph auto alarm, said apparatus shall be in operation at all times while the ship is being navigated in the open sea outside of a harbor or port when the radio officer is not on watch."

SEC. 5. Section 354 of such Act, as amended, is amended to read as follows:

"OPERATORS, WATCHES—RADIOTELEPHONE EQUIPPED SHIPS

"SEC. 354. (a) Each cargo ship which in accordance with this part is equipped with a radiotelephone station shall, for safety purposes, carry at least one operator who may be the master, an officer, or a member of the crew.

"(b) Each cargo ship of the United States which in accordance with this part is equipped with a radiotelephone station shall, while being navigated in the open sea outside a harbor or port, maintain continuous watch whenever the station is not being used for authorized traffic."

SEC. 6. Section 355 of such Act, as amended, is amended to read as follows:

"TECHNICAL REQUIREMENTS—RADIOTELEGRAPH EQUIPPED SHIPS

"SEC. 355. The radiotelegraph station and the radio direction-finding apparatus required by section 351 of this part shall comply with the following requirements:

"(a) The radiotelegraph station shall include a main installation and a reserve installation, electrically separate and electrically independent of each other: *Provided*, That, in installations on cargo ships of three hundred gross tons and upward but less than one thousand six hundred gross tons and installations on cargo ships of one thousand six hundred gross tons and upward installed prior to November 19, 1952, if the main transmitter complies with all the requirements for the reserve transmitter, the latter may be omitted.

"(b) The radiotelegraph station shall be so located that no harmful interference from extraneous mechanical or other noise will be caused to the proper reception of radio signals, and shall be placed in the upper part of the ship in a position of the greatest possible safety and as high as practicable above the deepest load waterline. The location of the radiotelegraph operating room or rooms shall be approved by the Commandant of the Coast Guard. The radiotelegraph installation shall be installed in such a position that it will be protected against the harmful effects of water or extremes of temperature, and shall be readily accessible both for immediate use in case of distress and for repair.

"(c) The radiotelegraph operating room shall be of sufficient size and of adequate ventilation to enable the main and reserve radio-telegraph installations to be operated efficiently, and shall not be used for any purpose which will interfere with the operation of the radiotelegraph station. The sleeping accommodation of at least one radio officer shall be situated as near as practicable to the radiotelegraph operating room. In ships the keels of which are laid on or after May 26, 1965, this sleeping accommodation shall not be within the radiotelegraph operating room.

"(d) The main and reserve installations shall be capable of transmitting and receiving on the frequencies, and using the classes of emission, designated by the Commission pursuant to law for the purposes of distress and safety of navigation.

"(e) The main and reserve installations shall, when connected to the main antenna, have a minimum normal range of two hundred nautical miles and one hundred nautical miles, respectively; that is, they must be capable of transmitting and receiving clearly perceptible signals from ship to ship by day and under normal conditions and circumstances over the specified ranges.

"(f) Sufficient electrical energy shall be available at all times to operate the main installation over the normal range required by subsection (e) of this section as well as for the purpose of charging any batteries forming part of the radiotelegraph station.

"(g) The reserve installation shall include a source of electrical energy independent of the propelling power of the ship and of any other electrical system

and shall be capable of being put into operation rapidly and of working for at least six continuous hours. The reserve source of energy and its switchboard shall be as high as practicable in the ship and readily accessible to the radio officer.

"(h) There shall be provided between the bridge of the ship and the radiotelegraph operating room, and between the bridge and the location of the radio direction-finding apparatus, when such apparatus is not located on the bridge, an efficient two-way system for calling and voice communication which shall be independent of any other communication system in the ship.

"(i) The radio direction-finding apparatus shall be efficient and capable of receiving signals with the minimum of receiver noise and of taking bearings from which the true bearing and direction may be determined. It shall be capable of receiving signals on the radiotelegraph frequencies assigned by the radio regulations annexed to the International Telecommunication Convention in force for the purposes of distress, direction finding, and maritime radio beacons, and such other frequencies as the Commission may for safety purposes designate."

SEC. 7. Section 356 of such Act, as amended, is amended to read as follows:

"TECHNICAL REQUIREMENTS—RADIOTELEPHONE EQUIPPED SHIPS

"SEC. 356. Cargo ships of three hundred gross tons and upward but less than one thousand six hundred gross tons may, in lieu of the radiotelegraph station prescribed by section 355, be equipped with a radiotelephone station complying with the following requirements:

"(a) The radiotelephone station shall be in the upper part of the ship, so located that it is sheltered to the greatest possible extent from noise which might impair the correct reception of messages and signals, and, unless such station is situated on the bridge, there shall be efficient communication with the bridge.

"(b) The radiotelephone installation shall be capable of transmitting and receiving on the frequencies, and using the classes of emission, designated by the Commission pursuant to law for the purposes of distress and safety of navigation.

"(c) The radiotelephone installation shall have a minimum normal range of one hundred and fifty nautical miles; that is, it shall be capable of transmitting and receiving clearly perceptible signals from ship to ship by day and under normal conditions and circumstances over this range.

"(d) There shall be available at all times a main source of electrical energy sufficient to operate the installation over the normal range required by subsection (c) of this section. If batteries are provided they shall have sufficient capacity to operate the transmitter and receiver for at least six continuous hours under normal working conditions. In installations made on or after November 19, 1952, a reserve source of electrical energy shall be provided in the upper part of the ship unless the main source of energy is so situated."

SEC. 8. Section 357 of such Act, as amended, is amended to read as follows:

"SURVIVAL CRAFT

"SEC. 357. Every ship required to be provided with survival craft radio by treaty to which the United States is a party, by statute, or by regulation made in conformity with a treaty, convention, or statute, shall be fitted with efficient radio equipment appropriate to such requirement under such rules and regulations as the Commission may find necessary for safety of life. For purposes of this section, 'radio equipment' shall include portable as well as nonportable apparatus."

SEC. 9. Subsection (a) of section 359 of such Act, as amended, is amended to read as follows:

"SEC. 359. (a) The master of every ship of the United States, equipped with radio transmitting apparatus, which meets with dangerous ice, a dangerous derelict, a tropical storm, or any other direct danger to navigation, or encounters subfreezing air temperatures associated with gale force winds causing severe ice accretion on superstructures, or winds of force 10 or above on the Beaufort scale for which no storm warning has been received, shall cause to be transmitted all pertinent information relating thereto to ships in the vicinity and to the appropriate authorities on land, in accordance with rules and regulations issued by the Commission. When they consider it necessary, such authorities of the

United States shall promptly bring the information received by them to the knowledge of those concerned, including interested foreign authorities”.

SEC. 10. Section 361 of such Act, as amended, is amended to read as follows:

“CERTIFICATES

“SEC. 361. (a) Each vessel of the United States to which the Safety Convention applies shall comply with the radio and communications provisions of said convention at all times while the vessel is in use, in addition to all other requirements of law, and shall have on board an appropriate certificate as prescribed by the Safety Convention.

“(b) Appropriate certificates concerning the radio particulars provided for in said convention shall be issued upon proper request to any vessel which is subject to the radio provisions of the Safety Convention and is found by the Commission to comply therewith. Cargo ship safety radiotelegraphy certificates, cargo ship safety radiotelephony certificates, and exemption certificates with respect to radio particulars shall be issued by the Commission. Other certificates concerning the radio particulars provided for in the said convention shall be issued by the Commandant of the Coast Guard or whatever other agency is authorized by law to do so upon request of the Commission made after proper inspection or determination of the facts. If the holder of a certificate violates the radio provisions of the Safety Convention or the provisions of this Act, or the rules, regulations, or conditions prescribed by the Commission, and if the effective administration of the Safety Convention or of this part so requires, the Commission, after hearing in accordance with law, is authorized to modify or cancel a certificate which it has issued, or to request the modification or cancellation of a certificate which has been issued by another agency upon the Commission's request. Upon receipt of such request for modification or cancellation, the Commandant of the Coast Guard, or whatever agency is authorized by law to do so, shall modify or cancel the certificate in accordance therewith.”

[H.R. 7954, 89th Cong., 1st sess.]

AN ACT To amend the Communications Act of 1934 to conform to the Convention for the Safety of Life at Sea, London (1960)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Communications Act of 1934, as amended (47 U.S.C. 153), is amended as follows:

(1) Subsection (w) is amended by adding the following new paragraph at the end thereof:

“(5) ‘Nuclear ship’ means a ship provided with a nuclear powerplant.”

(2) Subsection (x) is amended to read as follows:

“(x) ‘Radiotelegraph auto alarm’ on a ship of the United States subject to the provisions of part II of title III of this Act means an automatic alarm receiving apparatus which responds to the radiotelegraph alarm signal and has been approved by the Commission. ‘Radiotelegraph auto alarm’ on a foreign ship means an automatic alarm receiving apparatus which responds to the radiotelegraph alarm signal and has been approved by the government of the country in which the ship is registered: *Provided*, That the United States and the country in which the ship is registered are parties to the same treaty, convention, or agreement prescribing the requirements for such apparatus. Nothing in this Act or in any other provision of law shall be construed to require the recognition of a radiotelegraph auto alarm as complying with part II of title III of this Act, on a foreign ship subject to such part, where the country in which the ship is registered and the United States are not parties to the same treaty, convention, or agreement prescribing the requirements for such apparatus.”

(3) Subsection (y) is amended to read as follows:

“(y) (1) ‘Operator’ on a ship of the United States means, for the purpose of parts II and III of title III of this Act, a person holding a radio operator's license of the proper class as prescribed and issued by the Commission.

“(2) ‘Operator’ on a foreign ship means, for the purpose of part II of title III of this Act, a person holding a certificate as such of the proper class complying with the provisions of the radio regulations annexed to the International Telecommunication Convention in force, or complying with an agreement or treaty between the United States and the country in which the ship is registered.”

(4) (A) Subsections (aa) through (dd) are redesignated as subsections (bb) through (ee), respectively; (B) subsections (ee) and (ff) are repealed; (C) subsection (gg) is redesignated as subsection (ff); (D) subsection (z) is redesignated as subsection (aa); and (E) the following new subsection is inserted immediately after subsection (y):

"(z) (1) 'Radio officer' on a ship of the United States means, for the purpose of part II of title III of this Act, a person holding at least a first or second class radiotelegraph operator's license as prescribed and issued by the Commission. When such person is employed to operate a radiotelegraph station aboard a ship of the United States, he is also required to be licensed as a 'radio officer' in accordance with the Act of May 12, 1948 (46 U.S.C. 229a-h).

"(2) 'Radio officer' on a foreign ship means, for the purpose of part II of title III of this Act, a person holding at least a first or second class radiotelegraph operator's certificate complying with the provisions of the radio regulations annexed to the International Telecommunication Convention in force."

SEC. 2. (a) The heading of section 351 of the Communications Act of 1934 is amended to read as follows: "SHIP RADIO STATIONS AND OPERATIONS".

(b) Subsection (a) of such section 351 is amended to read as follows:

"(a) Except as provided in section 352 hereof it shall be unlawful—

"(1) For any ship of the United States, other than a cargo ship of less than three hundred gross tons, to be navigated in the open sea outside of a harbor or port, or for any ship of the United States or any foreign country, other than a cargo ship of less than three hundred gross tons, to leave or attempt to leave any harbor or port of the United States for a voyage in the open sea, unless such ship is equipped with an efficient radio station in operating condition, as specified by subparagraphs (A) and (B) of this paragraph, in charge of and operated by one or more radio officers or operators, adequately installed and protected so as to insure proper operation, and so as not to endanger the ship and radio station as hereinafter provided, and, in the case of a ship of the United States, unless there is on board a valid station license issued in accordance with this Act.

"(A) Passenger ships irrespective of size and cargo ships of one thousand six hundred gross tons and upward shall be equipped with a radiotelegraph station complying with the provisions of this part;

"(B) Cargo ships of three hundred gross tons and upward but less than one thousand six hundred gross tons, unless equipped with a radiotelegraph station complying with the provisions of this part, shall be equipped with a radiotelephone station complying with the provisions of this part.

"(2) For any ship of the United States of one thousand six hundred gross tons and upward to be navigated in the open sea outside of a harbor or port, or for any such ship of the United States or any foreign country to leave or attempt to leave any harbor or port of the United States for a voyage in the open sea, unless such ship is equipped with efficient radio direction finding apparatus approved by the Commission, properly adjusted in operating condition as hereinafter provided."

SEC. 3. (a) Subsection (a) of section 352 of the Communications Act of 1934 is amended by striking out paragraph (6) and inserting after paragraph (5) thereof the following new paragraphs:

"(6) A ship navigating solely on any bays, sounds, rivers, or protected waters within the jurisdiction of the United States, or to a ship leaving or attempting to leave any harbor or port of the United States for a voyage solely on any bays, sounds, rivers, or protected waters within the jurisdiction of the United States;

"(7) A ship navigating solely on the Great Lakes of North America and the River Saint Lawrence as far east as a straight line drawn from Cap des Rosiers to West Point, Anticosti Island, and, on the north side of Anticosti Island, the sixty-third meridian, or to a ship leaving or attempting to leave any harbor or port of the United States for a voyage solely on such waters and within such area:

"(8) A ship which is navigated during the course of a voyage both on the Great Lakes of North America and in the open sea, during the period while such ship is being navigated within the Great Lakes of North America and their connecting and tributary waters as far east as the lower exit of the Saint Lambert lock at Montreal in the Province of Quebec, Canada."

(b) Subsection (b) of such section 352 is amended by striking out all through paragraph (1) and inserting in lieu thereof the following:

"(b) Except for nuclear ships, the Commission may, if it considers that the route or the conditions of the voyage or other circumstances are such as to render

a radio station unreasonable or unnecessary for the purposes of this part, exempt from the provisions of this part any ship or class of ships which falls within any of the following descriptions:

"(1) Passenger ships which in the course of their voyage do not go more than twenty nautical miles from the nearest land or, alternatively, do not go more than two hundred nautical miles between two consecutive ports;"

(c) Such section 352 is further amended by adding at the end thereof the following new subsection:

"(d) Except for nuclear ships, and except for ships of five thousand gross tons and upward which are subject to the Safety Convention, the Commission may exempt from the requirements, for radio direction finding apparatus, of this part and of the Safety Convention, any ship which falls within the descriptions set forth in paragraphs (1), (2), (3), and (4) of subsection (b) of this section, if it considers that the route or conditions of the voyage or other circumstances are such as to render such apparatus unreasonable or unnecessary."

SEC. 4. Section 353 of the Communications Act of 1934 is amended to read as follows:

"RADIO OFFICERS, WATCHES, AUTO ALARM-RADIOTELEGRAPH EQUIPPED SHIPS

"SEC. 353. (a) Each cargo ship which in accordance with this part is equipped with a radiotelegraph station and which is not equipped with a radiotelegraph auto alarm, and each passenger ship required by this part to be equipped with a radiotelegraph station, shall, for safety purposes, carry at least two radio officers.

"(b) A cargo ship which in accordance with this part is equipped with a radiotelegraph station, which is equipped with a radiotelegraph auto alarm, shall, for safety purposes, carry at least one radio officer who shall have had at least six months' previous service in the aggregate as a radio officer in a station on board a ship or ships of the United States.

"(c) Each ship of the United States which in accordance with this part is equipped with a radiotelegraph station shall, while being navigated in the open sea outside of a harbor or port, keep a continuous watch by means of radio officers whenever the station is not being used for authorized traffic: *Provided*, That, in lieu thereof, on a cargo ship equipped with a radiotelegraph auto alarm in proper operating condition, a watch of at least eight hours per day, in the aggregate, shall be maintained by means of a radio officer.

"(d) The Commission shall, when it finds it necessary for safety purposes, have authority to prescribe the particular hours of watch on a ship of the United States which in accordance with this part is equipped with a radiotelegraph station.

"(e) On all ships of the United States equipped with a radiotelegraph auto alarm, said apparatus shall be in operation at all times while the ship is being navigated in the open sea outside of a harbor or port when the radio officer is not on watch."

SEC. 5. Section 354 of the Communications Act of 1934 is amended to read as follows:

"OPERATORS, WATCHES—RADIO TELEPHONE EQUIPPED SHIPS

"SEC. 354. (a) Each cargo ship which in accordance with this part is equipped with a radiotelephone station shall, for safety purposes, carry at least one operator who may be the master, an officer, or a member of the crew.

"(b) Each cargo ship of the United States which in accordance with this part is equipped with a radiotelephone station shall, while being navigated in the open sea outside of a harbor or port, maintain continuous watch whenever the station is not being used for authorized traffic."

SEC. 6. Section 355 of the Communications Act of 1934 is amended to read as follows:

"TECHNICAL REQUIREMENTS—RADIOTELEGRAPH EQUIPPED SHIPS

"SEC. 355. The radiotelegraph station and the radio direction finding apparatus required by section 351 of this part shall comply with the following requirements:

"(a) The radiotelegraph station shall include a main installation and a reserve installation, electrically separate and electrically independent of each other: *Provided*, That, in installations on cargo ships of three hundred gross tons and upward but less than one thousand six hundred gross tons, and in installations

on cargo ships of one thousand six hundred gross tons and upward installed prior to November 19, 1952, if the main transmitter complies with all the requirements for the reserve transmitter, the latter may be omitted.

"(b) The radiotelegraph station shall be so located that no harmful interference from extraneous mechanical or other noise will be caused to the proper reception of radio signals, and shall be placed in the upper part of the ship in a position of the greatest possible safety and as high as practicable above the deepest load waterline. The location of the radiotelegraph operating room or rooms shall be approved by the Commandant of the Coast Guard. The radiotelegraph installation shall be installed in such a position that it will be protected against the harmful effects of water or extremes of temperature, and shall be readily accessible both for immediate use in case of distress and for repair.

"(c) The radiotelegraph operating room shall be of sufficient size and of adequate ventilation to enable the main and reserve radiotelegraph installations to be operated efficiently, and shall not be used for any purpose which will interfere with the operation of the radiotelegraph station. The sleeping accommodation of at least one radio officer shall be situated as near as practicable to the radiotelegraph operating room. In ships the keels of which are laid on or after May 26, 1965, this sleeping accommodation shall not be within the radiotelegraph operating room.

"(d) The main and reserve installations shall be capable of transmitting and receiving on the frequencies, and using the classes of emission, designated by the Commission pursuant to law for the purposes of distress and safety of navigation.

"(e) The main and reserve installations shall, when connected to the main antenna, have a minimum normal range of two hundred nautical miles and one hundred nautical miles, respectively; that is, they must be capable of transmitting and receiving clearly perceptible signals from ship to ship by day and under normal conditions and circumstances over the specified ranges.

"(f) Sufficient electrical energy shall be available at all times to operate the main installation over the normal range required by subsection (e) of this section as well as for the purpose of charging any batteries forming part of the radiotelegraph station.

"(g) The reserve installation shall include a source of electrical energy independent of the propelling power of the ship and of any other electrical system and shall be capable of being put into operation rapidly and of working for at least six continuous hours. The reserve source of energy and its switchboard shall be as high as practicable in the ship and readily accessible to the radio officer.

"(h) There shall be provided between the bridge of the ship and the radiotelegraph operating room, and between the bridge and the location of the radio direction finding apparatus, when such apparatus is not located on the bridge, an efficient two-way system for calling and voice communication which shall be independent of any other communication system in the ship.

"(i) The radio direction finding apparatus shall be efficient and capable of receiving signals with the minimum of receiver noise and of taking bearings from which the true bearing and direction may be determined. It shall be capable of receiving signals on the radiotelegraph frequencies assigned by the radio regulations annexed to the International Telecommunication Convention in force for the purposes of distress, direction finding, and maritime radio beacons, and, in installations made after May 26, 1965, such other frequencies as the Commission may for safety purposes designate."

SEC. 7. Section 356 of the Communications Act of 1934 is amended to read as follows:

"TECHNICAL REQUIREMENTS—RADIOTELEPHONE EQUIPPED SHIPS

"SEC. 356. Cargo ships of three hundred gross tons and upward but less than one thousand six hundred gross tons may, in lieu of the radiotelegraph station prescribed by section 355, be equipped with a radiotelephone station complying with the following requirements:

"(a) The radiotelephone station shall be in the upper part of the ship, so located that it is sheltered to the greatest possible extent from noise which might impair the correct reception of messages and signals, and, unless such station is situated on the bridge, there shall be efficient communication with the bridge.

"(b) The radiotelephone installation shall be capable of transmitting and receiving on the frequencies, and using the classes of emission, designated by the Commission pursuant to law for the purposes of distress and safety of navigation.

"(c) The radiotelephone installation shall have a minimum normal range of one hundred and fifty nautical miles; that is, it shall be capable of transmitting and receiving clearly perceptible signals from ship to ship by day and under normal conditions and circumstances over this range.

"(d) There shall be available at all times a main source of electrical energy sufficient to operate the installation over the normal range required by subsection (c) of this section. If batteries are provided they shall have sufficient capacity to operate the transmitter and receiver for at least six continuous under normal working conditions. In installations made on or after November 19, 1952, a reserve source of electrical energy shall be provided in the upper part of the ship unless the main source of energy is so situated."

SEC. 8. Section 357 of the Communications Act of 1934 is amended to read as follows:

"SURVIVAL CRAFT

"SEC. 357. Every ship required to be provided with survival craft radio by treaty to which the United States is a party, by statute, or by regulation made in conformity with a treaty, convention, or statute, shall be fitted with efficient radio equipment appropriate to such requirement under such rules and regulations as the Commission may find necessary for safety of life. For purposes of this section, 'radio equipment' shall include portable as well as nonportable apparatus."

SEC. 9. Subsection (a) of section 359 of the Communications Act of 1934 is amended to read as follows:

"(a) The master of every ship of the United States, equipped with radio transmitting apparatus, which meets with dangerous ice, a dangerous derelict, a tropical storm, or any other direct danger to navigation, or encounters sub-freezing air temperatures associated with gale force winds causing severe ice accretion on superstructures, or winds of force 10 or above on the Beaufort scale for which no storm warning has been received, shall cause to be transmitted all pertinent information relating thereto to ships in the vicinity and to the appropriate authorities on land, in accordance with rules and regulations issued by the Commission. When they consider it necessary, such authorities of the United States shall promptly bring the information received by them to the knowledge of those concerned, including interested foreign authorities."

SEC. 10. Section 361 of the Communications Act of 1934 is amended to read as follows:

"CERTIFICATES

"SEC. 361. (a) Each vessel of the United States to which the Safety Convention applies shall comply with the radio and communication provisions of said Convention at all times while the vessel is in use, in addition to all other requirements of law, and shall have on board an appropriate certificate as prescribed by the Safety Convention.

"(b) Appropriate certificates concerning the radio particulars provided for in said Convention shall be issued upon proper request to any vessel which is subject to the radio provisions of the Safety Convention and is found by the Commission to comply therewith. Cargo ship safety radio telegraphy certificates, cargo ship safety radiotelephony certificates, and exemption certificates with respect to radio particulars shall be issued by the Commission. Other certificates concerning the radio particulars provided for in the said Convention shall be issued by the Commandant of the Coast Guard or whatever other agency is authorized by law to do so upon request of the Commission made after proper inspection or determination of the facts. If the holder of a certificate violates the radio provisions of the Safety Convention or the provisions of this Act, or the rules, regulations, or conditions prescribed by the Commission, and if the effective administration of the Safety Convention or of this part so requires, the Commission, after hearing in accordance with law, is authorized to modify or cancel a certificate which it has issued, or to request the modification or cancellation of a certificate which has been issued by another agency upon the Commission's request. Upon receipt of such request for modification or cancellation,

the Commandant of the Coast Guard, or whatever agency is authorized by law to do so, shall modify or cancel the certificate in accordance therewith."

Passed the House of Representatives June 7, 1965.

Attest:

RALPH R. ROBERTS,
Clerk.

Now, at this time I would like to make part of the record the comments filed by the following agencies:

S. 903:

Comptroller General of the United States.
Department of Justice.
Civil Aeronautics Board.
Federal Aviation Agency.
Department of the Air Force.
Department of Commerce.

S. 1015:

Executive Office of the President, Office of Emergency Planning.
Federal Maritime Commission.
Comptroller General of the United States.
Department of Justice.
Federal Aviation Agency.
Federal Power Commission.

S. 1284: Comptroller General of the United States.

S. 1554:

Comptroller General of the United States.
Department of Defense.
Department of Justice.

S. 1948:

Comptroller General of the United States.
Department of the Treasury.
Executive Office of the President, Office of Emergency Planning.
U.S. Civil Service Commission.

S. 1949:

Federal Maritime Commission.
Department of the Navy.
Department of State.
Comptroller General of the United States.

In addition, correspondence pertaining to S. 1554 between Mr. Donald C. Beelar and Nicholas Zapple, staff counsel:

Letter dated April 19, 1965, to Mr. Zapple from Mr. Beelar.

Letter dated May 6, 1965, from Ben F. Waple, Federal Communications Commission, to Senator Magnuson.

Letter dated June 4, 1965, to Mr. Zapple from Mr. Beelar.

Also, a letter pertaining to S. 1015, dated June 9, 1965, from Chairman Henry, Federal Communications Commission, to Mr. Jack Wayman, Electronic Industries Association; and a letter dated June 15, 1965, from Mr. Alan M. Nedry, special counsel, Southern California Edison Co., and a statement for the record.

Statement on behalf of Edison Electric Institute on S. 1015.

Letter dated June 21, 1965, from Prof. G. W. Swenson, Jr., Box 2, Green Bank, W. Va.

Letter dated June 21, 1965, from L. D. Price, secretary, National Electrical Manufacturers Association, New York City.

Letter dated June 22, 1965, from Mr. John A. Gosnell, general counsel, National Small Business Association.

Letter dated June 22, 1965, from Mr. Donald C. Beelar, attorney, Washington, D.C.

(The material referred to follows:)

GENERAL COUNSEL OF THE DEPARTMENT OF COMMERCE,

Washington, D.C., July 14, 1965.

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your request for the views of this Department on S. 903, a bill to amend the Communications Act of 1934, as amended, with respect to painting, illumination, and dismantlement of radio towers.

This bill would amend section 303(q) of the Communications Act of 1934 to require that abandoned or unused radio towers continue to meet the same painting and lighting requirements that would be applicable if such towers were being used in connection with the transmission of radio energy pursuant to license issued by the Federal Communications Commission (47 U.S.C. 303(q)). It further empowers the Commission to direct dismantlement of such towers when the Administrator of the Federal Aviation Agency determines that there is a reasonable possibility that they may constitute a menace to air navigation.

The language suggested is essentially that approved by the Senate in the 87th Congress (S. 684). The sole difference from S. 684 is that the FCC's authority to require that a tower be dismantled is based upon a reasonable possibility that it may constitute a menace to air navigation.

We believe that the bill constitutes an effective and desirable solution to a problem in the use of airspace.

The Department supports enactment of S. 903.

We have been advised by the Bureau of the Budget that there would be no objection to submission of this report from the standpoint of the administration's program.

Sincerely yours,

ROBERT E. GILES.

DEPARTMENT OF THE AIR FORCE,
Washington, April 21, 1965.

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce,
U.S. Senate.*

DEAR MR. CHAIRMAN: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to S. 903, 89th Congress, a bill to amend the Communications Act of 1934, as amended, with respect to painting, illumination, and dismantlement of radio towers. The Secretary of Defense has delegated to the Department of the Air Force the responsibility for expressing the views of the Department of Defense.

The purpose of the proposed legislation is to amend the Communications Act of 1934 to require that a permittee or a licensee shall maintain the painting and/or illumination of a tower which has been licensed to transmit radio energy. In the event the tower should cease to be licensed by the Federal Communications Commission for the transmission of radio energy, the owner of the tower would maintain the prescribed painting and/or illumination until it is dismantled and the Federal Communications Commission may require the owner to dismantle and remove the tower when the Administrator of the Federal Aviation Agency determines that there is a reasonable possibility that it may constitute a menace to air navigation.

The Department of Defense, as a major user of the airspace, supports the principle that existing radio transmission towers should be adequately painted and lighted and that abandoned or unused radio towers should be dismantled. However, since this matter is of direct concern to the Federal Communications Commission and the Federal Aviation Agency, the Department of Defense defers

to these agencies for a determination of the exact statutory legislation required.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report for the consideration of the committee.

Sincerely,

ROBERT H. CHARLES,
Assistant Secretary of the Air Force
(Installations and Logistics).

FEDERAL AVIATION AGENCY,
Washington, D.C. April 9, 1965.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the views of this Agency with respect to S. 903, a bill to amend the Communications Act of 1934, as amended, with respect to painting, illumination, and dismantlement of radio towers.

This proposal would amend section 303(q) of the Communications Act to require that abandoned or unused radio towers continue to meet the same painting and lighting requirements that would be applicable if such towers were being used in connection with the transmission of radio energy pursuant to license issued by the Federal Communications Commission. The proposal further empowers the Commission to direct dismantlement of such towers when the Administrator of the Federal Aviation Agency determines that there is a reasonable possibility that they may constitute a menace to air navigation.

The Federal Aviation Agency favors enactment of this bill; for it would remedy a serious problem of long standing. Antenna towers constitute a particular danger to pilots, both because of their height and their peculiar structure. Today we have such towers extending as high as 2,000 feet above ground. These structures, being extremely narrow and of latticed construction, create unusual visibility problems for pilots, and it is particularly important that they be properly marked and illuminated both for the protection of persons using the airways and for the protection of persons on the ground in the vicinity of a tower. As long as a broadcasting tower is subject to FCC jurisdiction, broadcasters are required to provide standard marking and lighting protection prescribed in regulations issued by the FCC. When a broadcasting tower is abandoned, however, the protection of this marking and lighting is no longer assured, for the Commission's authority to regulate in that area is terminated. S. 903 would extend the Commission's authority to fill this regulatory gap, and thus afford the public continued protection against unmarked and unlighted towers.

S. 903 also authorizes the Commission to require the dismantling of abandoned towers constituting a menace to air navigation, and it identifies the Administrator of the Federal Aviation Agency as the individual authorized to make the determination on the question of the effect of an abandoned tower on air navigation. We believe this measure necessary and appropriate for the public protection. Where a tall tower no longer serves a useful purpose, and where its existence may create a hazard to air navigation, its owner should be required to dismantle and remove it.

The Bureau of the Budget has advised that there is no objection from the standpoint of the administration's program to the submission of this report to your committee.

Sincerely,

N. E. HALABY, *Administrator.*

CIVIL AERONAUTICS BOARD,
Washington, D.C.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in further reply to your letter of February 3, 1965, acknowledged February 9, 1965, asking the Board for its comments on S. 903, a bill to amend the Communications Act of 1934, as amended, with respect to the painting, illumination, and dismantlement of radio towers.

S. 903 would amend section 303(q) of the Communications Act of 1934, authorizing the Federal Communications Commission to require the painting and illumination of radio towers used in connection with the licensed transmission of radio energy when it believes such towers constitute a menace to air navigation, so as to require that abandoned or unused radio towers continue to meet the same painting or lighting requirements that would be applicable if such towers were being used pursuant to license. The Commission would also be empowered to require the dismantlement of such towers when the Administrator of the Federal Aviation Agency determines that there is a reasonable possibility that they may constitute a menace to air navigation.

The Commission pointed out in its letter transmitting draft legislation to the Congress which was identical to S. 903 that since the events leading to abandonment normally coincide with expiration, cancellation, or revocation of a station license, it is powerless to compel continued obstruction marking except in those cases where other radio licenses are outstanding in the name of the same person. The Commission also pointed out that a Joint Industry Government Tall Structures Committee (JIGTSC), established to investigate the joint use of airspace by the aviation and broadcast industries, recommend that the Commission seek legislation, if necessary, authorizing it to require the removal or appropriate lighting and marking of unused or abandoned towers.

Since S. 903 would contribute to air safety by requiring appropriate marking of unused or abandoned radio towers, the Board urges its enactment.

The Board has been advised by the Bureau of the Budget that there is no objection to the submission of this report from the standpoint of the administration's program.

For the Civil Aeronautics Board:

HAROLD R. SANDERSON,
Secretary.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: This is in response to your request for the views of the Department of Justice on S. 903, a bill to amend the Communications Act of 1934, as amended, with respect to painting, illumination, and dismantlement of radio towers.

This bill has been examined, but since its subject matter does not directly affect the activities of the Department of Justice we would prefer not to offer any comment concerning it.

Sincerely,

RAMSEY CLARK,
Deputy Attorney General.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., February 9, 1965.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate.

DEAR MR. CHAIRMAN: Your letter of February 3, 1965, transmitted copies of S. 903, S. 904, S. 905, and S. 906 and requested our comments thereon.

S. 903 proposes to amend section 303(q) of the Communications Act of 1934 (47 U.S.C. 303(q)) so as to enable the Federal Communications Commission to require the owner of a radio tower which is no longer licensed to maintain the painting and/or illumination thereof until it is dismantled, and to require the owner to remove such tower when the Administrator of the Federal Aviation Agency determines that there is a reasonable possibility that it may constitute a menace to air navigation.

Our office has no special information that would assist the committee in its consideration of this measure. Hence, and since the bill, if enacted, would not affect the functions and responsibilities of our office, we have no comments with respect to its merits or recommendations regarding its enactment.

S. 904, S. 905 and S. 906 will be the subjects of separate correspondence.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF EMERGENCY PLANNING,
Washington, D.C., June 2, 1965.

HON. JOHN O. PASTORE,
Chairman, Subcommittee on Communications, Commerce Committee, U.S. Senate,
Washington, D.C.

DEAR SENATOR PASTORE: I refer to S. 1015, a bill now pending in your subcommittee, which would amend the Communications Act of 1934, as amended, to give the Federal Communications Commission authority to prescribe regulations for the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception.

While the Commission takes the position, and I believe properly, that the Communications Act prohibits the use of equipment or apparatus which causes interference to radio communications, it has no specific rulemaking authority under the act to require that before equipment or apparatus is put on the market it must be properly designed to prevent harmful interference. Since the prohibition falls on the use of the offending equipment, it means that the Commission, in trying to control radio interference, is confined to apprehending the users of equipment which in most instances has been purchased in good faith on the assumption that its operation would be legal. This after-the-fact approach is quite inadequate to control the "radiation smog" which makes it increasingly difficult for any user of radio communications to obtain interference-free reception.

This problem of spectrum pollution by unwanted or unnecessary radiations is of increasing concern to the Government and is one of the matters now under study by the Joint Technical Advisory Committee Subcommittee on Electromagnetic Compatibility.

While the bill as written would exempt from FCC regulation devices manufactured for use by any agency of the Government, it is my intent, should the bill become law, to issue standards to insure that Government equipment meets as a minimum any criteria or standards laid down by the Commission for non-Government equipment.

I will be glad to testify in favor of the proposed legislation should that be your desire.

Sincerely,

J. D. O'CONNELL.

FEDERAL MARITIME COMMISSION,
Washington, D.C., February 17, 1965.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request of February 10, 1965, for the views of the Federal Maritime Commission with respect to S. 1015, a bill "to amend the Communications Act of 1934, as amended, to give the Federal Communications Commission authority to prescribe regulations for the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception."

and S. 1022, a bill "declaring the Grand (Neosho) River above the town of Fort Gibson, Muskogee County, Oklahoma, to be not navigable water of the United States."

and S. 1046, a bill "to amend part II of the Interstate Commerce Act, as amended, so as to authorize exemption from the provisions of such part, of services, and transportation of such nature, character, or quantity as not substantially to affect or impair uniform motor carrier regulation."

Inasmuch as the bills do not affect the responsibilities or jurisdiction of the Commission, we express no views as to their enactment.

The Bureau of the Budget has advised that there would be no objection to the submission of this letter from the standpoint of the administration's program.

Sincerely yours,

JOHN HARLEE,
Rear Admiral, U.S. Navy (Retired), Chairman.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., February 23, 1965.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce, U.S. Senate

DEAR MR. CHAIRMAN: Your letter of February 10, 1965, transmitted copies of S. 348 and S. 1015 and requested our comments thereon.

S. 1015 is identical with S. 2684, 88th Congress, the subject of our letter to you dated April 2, 1964, B-113531. The bill proposes to amend the Communications Act of 1934, as amended, by adding thereto a new section 302 which would authorize the Federal Communications Commission to prescribe regulations for the manufacture, import, sale, shipment, or use of devices which in their operation are capable of emitting radio frequency energy in sufficient degree to cause harmful interference to radio communications.

We have no special information concerning the desirability of granting to the Commission the additional regulatory authority proposed by S. 1015. Hence, and since the bill, if enacted, would not affect the functions and responsibilities of our Office, we have no comments with respect to its merits or recommendations regarding its enactment.

The remaining bill, S. 348, is the subject of a separate communication.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

MARCH 12, 1965.

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.*

DEAR SENATOR: This is in response to your request for the views of the Department of Justice on S. 1015, a bill "to amend the Communications Act of 1934, as amended, to give the Federal Communications Commission authority to prescribe regulations for the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception."

This bill has been examined, but since its subject matter does not directly affect the activities of the Department of Justice, we would prefer not to offer any comment concerning it.

Sincerely,

RAMSEY CLARK, *Deputy Attorney General.*

FEDERAL AVIATION AGENCY,
Washington, D.C., June 1, 1965.

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your request for the views of this Agency with respect to S. 1015, a bill to amend the Communications Act of 1934, as amended, to give the FCC authority to prescribe regulations for the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception.

The purpose of the proposed legislation is to give the Commission more adequate authority to deal with the problem of radio interference occasioned by the rapidly increasing use of electronic devices. In the experience of this Agency the problem is very real and requires Federal control. The aeronautical service radio spectrum has become increasingly cluttered by such devices in recent years with the result that many air navigation facilities are unusable over metropolitan areas because of interference. We therefore urge enactment of this bill.

We would like to add a note in favor of the exemption of devices for use by the Government contained in the proposed section 302(c). Pursuant to section 305 of the Federal Communications Act, radio stations belonging to and operated by the United States are presently not subject to sections 301 and 303, which deal with licensing and related powers and duties of the FCC. The theory underlying that exemption is equally applicable to this new proposal.

The Bureau of the Budget has advised that there is no objection from the standpoint of the administration's program to the submission of this report to your committee.

Sincerely,

N. E. HALABY, *Administrator.*

FEDERAL POWER COMMISSION REPORT ON S. 1015

A BILL To amend the Communications Act of 1934, as amended, to give the Federal Communications Commission authority to prescribe regulations for the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception

Subsection (a) of the bill would give the Federal Communications Commission the authority to prescribe regulations governing the interference potential of devices capable of harmful interference with radio communications. The regulations would be applicable to manufacturers, sellers, and users. Subsection (b) of the bill forbids the manufacture, sale, importation, shipment, or use of devices which fail to comply with the regulations promulgated pursuant to the bill. Subsection (c) excepts from regulation carriers which transport but do not trade in such devices as well as devices made solely for export or for use by the Federal Government or any of its agencies.

At present, the FCC may prescribe regulations governing the use of devices which cause harmful interference to radio reception (47 U.S.C. 301, 303). The regulations appear at 47 CFR 15 et seq. The FCC has no present authority over manufacturers. The proposed bill would extend FCC's authority to manufacturers and would allow the FCC to prevent the manufacture, sale, or use of devices which have the potential of causing interference with radio communications.

The proposed bill might have considerable impact on the electric utilities. If the bill is otherwise necessary, we are confident that the FCC would exercise its discretion in such a way as to protect the public interest in the economical generation and transmission of power and against undue restrictions which would necessitate increased investments and higher charges to consumers. The Administrative Procedure Act provides that notice and an opportunity to participate in rulemaking proceedings must be given to those affected in cases where regulations of the type authorized in the bill would be promulgated. We believe these procedures enable fair consideration of any problems raised by proposed new regulations. Moreover, since the FCC can now enjoin any harmful interference, there is little likelihood of any additional regulation being placed on electric utilities that is not present under existing law. The Commission offers no objection to the proposed legislation.

FEDERAL POWER COMMISSION,
(Signed) JOSEPH C. SWIDLER,
Chairman.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 15, 1965.

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce,
U.S. Senate.*

DEAR MR. CHAIRMAN: Your letter of February 26, 1965, transmitted copies of S. 1259, S. 1275, S. 1284, and S. 1289 and requested our comments thereon.

S. 1284 proposes to amend section 203(a) of the Communications Act of 1934, as amended, with respect to the filing of schedules of charges by connecting carriers.

Other than the explanation made a part of the record at the time S. 1284 was introduced, we have no information as to the desirability of amending the Communications Act of 1934 as proposed therein. Hence, and since the provisions of the bill, if enacted, would not affect the functions and responsibilities of our Office, we have no comments with respect to its merits or recommendations regarding its enactment.

The remaining bills, S. 1259, S. 1275, and S. 1289, are the subject of separate communications.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., March 22, 1965.

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense with respect to S. 1554, 89th Congress, a bill "To amend subsection (b) of section 214 and subsection (c) (1) of section 222 of the Communications Act of 1934, as amended, in order to substitute the Secretary of Defense (rather than the Secretaries of the Army and the Navy) as the person entitled to receive official notice of the filing of certain applications in the common carrier service."

The purpose of the bill is stated in its title.

The Department of Defense has no objection to the enactment of the bill.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report for the consideration of the committee.

Sincerely,

L. NIEDERLEHNER,
Acting General Counsel.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., March 30, 1965.

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce,
U.S. Senate.*

DEAR MR. CHAIRMAN: Your letter of March 18, 1965, transmitted copies of S. 1554 and S. 1555 and requested our comments thereon.

S. 1554 proposes to amend sections 214(b) and 222(c) (1) of the Communications Act of 1934, as amended, in order to substitute the Secretary of Defense for the Secretaries of the Army and the Navy as the person to be officially notified of the filing of certain applications in the common carrier service.

Other than the explanation made a part of the record at the time S. 1554 was introduced, we have no special information as to the desirability of amending the Communications Act of 1934 as proposed therein. Hence, and since the bill, if enacted, would not affect the functions and responsibilities of our Office, we have no comments with respect to its merits or recommendations regarding its enactment.

The remaining bill, S. 1555, is the subject of a separate communication.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF THE DEPUTY ATTORNEY GENERAL,
Washington, D.C., April 5, 1965.

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.*

DEAR SENATOR: This is in response to your request for the views of the Department of Justice on S. 1554, a bill "To amend subsection (b) of section 214 and subsection (c) (1) of section 222 of the Communications Act of 1934, as amended, in order to substitute the Secretary of Defense (rather than the Secretaries of the Army and the Navy, as the person entitled to receive official notice of the filing of certain applications in the common carrier service."

This bill has been examined, but since its subject matter does not directly affect the activities of the Department of Justice we would prefer not to offer any comment concerning it.

Sincerely,

RAMSEY CLARK, *Deputy Attorney General.*

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF EMERGENCY PLANNING,
Washington, D.C., May 14, 1965.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This will acknowledge receipt of your letter of May 13, 1965, requesting comments of this Office concerning S. 1948, 89th Congress, a bill, "To amend the Communications Act of 1934, as amended, with respect to commissioners, employees, and executive reservists of the Federal Communications Commission."

We will submit our comments to your committee as soon as our position can be established and our views related to other Government programs.

Sincerely yours,

M. M. MERKER, *Legal Adviser.*

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., June 1, 1965.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate

DEAR MR. CHAIRMAN: Your letter of May 13, 1965, transmitted copies of S. 1948, S. 1951, and S. 1952 and requested our comments thereon.

S. 1948 proposes to amend subsection (b) of section 4 of the Communications Act of 1934, as amended (47 U.S.C. 154(b) (supp. V)), with respect to Commissioners, employees, and executive reservists of the Federal Communications Commission. The bill would revise the conditions concerning the financial interests of Commissioners and employees that are now imposed upon them with respect to their appointment or employment with that agency. Also, the bill would exempt from such financial interest provisions "special Government employees" as defined in subsection 202(a) of the act of October 23, 1962 (Public Law 87-849, 76 Stat. 1121, 18 U.S.C. 202(a)), and persons acting as executive reservists pursuant to subsection (e) of section 710 of the Defense Production Act of 1950, as amended (69 Stat. 583, 50 U.S.C., app. 2160(e)), and not otherwise employed by the Government in a full-time capacity and those executive reservists employed full time in time of war or during periods of national emergency declared by the President.

Other than the explanation made a part of the record at the time S. 1948 was introduced, we have no special information as to the desirability of amending the Communications Act of 1934 as proposed therein. Consequently, and since it appears that the matter is primarily a question of policy for determination by the Congress, we offer no recommendations concerning the merits of the bill.

As a technical matter, the citation to subsection (e) of section 710 of the Defense Production Act of 1950 appearing on line 10 of page 3 of the bill should be 69 Stat. 583 rather than 96 Stat. 583.

The remaining bills S. 1951 and S. 1952, are the subject of separate communications.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

THE GENERAL COUNSEL OF THE TREASURY,
Washington, D.C., May 28, 1965.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of this Department on S. 1948, "To amend the Communications Act of 1934, as amended, with respect to Commissioners, employees, and executive reservists of the Federal Communications Commission."

The proposed legislation would revise the provisions of the Communications Act of 1934 dealing with financial interests of Commissioners and Commission employees and provides certain exceptions for "special Government employees" and executive reservists.

The proposed legislation is not of primary interest to this Department and the Department has no comment to make as to its general merits.

The Department has been advised by the Bureau of the Budget that there is no objection from the standpoint of the administration's program to the submission of this report to your committee.

Sincerely yours,

FRED B. SMITH,
Acting General Counsel.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., June 18, 1965.

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce, U.S. Senate,
New Senate Office Building.*

DEAR MR. CHAIRMAN: This is in further reply to your letter of May 13, 1965, requesting the Commission's views on S. 1948, a bill "To amend the Communications Act of 1934, as amended, with respect to commissioners, employees, and executive reservists of the Federal Communications Commission."

The Civil Service Commission has no comments to offer with respect to this bill as its subject is special to the Federal Communications Commission and does not have general application outside that agency.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

By direction of the Commission,

Sincerely yours,

(Signed) John W. Macy, Jr.,
JOHN W. MACY, Jr.,
Chairman.

FEDERAL MARITIME COMMISSION,
Washington, D.C., May 20, 1965.

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce, U.S. Senate,
Washington, D.C.*

DEAR MR. CHAIRMAN: This is in reply to your request on May 14, 1965, for the views of the Federal Maritime Commission with respect to S. 1949, a bill "To amend the Communications Act of 1934, as amended, to conform to the Convention for the Safety of Life at Sea, London (1960)."

Inasmuch as the bill does not affect the responsibilities or jurisdiction of the Commission, we express no views as to its enactment.

The Bureau of the Budget has advised that there would be no objection to the submission of this letter from the standpoint of the administration's program.

Sincerely yours,

(Signed) James V. Day,
JAMES V. DAY,
Vice Chairman.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D.C., May 24, 1965.

HON. WARREN G. MAGNUSON,
*Chairman, Committee on Commerce,
U.S. Senate,
Washington, D.C.*

MY DEAR MR. CHAIRMAN: Your request for comments on S. 1949, a bill "To amend the Communications Act of 1934 to conform to the Convention for the Safety of Life at Sea, London (1960)," has been assigned to this Department by the Secretary of Defense for the preparation of a report thereon expressing the views of the Department of Defense.

This bill would enact into law the International Convention for Safety of Life at Sea, 1960, giving it full force and effect. Pursuant to article XI of the convention, the Inter-Governmental Maritime Consultative Organization has informed

all governments which have signed or accepted the convention (including the United States) that it shall come into force on May 26, 1965.

The Department of the Navy, on behalf of the Department of Defense, interposes no objection to the enactment of S. 1949.

This report has been coordinated within the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report on S. 1949 for the consideration of the committee.

For the Secretary of the Navy.

Sincerely yours,

C. R. KEAR, JR.,
Captain, U.S. Navy, Deputy Chief.

DEPARTMENT OF STATE,
Washington, May 25, 1965.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate.

DEAR MR. CHAIRMAN: Thank you for your letter of May 14, 1965, in which you request the Department's comments on S. 1949, a bill "To amend the Communications Act of 1934, as amended, to conform to the Convention for the Safety of Life at Sea, London (1960)."

The specific provisions of the bill are highly technical and are matters within the competence of the Federal Communications Commission. The Department of State has carefully reviewed the bill with respect to its foreign policy implications and has no objection to its enactment.

The Bureau of the Budget advises that from the standpoint of the administration's program there is no objection to the submission of this report.

Sincerely yours,

DOUGLAS MACARTHUR II,
Assistant Secretary for Congressional Relations.
(For the Secretary of State).

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., May 26, 1965.

HON. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate.

DEAR MR. CHAIRMAN: By letter dated May 14, 1965, you requested our comments on S. 1949. The stated purpose of this measure is "To amend the Communications Act of 1934, as amended, to conform to the Convention for the Safety of Life at Sea, London (1960)."

We have no special information that would assist the committee in the consideration of S. 1949 and accordingly offer no comments with regard to the action to be taken thereon.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

KIRKLAND, ELLIS, HODSON, CHAFFETZ & MASTERS,
Washington, D.C., April 19, 1965.

Re S. 1554.

NICHOLAS ZAPPLE, Esq.,
Staff Counsel, Senate Commerce Committee,
128 Old Senate Office Building, Washington, D.C.

DEAR NICK: I received the March 17 release on this proposal and subsequently obtained a copy of S. 1554.

I have no problem about updating sections 214 and 222 to substitute the Secretary of Defense as the one entitled to specific notice, but I do have a problem about the failure of the FCC to give public notice of the filing of such certificate applications. There is a definite need to correct this by requiring public notice,

since it is presently impossible for a communications company to know, or find out, about certificate applications or authorizations for the construction of lines or the commencement of operations which may be injurious or even competitively destructive. Public notice is required in the case of the ICC, as I recall. Since section 214 contemplates the right of an aggrieved carrier or other person to a hearing, this is circumvented by the Commission's failure to give public notice. The right of notice is implicit and essential to the right to a hearing.

Sincerely,

Don,
DONALD C. BEELAR.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., May 6, 1965.

Hon. WARREN G. MAGNUSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR MAGNUSON: A copy of a letter dated April 19, 1965, from Mr. Donald C. Beelar, addressed to Mr. Nicholas Zapple, counsel for the Senate Commerce Committee, has been referred to the Commission for consideration. Mr. Beelar is concerned about the failure of the Commission to give public notice of the filing with it of certificate applications under sections 214 and 222 of the Communications Act of 1934.

We have reviewed our practices in this respect. Currently, we list in our "Public Notice" all such applications involving acquisitions. In the future, although not for the reason suggested by Mr. Beelar, the Commission will list in a "Public Notice" all applications filed by common carriers under sections 214, 221, and 222, except applications seeking authority to discontinue, reduce, or impair communication service. With respect to these latter applications, there appears to be no need to list such applications in our "Public Notice," inasmuch as our rules require the carriers to publish and post notice locally regarding such applications.

Your interest in this matter is appreciated.

Sincerely yours,

BEN F. WAPLE,
Secretary.

KIRKLAND, ELLIS, HODSON, CHAFFETZ & MASTERS,
Washington, D.C., June 4, 1965.

Re S. 1554.

NICHOLAS ZAPPLE,
Staff Counsel, Senate Commerce Committee,
Old Senate Office Building, Washington, D.C.

DEAR NICK: Many thanks for your note of May 17 inquiring about the possible submission of a statement on the above bill.

Also, I was delighted to learn from your letter of May 10 that the Commission has commenced giving public notice weekly of the filing of applications for certificates of convenience or necessity covering construction or extension of lines, or mergers. This is a good procedure which should be useful to Government agencies in addition to the Department of Defense, such as GSA, and, of course, very useful to interested carriers and members of the public.

The innovation of this public notice practice, as beneficial as it may be, does not, in my judgment, obviate the advisability of an amendment to S. 1554 providing for public notice. I will endeavor to prepare a short statement in support of this view before the June 23 hearing. My interest in urging that public notice be given of the filing of such applications was based solely upon the right to know of such filings and not at all occasioned by any problem in obtaining information from staff personnel processing such applications. To the contrary, staff personnel have extended courtesies to persons needing such information, and would, in my judgment, be assisted by a regular public notice procedure.

Sincerely,

Don,
DONALD C. BEELAR.

FEDERAL COMMUNICATIONS COMMISSION,

Washington, D.C., June 9, 1965.

Mr. JACK WAYMAN,

Director, Consumer Products Division, Electronic Industries Association, 1721 DeSales Street NW., Washington, D.C.

DEAR MR. WAYMAN: At your request, members of the FCC staff met with your representatives in the Office of the Chief of Engineer on June 3, 1965, to discuss the radio interference bills now pending in Congress—S. 1015 and H.R. 5864—particularly with respect to the considerations and criteria that the Commission would apply in rulemaking proceedings if it is given the authority sought in the pending bills. The purpose of this letter is to clarify the purpose of the proposed legislation.

The Commission strongly believes that the proposed legislation would serve the public interest and be to the best interest of the responsible manufacturer. Since we know from past dealings the high degree of responsibility of the manufacturers comprising your association, we would hope that they would cooperate in securing passage of this much needed legislation.

On June 5, 1958, Senator Magnuson wrote to Chairman Doerfer relative to the problem of interference and sought the recommendations of the Commission for legislative action, citing the Commission's responsibility to Congress to transmit recommendations that are deemed to be necessary or desirable. These bills, currently pending, are the result of our recommendation.

Under present law, the Commission prescribes by rule the extent to which electrical equipment must limit the emission of radiofrequency energy in order to prevent interference to authorized radio services. The regulations promulgated by the Commission under the Communications Act of 1934, as amended, apply only to the users of equipment. The Commission has no authority to regulate the manufacture, shipment, or sale of equipment capable of producing interference to radio reception.

The purpose of the pending bills is to extend our authority and thereby permit the Commission to apply its regulations directly to the manufacture and sale of the equipment. Thus the fundamental difference between the existing and the requested additional authority is to permit regulation of equipment capable of causing interference to radio reception before this equipment is sold to the public. Our criteria and considerations in evaluating the interference potential of such equipment will remain as they now are.

It should be clear that it is manifestly impossible to locate and correct each individual piece of equipment producing interference, whereas it is reasonably feasible to regulate the manufacture and distribution of such equipment. Thus it is our primary objective to require manufacturers and sellers to comply with the regulations which are now applicable only to the user.

Enforcement of regulations under present law requires the Commission to institute, against offending users, cease-and-desist proceedings wherein the Government has the burden of proving that the equipment in question is in fact being used by the respondent and is in fact causing harmful interference to authorized radio services by emitting radiofrequency energy.

As an example, to establish beyond question in a legal proceeding that a piece of equipment is the source of interference to aircraft communications, our staff is required to ride a plane to observe interference and carefully synchronize with a crew on the ground the observed interference and the operation cycle of the equipment under suspicion to establish that it is this equipment and no other that is causing harmful interference. This is not only an onerous burden to the Commission but it is a highly ineffective method of protecting legitimate radio users from the destructive effects of interference, since the protection is accomplished only after the occurrence of the interference which places life and property in jeopardy until it is found and stopped.

The Federal Aviation Agency has repeatedly complained to the Commission of the dangerous situation created by spectrum pollution, particularly that which results from industrial heaters employing radiofrequency energy, and has urged a solution which would eliminate the cumbersome procedure now required.

With respect to the manner of regulation that might be effected under the proposed bills, our staff discussed the Commission's past record of regulation in a number of areas: radiation limits for television receivers, our type acceptance program for licensed transmitters, the regulations adopted to implement the all-channel legislation. In each case, the Commission has given full consid-

eration to industry problems and has been extremely careful to avoid regulations that would be unreasonable or incompatible with the existing state of the art. As you know, our present regulations have been developed over a long period of time in full cooperation with industry representatives.

We would also stress that any rule which the Commission adopts is subject to well-defined procedures specified by law, in which all interested parties are invited to participate. These procedures call for formal notice of proposed rulemaking, provide ample time for comments and countercomments and, when necessary, provide for oral argument and hearing. During the course of proceedings, it is not uncommon to engage in informal Government-industry conferences, equipment tests, and observations. We would anticipate that such conferences would be held in the course of rulemaking proceedings to implement the pending legislation if it is enacted.

To summarize, the Commission's past record of reasonableness and cooperation with industry should carry assurance about its future regulations. We can reasonably assure you that the pending legislation, if approved, will be used basically to require compliance by manufacturers and sellers with regulations now applicable only to users. Certainly it is the mutual concern of the Commission and members of your organization that an early and practical solution be found to the mounting problem of spectrum pollution.

While I trust that this will clarify the questions raised in your industry by the pending legislation, the Commission will be glad to hold further meetings with association representatives to work out differences and to delineate clearly the thrust and scope of the legislation and regulations adopted under it.

This letter was adopted on the 9th of June 1965.

By direction of the Commission :

E. WILLIAM HENRY, *Chairman.*

SOUTHERN CALIFORNIA EDISON CO.,
Washington, D.C., June 15, 1965.

HON. JOHN O. PASTORE,
Chairman, Subcommittee on Communications, Committee on Commerce, U.S. Senate, Suite 5202, New Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: On behalf of the Southern California Edison Co., I submit herewith 50 copies of our views on S. 1015 now pending before your subcommittee. We respectfully request that this statement be made a part of the hearing record on this proposed legislation.

Very truly yours,

ALAN M. NEDRY.

STATEMENT ON BEHALF OF SOUTHERN CALIFORNIA EDISON CO.

The Southern California Edison Co. appreciates the opportunity to submit its views on S. 1015, which would amend the Federal Communications Act of 1934, as amended, to give the Federal Communications Commission authority to regulate the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception.

Before proceeding to our technical comments on this proposed legislation, it may be of interest to briefly review the size and scope of the company.

The Southern California Edison Co. is a California corporation engaged as a public utility in the supply of electricity in the central and southern portions of the State of California and the western portion of the State of Nevada. The company owns and operates an interconnected steam and hydroelectric generating system located in central and southern California, consisting of 36 hydroelectric stations with a total effective operating capacity of approximately 839,000 kilowatts and 12 steam electric generating stations having a total operating effective capacity of approximately 5,307,000 kilowatts. In addition, under contract with the United States, Edison Co. has available for its use approximately 316,000 kilowatts of effective operating capacity at the Hoover Dam powerplant on the Colorado River, certain of the units of which it operates as an agent of the United States. The company also owns a part of a steam electric generating plant in the State of Arizona which is operated by another utility. The population of the territory served by the company is estimated to be approximately 6,500,000 persons.

The operation of a large electric utility system has given the company extensive experience and specialized knowledge in the field of electromagnetic compatibility development, and the designing into the construction and operation of our system, radio interference suppression. Based on this experience, and in reference to the proposal now before this committee, we believe that the comments offered here may be of interest in considering this legislation. We confine our comments and constructive criticism to that aspect of this legislation which may adversely affect standard industry apparatus used in the generation, transmission, and distribution of electric energy for public service.

LACK OF DEFINITION

In our judgment, S. 1015 is not sufficiently definitive as to the areas in which new regulatory powers would or should be applied. There is no distinction between regulation over devices which potentially could emit a brief burst of interference and interference at rare intervals as contrasted to devices which radiate continuously. Thus, devices which may emit only a brief burst of interference are of no consequence, and yet under the language of the bill, it would appear to be illegal to manufacture equipment of such limited interference capability.

Such lack of definition also illustrates the technical problems in trying to make statutory distinctions between such devices.

S. 1015 would also give the Federal Communications Commission authority or right to regulate the "interference potential of devices." The ambiguity of the word "potential" is obvious and yet such ambiguity could create the difficult problems of regulation, application, and interpretation. Interference is significant only as a matter of degree and related geographic location. For example, the common household light switch is a "potential" source of interference and yet under the terms of this bill such switches would require suppressive circuitry.

Such lack of definitive criteria and the implications of regulating that which does not justify regulating could place an unjustifiable economic burden on the people.

Radio interference becomes of significance only when it occurs in an area where radio communications are affected and then only when such interference is harmful. The generation of interference in other areas is of no practical concern and would not affect the public welfare. However, under the terms of this legislation the authority proposed to be vested in the Federal Communications Commission could require that vast sums of money be spent on radio interference suppression where such suppression would serve no useful purpose to the public and yet the cost of such added facilities would ultimately be borne by the consumers of electric energy.

DISCRIMINATORY PROVISION

We believe that the bill is discriminatory in that agencies of the Federal Government would be excepted under the language which states that the law is not applicable to the Federal Government "or to devices for use by the Government of the United States or any agency thereof." If the Congress believes that radio communication interference should be regulated, there should be no distinction as to the ownership or source of the interference. An interference producing fluorescent light, or other device, under Government ownership should be treated or regulated on the same basis as privately owned devices.

INTERFERENCE VERSUS COMPATIBILITY

The Federal Communications Commission in its 1963 annual report to the Congress has referred to the extremely important concept of "electromagnetic compatibility." It is obvious that the Commission is relying completely on the concept of "electrical compatibility" rather than the idea of "interference elimination" as a part of compatibility.

We believe this to be most important and extremely significant for the Commission recognizes, as does the electric power industry, that however generated, the essence of all interference problems is one of "electromagnetic compatibility." However, in the request for additional regulatory powers, the Federal Communications Commission makes no reference to "compatibility." Here what is

to be regulated is "interference potential." We submit that this concept is impractical and cannot, in the present state of the art, be achieved either by present forms of Commission regulation or by the design of the apparatus. However, "compatibility" by design is being achieved. A practical illustration can be found in the extensive but costly achievements of the military services where, due to extreme variable environments, the problem is most acute and diversified. In the electric power industry "compatibility" is achieved by incorporating the radio influence factor as a first fundamental in the conductor design of high voltage electric power transmission lines. This factor takes into account all the parameters involved in the matter of fitting a transmission line into the receiving environment of the general public. (Radio and television signal to ambient levels.)

The omission of the "compatibility" concept in the bills is a serious defect and one which must be remedied if such authority is to be vested in the Federal Communications Commission or give that regulatory agency the attainment of what appears to be its basic intent.

A further aspect of "electromagnetic compatibility" is that to deal effectively with these problems on an evenhanded and consistent basis would require the hiring of highly specialized and technically sophisticated personnel by the FCC.

This would also require extensive laboratory instrumentation in many parts of the country and associated technical personnel of a magnitude that we believe would be most difficult and impractical for any one Government agency to maintain and justify. For example, the FCC personnel would not only have to be technically informed and proficient in the electrical design of razors, but they would have to be equally cognizant of all the design parameters involved in rotating machinery insulation, electric components, and the myriad combinations involved in the design of all types of appliances and electrical apparatus.

Therefore, unless all devices of "potential" interference capability are tested and approved prior to sale, many such devices would still reach the consumer market and be sold prior to the discovery of the interference problem. We believe that to set up testing laboratories or other facilities to insure the type of compliance needed would be prohibitively expensive and cumbersome.

CONCLUSION

In conclusion, the Southern California Edison Co. suggests that the Federal Communications Commission is making substantial progress in dealing with "electromagnetic compatibility" problems in the radio spectrum ambient and through its various departments and under its present statutory authority is adequately protecting the public interest in this area.

In serving the public as efficiently and effectively as we know how, we will continue to assist the FCC in the problem of locating and remedying interference situations and will continue this activity as a part of the obligation we assume in serving the public. We therefore suggest that this voluntary program is presently achieving the desired end and there is no need for the legislation under consideration which would compel regulation in a problem area that can best be handled through a voluntary program.

STATEMENT ON BEHALF OF EDISON ELECTRIC INSTITUTE

Edison Electric Institute herein presents its views on S. 1015, a bill to amend the Communications Act of 1934, as amended, to give the Federal Communications Commission authority to prescribe regulations for the manufacture, import, sale, shipment or use of devices which cause harmful interference to radio reception.

The Edison Electric Institute includes among its members 184 operating electric power companies serving over 48 million customers. This is over 97 percent of all the customers of the investor-owned electric power supply industry and some 76 percent of our Nation's users of electricity.

The operating companies of the electric power industry have for years cooperated voluntarily in the investigation and elimination of sources of radiation that interfere with radio reception. Edison Electric Institute through its technical committees provides for the exchange of information among its members and for development work on this subject as well as others important to their

operations. For these reasons, we believe our comments on S. 1015 may be of assistance to the committee in its consideration of that bill.

We recognize that the widespread use of electronic devices by industry and the general public has increased the difficulties experienced by the Federal Communications Commission in providing interference control. In its 1963 annual report, the Commission stated that the regulatory principles applied seek to provide for the use of a multitude of items in industry and in the home which radiate radio frequency energy while at the same time applying reasonable curbs to minimize their interference potential. It further stated that in attempting to strike a proper balance, the Commission relies increasingly on the practical concept of electromagnetic compatibility rather than the ideal of interference elimination.

By these statements the Commission has recognized, as does the electric power industry, that the essence of all interference problems, however generated, is one of compatibility. By electromagnetic compatibility we understand the Commission to mean the ability of two or more devices, each capable of radiating radio-frequency energy, to serve their necessary and useful purposes without harmful mutual interference. In applying this concept of compatibility, the Commission may require an extension of the authority it now has to regulate the operation of devices that cause harmful interference to radio reception. It is suggested that this increased authority to control the manufacture and distribution of devices that cause interference to radio communication could be achieved by wording the proposed new section 302(a) in the Communications Act of 1943, as amended, as follows:

"Sec. 302. (a) The Commission may, consistent with the public interest, convenience, and necessity, make reasonable regulations prohibiting the manufacture, import, sale, offer for sale, shipment, or use of devices of a specific design that has been proven to be electromagnetically incompatible in normal use with radio communication systems designed and operated in accordance with good engineering practice."

This suggested revision of section 302(a) is in accord with the objective stated in the preamble to the bill of providing "authority to prescribe regulations for the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception." We believe that in the present state of the art it would be impractical to attempt to control the design of all electrical devices on the basis of the mere possibility that they may cause harmful interference to radio reception.

We believe that the very broad language of the present bill, if enacted, would eventually be found to affect large segments of industry not now intended to be affected. The electric power industry, for example, is vitally interested. We therefore respectfully suggest that before taking action on this bill your committee might well obtain comments from all types of industry that manufacture or use electrical devices.

Dated : June 18, 1965.

Respectfully submitted.

EDISON ELECTRIC INSTITUTE,
By EDWIN VENNARD, *Managing Director.*

GREEN BANK, W. VA., June 21, 1965.

SUBCOMMITTEE ON COMMUNICATIONS, COMMERCE COMMITTEE OF THE SENATE,
Care of Mr. Nick Zapple,
Senate Office Building, Washington, D.C.

GENTLEMEN: With your indulgence, I should like to submit a statement concerning Senate bill S. 1015. My qualifications to comment on this bill are as follows: I am professor of electrical engineering and research professor of astronomy at the University of Illinois, Urbana, and also staff scientist at the National Radio Astronomy Observatory in Green Bank, W. Va. I hold the doctor of philosophy degree in electrical engineering from the University of Wisconsin (1951), and have worked as a radio engineer and a radio astronomer in the aerospace industry and in various universities for the past 20 years. I am a fellow of the Institute of Electrical and Electronics Engineers, and a member of the American Astronomical Society. The statements herein do not necessarily represent the views of my employers, but are personal opinions. They

are also the consensus of a group of approximately 20 radio astronomers and radio engineers representing research institutions from all parts of the Nation, who discussed the matter in Washington on June 18, 1965.

The radio-frequency spectrum constitutes a natural resource of enormous economic and cultural value, though it is not often thought of in this way either by the general public or by the technical personnel concerned with its exploitation. The radio frequencies available for our use are limited and are greatly overutilized. While the radio frequency is not an expendable resource in the sense that, once used by a particular service, it cannot be reassigned to another, in practice the economic investment in an assigned frequency is usually so large that reassignment is virtually impossible. As the need for space in the spectrum by various legitimate users greatly exceeds the space available, it is clearly imperative that such space be used with the greatest economy. Engineering standards must continually be upgraded as the electrical art develops to eliminate, insofar as possible, interference among legitimate users of the spectrum. Above all, every effort must be made to eliminate contamination of the spectrum by manmade radio emanations which serve no useful purpose but which arise incidentally from other activities.

Incidental contamination of the radio-frequency spectrum can arise from a multitude of sources, and causes enormous difficulty and economic loss to legitimate users of the spectrum. In almost every situation, a device which causes troublesome incidental radiation does so only because it is poorly designed or constructed or adjusted, and not because such radiation is an inherent concomitant of the intended function of the device. The situation is analogous in many respects to the pollution of lakes and streams by sewage and industrial wastes. Such pollution can and must be controlled by proper design of sanitary facilities and industrial processes; we do not accept the argument that the protection of a neighbor's water supply is "too expensive" or "too much trouble." Similarly, it is reasonable to require the manufacturer, seller, or user of an electrical system to exercise due care, and knowledge consistent with the state of the engineering art, to eliminate contaminating radiations from his device or process.

I can speak from the viewpoint of 10 years' experience in radio astronomy. In this field of research, we deal with "signals" of extremely low power, so that incidental radiations are a serious nuisance. We must spend a very substantial portion of our available time and money dealing with interfering radiations from such devices as motor vehicles, electric fences, door openers, welding machines, fluorescent or neon or vapor lighting, and the like. Almost invariably the users of these devices are unaware of the damage they cause, and are anxious to cooperate in remedial action. Frequently, however, we are faced with such a cacophony of "noise" from many different sources that we cannot isolate individual ones. And radio astronomy is not the only sufferer from this pollution of the radio spectrum. Almost every user of the spectrum has similar difficulties. In fact, manmade radio noise is so prevalent that a radio communication system invariably uses many times the amount of meter power indicated by the natural requirements of the system, to insure reception above the noisy background. This is highly inefficient, economically, and contributes materially to the overcrowding of the radio spectrum.

Senate bill S. 1015 would empower the Government to impose realistic and reasonable requirements on the design of electrical devices to reduce the wasteful pollution of the radio spectrum. It is badly needed. I urge that it be favorably considered by the Congress.

Sincerely yours,

G. W. SWENSON, Jr.

NATIONAL SMALL BUSINESS ASSOCIATION,
Washington, D.C., June 22, 1965.

Re hearings on S. 1015.

HON. JOHN O. PASTORE,

*Chairman, Subcommittee on Communications, Senate Commerce Committee,
Senate Office Building, Washington, D.C.*

DEAR MR. CHAIRMAN: We were granted time for appearance before the subcommittee on behalf of those of our members engaged in the manufacture of radio controls for door operators.

This is to advise that the responsible segments of the industry, after consultation with the Federal Communications Commission, and with understanding of the purpose and intent of S. 1015, recognize the nature of the burden on the FCC,

and the need to regulate those manufacturers who do not cooperate with the FCC in seeking to comply with the rules and regulations of the Commission. The responsible part of the industry, having no objections to the enlargement of the authority as proposed in S. 1015, desires to surrender the requested time for appearance before the committee.

In so doing we would like to make this statement for the record, with your permission—that, insofar as the industry has been able to ascertain, those radio-control receivers found not to be in compliance with the current regulations, to the best of our knowledge and belief, were either manufactured prior to awareness by industry of interference potential or of concern about spectrum pollution, or were manufactured by fringe elements which have never joined with responsible manufacturers in the effort to fully comply with the FCC regulations.

We also ask your permission to supplement these remarks with a further written statement for the record if it appears that testimony before the committee does not fairly develop all of the pertinent facts concerning those installations alleged to be the source of interference.

We would like to mention also that the responsible portion of the industry has been, and is now, working with the Commission toward the development of practical rules designed to meet industry requirements and at the same time minimize interference potential.

Cordially,

JOHN A. GOSNELL,
General Counsel.

NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION,
New York, N.Y., June 21, 1965.

Re S. 1015. In the matter of amendment of the Communications Act of 1934, as amended, to give the FCC authority to prescribe regulations for the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception.

Senator JOHN O. PASTORE,
Chairman, Communications Subcommittee, Senate Commerce Committee, Senate Office Building, Washington, D.C.

DEAR SENATOR PASTORE: This statement, made in regard to the above-referenced matter, is submitted by the codes and standards committee of the National Electrical Manufacturers Association (NEMA). The codes and standards committee is a standing committee, correlating the technical standardization activities of the National Electrical Manufacturers Association.

The National Electrical Manufacturers Association is the national trade organization for the electrical equipment industry. The association serves approximately 500 of the Nation's leading manufacturers of electrical products in such divergent areas as household appliances; electrical building equipment; generation, transmission and distribution equipment; wire and cable; lighting equipment; industrial equipment; electrical insulating materials; and industrial electronics and communications equipment. Its member companies range in size from small single-line firms to diversified industrial giants.

The National Electrical Manufacturers Association believes that there is no basic conflict with the Federal Communications Commission's intent and reasons to establish reasonable control of some types of radio interference devices. However, we do believe that a clarification of Senate bill S. 1015, in line with our understanding of the intent of the FCC, is desirable and necessary. The National Electrical Manufacturers Association, therefore, respectfully proposes the following modification [shown in italics] of sec. 302 (a) :

"SEC. 302. (a) The Commission may, consistent with the public interest, convenience, and necessity, make reasonable regulations, *formulated in consultation with the affected industry representatives*, governing the interference potential of devices which in their operation are capable of emitting radio frequency energy by radiation, conduction, or other means in sufficient degree to cause harmful interference to *commercial aircraft and public safety* radio communications. Such regulations shall be applicable to the manufacture, import, sale, offer for sale, shipment, or use of such devices."

The consideration by the Communications Subcommittee of the modification proposed herein would be greatly appreciated.

Yours sincerely,

L. D. PRICE,
Secretary, National Electrical Manufacturers Association Codes and Standards Committee.

AMERICAN MERCHANT MARINE INSTITUTE, INC.,
Washington, D.C., June 23, 1965.

Re S. 1949.

Senator JOHN O. PASTORE,
Chairman, Subcommittee on Communications, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR SENATOR PASTORE: The American Merchant Marine Institute is an organization representing a major portion of the privately owned oceangoing shipping of all categories operating under the American flag. We respectfully submit the following comment re S. 1949.

S. 1949 is a bill which would translate into national legislation those provisions applicable to U.S.-flag shipping with respect to radio which were developed at the International Conference on Safety of Life at Sea held in London, 1960.

On May 19, 1965, the Subcommittee on Communications and Power of the House Committee on Interstate and Foreign Commerce held a hearing on H.R. 7954, which was introduced as a companion bill to S. 1949. The Institute appeared at that hearing and requested an amendment which was adopted in substance by the House committee. We pointed out a discrepancy in the provision dealing with requirements of the radio direction-finding apparatus which through an omission introduced a substantive change in the law. The provision, which concerns the sentence commencing at line 22, page 12 of S. 1949, was amended to read as follows [amended language italicized]:

"It shall be capable of receiving signals on the radiotelegraph frequencies assigned by the radio regulations annexed to the International Telecommunications Convention in force for the purposes of distress, direction finding, and maritime radio beacons, and, *in installations after May 26, 1965*, such other frequencies as the Commission may for safety purposes designate."

The amended version of H.R. 7954 was subsequently approved by the House on June 7 and referred to your committee on June 8.

The amendment requested by the Institute has been accepted by the Federal Communications Commission and, as reflected in the House-approved bill H.R. 7954, is noncontroversial insofar as we are aware. We respectfully urge, therefore, that the Senate committee, in its consideration of S. 1949, adopt the language as it appears in the House-approved H.R. 7954.

For your ready reference we attach a copy of our statement before the House subcommittee. We request that our views as contained herein be incorporated in the record.

Very truly yours,

ALVIN SHAPIRO.

Senator PASTORE. All right, Mr. Henry, let's hear you on this bill.

Mr. HENRY. On the Safety of Life at Sea?

Senator PASTORE. Yes.

Mr. HENRY. Mr. Chairman, I think you have summarized it as well as I could.

(The supplemental statement of Mr. Henry follows:)

SUPPLEMENTAL STATEMENT OF MR. HENRY

S. 1949 would amend the Communications Act to conform to the Convention for the Safety of Life at Sea (SOLAS), a conference held in London in May and June of 1960, upon the invitation of the Inter-Governmental Maritime Consultative Organization. A companion bill, H.R. 7954, was passed by the House of Representatives on June 7, 1965.

A major purpose of the conference was the drafting of a convention to replace the International Convention for the Safety of Life at Sea, signed in London in 1948. Commissioner Bartley served as Chairman of the U.S. delegation on chapter IV of the convention and several members of the Commission's staff participated in the conference.

As a result of its deliberations, the conference prepared and opened for signature and acceptance, the International Convention for the Safety of Life at Sea, 1960, to replace the International Convention for the Safety of Life at Sea, 1948.

This convention was submitted to the Senate on April 27, 1961, as Executive K of the 87th Congress with a view to receiving the advice and consent of the Sen-

ate. After a hearing in 1962 before the Committee on Foreign Relations and a favorable report (Ex. Rept. 5, 87th Cong., 2d sess.), the Senate on April 12, 1962, gave its advice and consent to the ratification of such convention.

Pursuant to article XI of SOLAS, the Inter-Governmental Maritime Consultative Organization informed all governments which have signed or accepted the present convention (including the United States) that it would come into force on May 26, 1965.

The amendments contained in S. 1949 have as their objective the modernization of compulsory ship radio safety requirements. The provisions proposed to be amended, other than a few definition changes in section 3, are contained in sections 351 through 361, part II of title III of the Communications Act, which apply to vessels navigated in the open sea on both domestic and international voyages. The present provisions are designed to apply radio safety standards in each respect equal to or higher than those in the 1948 safety convention. In respect to those provisions of the 1960 safety convention which provide for higher standards than those now contained in the Communications Act, and in the 1948 SOLAS Convention, S. 1949 would amend the act to raise the standards of the act to those of the new safety convention.

For example, by lowering from 500 to 300 gross tons the gross tonnage of cargo ships to which compulsory radio installation requirements would be applicable, the proposed amendment would impose the same radio safety requirements on U.S. vessels plying coastal waters in domestic voyages as SOLAS imposes on ships engaged in international voyages.

The Commission has been advised by other interested Government agencies such as the Bureau of the Budget, the Coast Guard, and the Department of the Navy that they have no objection to the enactment of this bill.

Since the United States has already agreed to the provisions in the SOLAS Convention, the amendments made by S. 1949 are conforming in nature and, in our opinion, noncontroversial.

The major substantive changes the bill would make are:

(i) To extend application of the compulsory radio installation requirements of section 351 of the Communications Act to cargo ships as low as 300 gross tons. Section 351 contains radio requirements for ships of the United States navigating in the open sea and all ships leaving a U.S. port for the open sea. Presently, cargo ships under 500 gross tons are excepted from the requirements of this section of the Communications Act;

(ii) to make clear that section 352(b) of the Communications Act, which provides for exempting certain categories of ships from the ship radio requirements of part II of the Communications Act, shall not apply to nuclear ships. SOLAS provides that nuclear ships shall not be exempt from any regulations of the convention; and

(iii) to eliminate the compulsory radio requirements of the Communications Act for vessels which are navigated both in the open sea and on the Great Lakes during the time that such vessels are on the Great Lakes. SOLAS 1960 eliminated the compulsory radio requirements of the safety convention for vessels under similar circumstances. The proposed amendment to the Communications Act would effect similar relief for vessels subject to the Communications Act. The purpose in both cases is to eliminate dual radio safety requirements, since vessels on the Great Lakes are subject also to the safety radio requirements of the Great Lakes Agreement between the United States and Canada.

The other amendments are generally nonsubstantive—involving changes in terminology of the act to conform to that adopted by the convention and other changes for purposes of clarification.

When hearings were held on the House side on a companion bill, H.R. 7954, the American Merchant Marine Institute raised a minor objection to the language of the last sentence of section 355(i). The House committee inserted satisfactory language to meet AMMI's point and the Commission recommends including that language in S. 1949. This language is the same as that adopted by the House of Representatives on June 7, and makes it clear that no new equipment will be required for existing installations. Thus, we recommend that at page 13, line 2, after the word "and", there be inserted a comma and the following language "in installations made after May 26, 1965".

These changes brought about by the convention are designed to promote the safety of life and property on the high seas. We urge that S. 1949 be enacted so that the Communications Act may reflect them.

Senator PASTORE. I didn't do it. Nick Zapple did it.

Mr. HENRY. Well, it has been done, and I have nothing to add to that.

We believe it simply brings our law into compliance with the Safety of Life at Sea Convention, and it is noncontroversial.

Senator PASTORE. Is anyone here in opposition to it?

(No response.)

Senator PASTORE. Now, I understand we have some private witnesses here on some of these bills. Would they please identify themselves at this time?

Mr. BOOTH. I am Robert M. Booth, Jr., on behalf of the American Radio Relay League, on S. 1015.

Senator PASTORE. Are you ready now?

Mr. BOOTH. Yes, sir.

Senator PASTORE. Would you step forward, please, sir?

Mr. McINTOSH. I am Robert McIntosh, president, Hallett Manufacturing Co., Los Angeles, Calif. I am here on S. 1015 also.

Senator PASTORE. On the same bill?

Mr. McINTOSH. Yes.

Senator PASTORE. Are you in favor of it?

STATEMENT OF ROBERT M. McINTOSH, PRESIDENT, HALLETT MANUFACTURING CO., LOS ANGELES, CALIF.

Mr. McINTOSH. Yes, I am in favor of it.

I have a statement which may suffice for your purposes.

Senator PASTORE. All right, sir. Would that be sufficient?

Mr. McINTOSH. I believe so.

Senator PASTORE. All right. Without objection, your statement will be inserted in the record at the conclusion of the testimony with reference to that particular bill.

Mr. McINTOSH. Thank you very much.

Senator PASTORE. All right, sir.

(The statement of Mr. McIntosh follows:)

STATEMENT OF ROBERT M. McINTOSH, PRESIDENT, HALLETT MANUFACTURING CO., LOS ANGELES, CALIF., AND PORT HURON, MICH.

Hallett Manufacturing Co. designs, develops, and manufactures interference suppression and shielding systems for a wide variety of engine, electrical, and industrial equipment which, by the very nature of their operating principles, create interference which is capable of destroying electronic, electrical, and communications equipment performance. The safety of lives, substantial capital investment in equipment of all types, and, indeed, in the time of national emergency, the defense systems of the United States could be in jeopardy because of the interference problem, and the manner in which it affects communications and radio reception.

In the industry, interference is frequently called electronic garbage or electronic smog. The problem of disposing of or eliminating this garbage or smog is not an easy one, yet, through the conscientious application of good design and engineering techniques, solutions are available at minimal cost to the manufacturer of original equipment prior to its sale.

Interference is defined as any electromagnetic disturbance, phenomena, signal or emission which causes or can cause undesired response, malfunctioning, or degradation of performance of electrical and/or electronic equipment.

The two basic types of interference are:

- (a) Radiated interference which is the undesired electromagnetic emission which is "sprayed" and subsequently picked up by the antenna or devices as a signal which will override the desired signal.

(b) Conducted interference which is that electromagnetic disturbance which is passed or carried via the equipment or surrounding wiring into the electronics or electrical equipment.

RFI of two basic types emanates from one or more or all of the following electrical and/or electrical energy creating devices:

(a) Diathermy, X-ray and similar medical devices.

(b) Electrical pulsing or operating devices, such as induction heaters, brazers and/or spot welders.

(c) Electrical d.c. motors and generators.

(d) Ignition-type engines, including automotive, marine, industrial, and aircraft—both reciprocating and turbine types.

(e) Such items as teletypewriters, fluorescent lamps, and many types of electromechanical switches.

(f) Powerlines and neon signs.

It should be understood that some of the aforementioned equipment has, by prior regulation or authority, been controlled noisewise since the equipment inherently was so offensive that immediate steps had to be taken to design in effective suppression at the time of manufacture.

All of the above devices are basically transmitters of electrical energy and signals and, theoretically, are not unlike the communications transmitters and receivers which are, today, controlled through licensing and type acceptance by the FCC. Some manufacturers pay particular attention to the interference problem and control or attenuate the unwanted energy transmission by incorporating necessary suppression or shielding techniques at the time of design. Conversely, many manufacturers, today, for a variety of reasons—including lack of knowledge, cost, and/or competitive reasons—do not attempt regulation at the source through good design.

It should be pointed out that due to the tremendous growth of the electronics industry and with the wonderful advances made in providing mass communications mediums, both two-way and broadcast, that unless some legislative action is taken at this time, the full force and effectiveness of these remarkable advances will be crippled or destroyed.

We would like to cite several instances wherein it is believed that two-way radio communications may be as common in your lives as the ordinary broadcast radio in your vehicle. The Automobile Manufacturers Association, in conjunction with public and private highway safety groups, are actively promoting a program known as HELP—highway emergency locating plan—which will, if accepted, obviously provide new-found safety advantages for every motorist. Utilizing low-cost citizens band radio transceivers which are being licensed by the thousands each month by the FCC, the program on a trial basis has already been instituted in some areas. It is our opinion that on a mass production basis, the provision for two-way communications in every vehicle produced could become a reality with simple adaptations and/or additions to the standard automotive broadcast radios being utilized today. However, the very effectiveness of any automotive mobile communications receiver is seriously affected by interference from any one or all of the following sources:

(a) Powerlines.

(b) Industrial electrical equipment operating nearby.

(c) The vehicle's own, or adjoining vehicles', primary (ignition) or secondary (battery-charging) system.

As the vehicle moves away from its base station, the signal becomes weaker and is, therefore, overridden by unwanted stronger signals. Interference is actually an undesired signal which will limit the operating range and usefulness of vehicular communications equipment.

The same is true in the marine small-craft industry. Hulls up to 50 feet in length are usually powered by one or more gasoline engines, all of which produce both conducted and radiated interference which affects the wide varieties of electronic and electrical gear being placed aboard these craft. There can be no doubt that this gear must be capable of operating under "engine on" power conditions to be of most value to the ultimate user in the time of need. Recently, several lives were lost in waters off of southern California when a boat disappeared from sight and was never found again, although the bodies were. It has been reported that the engine had failed and was ultimately started after initial distress calls. We have been advised that the final message was that there was no further need to transmit messages to them since they could not shut down their engine for fear of not getting it started again, and additionally,

they could not receive messages because of the interference being radiated or conducted from the engine electrical system into the distressed boat's receiver. If this report is valid, or even if not precisely correct since logically it is uncon-
firmed word for word, the actuality of such an occurrence is nearly an everyday situation.

While the proposed legislation excepts devices used by the U.S. Government or its agencies, we draw to your attention that all of the military services, obviously, have been required, for many years, to institute very stringent specifications relative to the effective suppression of all types of equipment being utilized by these services. While the science, art, and requirements for suppression were very minor in the days prior to World War II, it became obvious in the time of emergency that vital messages of security and combat must be maintained. Exhaustive research and development studies, over a period of years, have produced not only methods and means by which existing equipment in the field could be adequately and, in many cases, completely suppressed, but additionally, provided stringent and effective specifications which required designing in at the time of original concept the necessary techniques, components, and performance which would render these equipments clean interference wise.

Even though military equipment is suppressed quite adequately, there is a substantial amount of commercial equipment including privately owned vehicles which enter vital security areas continuously. We also point out that interference from commercially offensive stationary equipment can be radiated over rather substantial distances and, therefore, security area isolation is not a satisfactory answer in itself.

The proposed legislation will bring to the attention of manufacturers of commercial equipment that should be interference free the realization that their new production costs would be very minor in comparison to retrofitting and cleaning up equipment after it is in the field. We feel that, in general, a broad education program in this area would be a major start with those manufacturers who are not familiar with the problems of interference and that this legislation would also be an initial step in this program.

We further comment on the proposed legislation by affirming the fact that our Nation is far behind most countries of the world as far as prescribing radiation limits for such equipment. Vehicles which are produced in the United States today for export to Western European nations are required to be suppressed to a greater degree than those produced for domestic consumption. It is also our understanding that some Western European nations have check stations, or are contemplating the establishment of same, similar to weigh stations on our highways wherein the vehicle will be measured and, subsequently, a citation issued if it is offensive noise wise. The same is true for marine engines produced for export and these must be completely shielded in order to meet the radiation tolerances established by some importing nations. Conversely, we are cognizant of instances wherein a vehicle of foreign manufacture imported into the United States is not equipped with the suppression system or components as supplied for European market use.

Recent publicity has appeared in trade journals and news media relative to an interference problem encountered with garage door openers. We quote from the May 21, 1965 issue of Industrial Communications Weekly News Service:

"FEDERAL AVIATION AGENCY ISSUES SPECIAL PLEA FOR GARAGE-DOOR INTERFERENCE CURB

"The Federal Aviation Agency put out a special plea last week to homeowners with radio-controlled garage doors to take every possible step to curb interference from their devices which could be hazardous to air navigation.

"FAA, pointing out that it is working closely with the FCC and the military services in a program to eliminate this type of radio interference, noted that in the Los Angeles area alone recently, 58 garage openers were tracked down in 1 week and taken 'off-the-air' for interfering with air navigation signals."

The principal offenders, FAA said, are those which radiate in the 230-290 megacycle band. Signals from some receivers, the Agency noted, "are strong enough to be picked up by aircraft as far away as 16 miles. Thus, it would be possible for a pilot to inadvertently 'home-in' on a garage door signal and fly directly toward it with great accuracy—conceivably with disastrous results."

It is our understanding that the air tragedy which took place several years ago over New York City wherein two planes collided in midair was quite likely

caused by radiated signals from arc welding equipment operating in or around the Brooklyn, N.Y., area. It is also a known fact that a rather substantial number of arc welders and similar equipment were shut down immediately following this tragedy until such time as the equipment was adequately suppressed and cleaned up from an interference standpoint.

In conclusion, we have reviewed very carefully Senate bill 1015 and explanatory statement accompanying same, as prepared by the Federal Communications Commission, and feel that the proposed amendment (proposed new section 302) is practical, reasonable, and that the statements made therein relative to this problem are both comprehensive and factual. The advantages both in ultimate cost savings plus the potential saving of human life will be the obvious benefits of this legislation.

Senator PASTORE. All right, sir.

**STATEMENT OF ROBERT M. BOOTH, JR., GENERAL COUNSEL, THE
AMERICAN RADIO RELAY LEAGUE, INC.**

Mr. BOOTH. Mr. Chairman, my name is Robert M. Booth, Jr. I appear as general counsel of the American Radio Relay League, Inc., in support of S. 1015.

I have prepared a statement which I have supplied to the committee counsel and have no objection to that being incorporated in the record also.

Senator PASTORE. All right, sir.

Mr. BOOTH. But I would like to make one or two additional comments if I may.

Senator PASTORE. All right. Without objection, your statement will be placed in the record, and you may make whatever comments you like.

(The statement of Mr. Booth follows:)

STATEMENT OF ROBERT M. BOOTH, JR.

My name is Robert M. Booth, Jr., 1100 Vermont Avenue NW., Washington, D.C. I am appearing as general counsel of the American Radio Relay League, Inc., in support of S. 1015.

The league is a nonprofit organization of United States and Canadian amateur radio operators with headquarters in Newington, Conn., and with more than 85,000 U.S. amateurs as voting members. The league was founded 51 years ago by the late Hiram Percy Maxim and last year, on its 50th anniversary, was honored by a special U.S. postage stamp commemorating amateur radio.

By way of background, I am not only an attorney specializing in communications law but also am a registered professional engineer in the field of electrical engineering. I became a licensed amateur operator some 37 years ago while attending high school in Cincinnati, Ohio. My interest in amateur or "ham" radio led me to study electrical engineering at Purdue University where I specialized in communications. After some years of work as an engineer at Station WLW, Cincinnati, which then was the most powerful broadcast station in the world with an experimental power of 500 kilowatts, I was called to active duty in January 1941 as an aviation electronics officer in the U.S. Navy. During World War II, while I was superintendent of the Aeronautical Radio & Electrical Laboratory of the Naval Air Experimental Station at Philadelphia, Pa., much of my work was devoted to the study and elimination of interference to radio and radar reception in aircraft. Following my release from active duty in October 1945 with the rank of commander in the Naval Reserve, I embarked upon the practice of communications law. I have been privileged to serve as president of the Federal Communications Bar Association and to have testified on pending legislation before this and other committees of Congress.

The amateur radio service operates in bands of frequencies throughout the radio spectrum. The lowest frequency, 1,800 kilocycles, is just above the standard (AM) broadcast band, and the highest frequencies are in the microwave

region. Unlike most stations which operate on but one or a limited number of discrete frequencies assigned by the Federal Communications Commission or, in the case of Government stations, by the Interdepartmental Radio Advisory Committee or the Department of Defense, the amateurs may select the frequency bands and operating frequencies within those bands which they find are necessary to conduct the desired communications.

The amateur service is particularly susceptible to interference from devices which cause harmful interference to radio reception. Unlike the Government and large commercial operators, the average amateur cannot choose a location far from a concentration of population where the interference or noise level is low. Even though he must receive extremely weak signals from low-power stations throughout the world, the amateur must operate as best he can from his present home or apartment in spite of the high interference levels which already exist. In some locations and areas, the noise from poorly designed, installed, or maintained powerlines, industrial equipment, appliances, television receivers, and numerous other devices has made amateur operation virtually impossible. Further increases in interference levels may drive many amateurs off the air.

Most of the power transmission lines in use in the United States today may be maintained and operated so as to cause little interference, even to receivers located close to the lines. Many of the power companies maintain crews to track down and correct interference from their lines and equipment. In this area, the Potomac Electric Power Co. and the Virginia Electric Power Co. are most cooperative. However, if new transmission lines with higher voltages are constructed, it may be impossible to eliminate interference to all reception, both radio and television, within thousands of feet of the lines. The League hopes the proposed legislation is sufficiently broad to permit the Federal Communications Commission, in cooperation with other appropriate agencies on both the Federal and State levels, to prevent establishment of extremely high voltage powerlines in built-up areas which will cause severe and prohibitive interference in their proximity.

In its explanation of the proposed legislation, the Commission noted that interference creating devices include electronic door openers, certain electronic toys, high-powered electric heaters, diathermy machines, welders, and radio and television receivers. However, the Commission failed to note that other electrical devices, such as motors, switches, and appliances, cause severe interference and add to the "spectrum pollution" if not properly designed and installed. The interference from these devices is both radiated and conducted through powerlines. Elimination of the interference usually may be accomplished by use of small capacitors costing only a few cents each. The League hopes that the proposed legislation is sufficiently broad to insure good design practices by the manufacturers of electrical equipment and appliances.

I understand that a very high percentage of interference complaints received by the Federal Communications Commission comes from television viewers. All too often, the "ham" in the block or across the street is accused. Usually, investigation discloses that the interference has resulted from other sources, such as appliances, or from improperly designed television receivers and that the interference may be eliminated by installing an inexpensive filter at the receiver's antenna terminals. The League hopes that the proposed legislation is sufficiently broad to require the proper design and construction of television and other receivers to make them less susceptible to undesired signals.

There is a most pressing need for the legislation proposed by this bill. The American Radio Relay League urges favorable action on S. 1015.

Thank you very much for permitting me to appear here today.

Mr. BOOTH. The devices which cause interference to radio reception which were the subject of Chairman Henry's testimony this morning appear to me to be those which radiate signals on particular frequencies, so that they cause interference only to receivers tuned to those particular frequencies.

The type of interference which I have discussed in my statement is more broad and general in nature. It is interference which occurs over a band of frequencies which can cause interference to a large number of receivers tuned to these particular frequencies.

Your illustration this morning of the vacuum cleaner is an illustration of the type of interference which we believe leads to this term of "spectrum pollution" used by the Commission in its supporting statement of S. 1015.

This type of interference generally can be eliminated by very simple techniques which are employed by some manufacturers and not others.

For example, in the case of your vacuum cleaner, proper design of the motor and the use of a very small capacitor about the size of the eraser of a lead pencil would eliminate most of that interference.

We believe that the Commission should have authority to cause manufacturers to take these precautions which are nothing more than good engineering practice.

At the same time, we are concerned about proposals to erect high-voltage transmission lines in certain parts of the United States which, because of their particular design characteristics and the high voltage, will cause, we believe, interference or may cause interference to all radio reception within some thousands of feet of these lines.

We understand the need for high-voltage or high-efficiency transmission lines, but believe that they should be limited to the rural areas where the population is not very dense rather than to built-up areas.

We have occasions of this occurring in some major metropolitan areas in the United States.

The third subject I touched upon in my statement was the question of interference to television receivers, for example. Much of the interference to television receivers is caused by poor design of the receivers themselves. They are susceptible to signals received which are transmitted on frequencies other than the desired frequency to which the receiver is tuned.

This again can be taken care of by a very simple application of good engineering principles and parts which cost only a very few cents in each case, and we believe that S. 1015 should be broad enough, if enacted, to enable the Commission to insure that these—

Senator PASTORE. In other words, this legislation is not motivated by any capriciousness on the part of anyone. It is merely a question of live and let live? All these things can be adjusted in such a way that not only we can get good reception but at the same time we can carry out the function of this apparatus without injury to anyone with a little bit of cooperation and coordination?

Mr. BOOTH. Yes sir.

Senator PASTORE. And the compulsion of the law is because of marginal cases?

Mr. HENRY. That is our interpretation of it; yes sir.

Senator PASTORE. Heretofore, there has been fine cooperation with the industry and the FCC? Is that correct?

Mr. HENRY. We believe so.

Senator PASTORE. All right.

Is there anyone else in this room that wants to speak on any of the bills that have been presented today?

Is Mr. Thomas here?

Mr. THOMAS. Mr. Chairman, I am David Thomas of the Federal Aviation Agency.

Senator PASTORE. Would you come forward, sir?

Now, this is on what bill? S. 1015 as well?

STATEMENT OF DAVID D. THOMAS, ASSOCIATE ADMINISTRATOR
FOR PROGRAMS, FEDERAL AVIATION AGENCY

Mr. THOMAS. Yes sir.

If I may, Mr. Chairman, I would like to file for the record our comments on both S. 903 and S. 1015.

If I may also, I would like to respond a little further to two questions you asked of Mr. Henry.

Senator PASTORE. All right. No. 1, these statements will be inserted in the record at their proper place on each of the two bills.

(The statement of Mr. Thomas follows:)

STATEMENT OF DAVID D. THOMAS, FEDERAL AVIATION AGENCY, ASSOCIATE
ADMINISTRATOR FOR PROGRAMS

Mr. Chairman and members of the subcommittee, I am David D. Thomas, Associate Administrator for Programs of the Federal Aviation Agency. On behalf of the Administrator and myself I want to thank you for inviting us to discuss with you two important bills you are considering today, S. 903 and S. 1015.

S. 903

In 1955, the Air Coordinating Committee established the Joint Industry Government Tall Structures Committee (JIGTSC) to investigate the problems raised in the joint use of airspace by the aviation and broadcasting industries, and to recommend appropriate action establishing the position of the Federal Government in this matter. That Committee consisted of representatives of Government agencies having an interest in problems of airspace utilization, and representatives of the aviation and broadcast industries.

One of the JIGTSC's recommendations was that the FCC require the removal or appropriate lighting and marking of unused or abandoned towers if it had such authority, and, if such authority did not exist, that the FCC seek appropriate legislation to obtain this objective. We agree with the conclusion of that Committee on this issue and urge that S. 903 be enacted in order to carry out its recommendation.

Antenna towers constitute a particular danger to pilots, both because of their height and their peculiar structure. There has been a rapid growth in the height of such structures over the past 10 years, the number of the towers over 1,000 feet increasing from 19 in 1954 to 147 today. In addition, there are 57 more towers pending approval which are designed to reach above 1,000 feet.

The tallest tower in existence stands 2,063 feet above the ground. The FCC has issued a construction permit for one more tower above 2,000 feet and there are applications pending for two more of these towers.

The staggering proportions of one of these structures is demonstrated by this illustration (FAA fig. 1). It shows a 2,000-foot tower placed next to the Empire State Building, the Eiffel Tower, and the Washington Monument. The guy wires of the antenna towers form an umbrella for all three structures.

These tall towers are not only potentially dangerous because of their height, but because of their peculiar shape and structure. An antenna structure is extremely difficult to see from the air because the tower is extremely narrow, and its latticed construction makes it virtually transparent.

The marking and lighting of antenna structures is particularly essential to the safety of pilots operating VFR, or in accordance with the visual flight rules. This means navigating through the air by reference to visible objects. Most of the 96,000 privately owned aircraft are flown VFR, and these aircraft are flown generally at the lower altitudes.

The VFR pilot is not always certain of his exact location in relation to a given obstruction unless he has the obstruction in sight. Major obstructions to flight are marked on aeronautical charts and, prior to take off, pilots familiarize themselves with such obstructions along their proposed route of flight. But the pilot in navigating between two points, like the motorist, does not know precisely where he is at all times in the journey between the two points, so he may not know precisely when he will reach the site of a known tower. Therefore, it is most important that the tower be made as conspicuous as practicable so that the pilot will be able to see it in time to make the necessary maneuvers to avoid it.

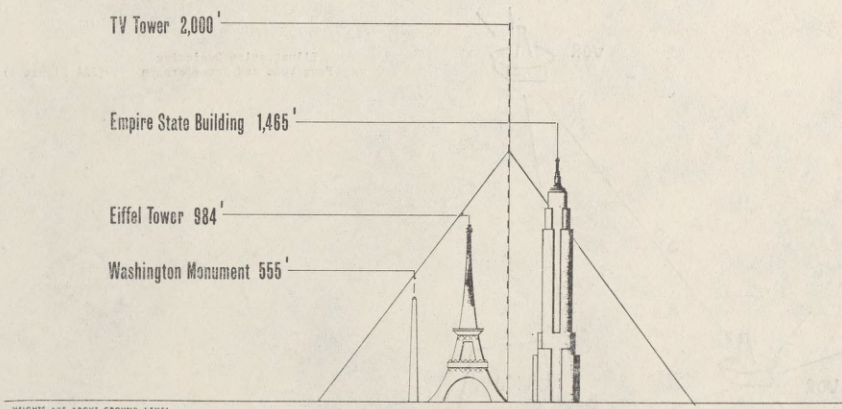
Perhaps the most dangerous situation for the VFR pilot is when he is operating in an area where antenna structures are located, and the ceiling, and/or visibility conditions are near minimums. Under these conditions, the pilot often must operate at low altitudes, and his attention is directed mainly to the surface for the purpose of visual guidance. Unfortunately, however, because of these same weather conditions, the silhouette of an antenna is harder to detect, and there is greater necessity than ever that it be properly marked and lighted for his protection.

These difficulties in detecting antennas are present and real even under existing marking and lighting requirements and we are working with the FCC to improve the marking and lighting of towers. Detection would be infinitely more difficult, in many cases impossible, if an antenna were not lighted or marked at all.

At present, there are over 7,000 authorized AM, FM, and TV broadcasting stations, and about 900 applications for construction permits are now pending. As long as a broadcasting tower is subject to FCC jurisdiction, the broadcaster is required to provide marking and lighting protection prescribed in regulations issued by FCC. When a broadcasting tower is abandoned, however—and potentially any one of the thousands of towers utilized by these stations could be abandoned—the protection of this marking and lighting is no longer assured, for the Commission's authority to regulate in that area is terminated. S. 903 would extend the Commission's authority to fill this regulatory gap, and thus afford the public continued protection against unmarked and unlighted towers.

If the tower no longer serves a useful broadcast purpose and it is found that its existence may create a menace to air navigation, the owner of the tower should be required to dismantle and remove it. S. 903 will provide the authority necessary to assure such a result, and we strongly recommend its enactment.

Illustration of 2,000-foot Antenna Tower,
The Empire State Building, the Eiffel Tower,
and the Washington Monument (FAA Figure 1)



'S. 1015

I would like to describe how radio frequency interference can affect aircraft navigation and communications, and the resultant unfavorable impact on air safety.

There are different types of electronic devices located all over the United States emitting signals which, when received in an aircraft, provide vital information to the pilot. These are known as radio aids to air navigation or more commonly as nav aids. The pilot relies on these aids to navigate his aircraft safely from one point to another, and to land his aircraft when weather conditions are such that he could not land without the help of these signals.

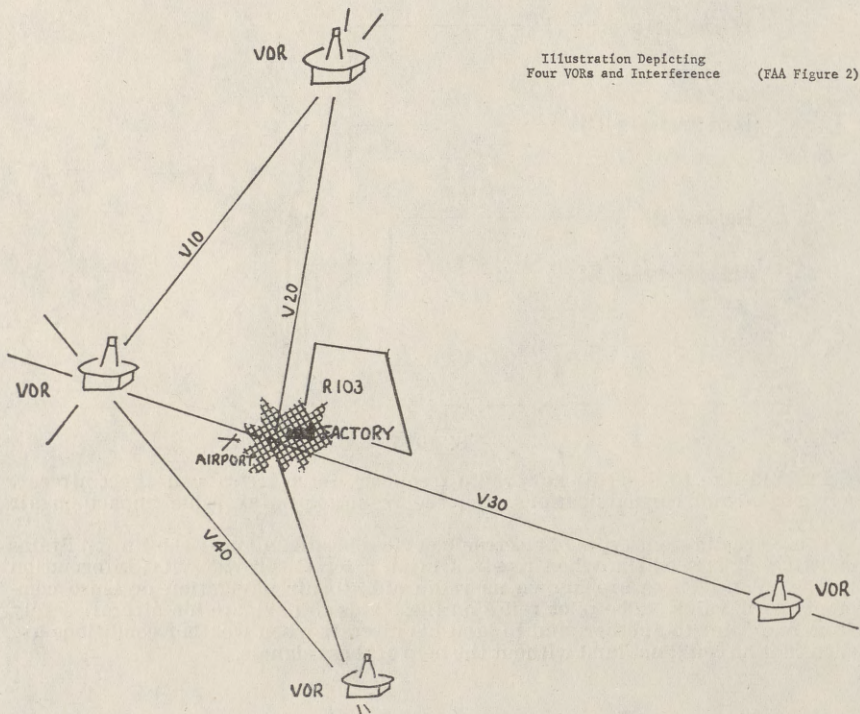
An example of a navaid that is affected by interference is a device known as a VOR. This diagram (F.A.A. fig. 2) has depicted on it four VOR's. Each of them emits signals outward in all directions. The transmitted radio beams are detected by the airborne receiver, and direction from the station is indicated by degrees from or to the station. These degree lines are called radials. Radials project precise pathways through the sky. A pilot can find any radial by tuning his receiver to the published frequency of the VOR, determining the radial he is on, then navigate to, and then along, any preselected radial. In the continental United States alone there are 814 VOR facilities operated by FAA. Together they form a vast and intricate network of simulated highways vital to the safe navigation of aircraft.

It sometimes happens that radio-frequency interference near a VOR will require us to discontinue the use of the radials in the sector where the interference is located. This means that some of our aerial highways are rendered useless, including some intersections important in the efficient movement of air traffic.

Another area of air navigation where radio-frequency interference becomes most critical is in the instrument-landing system, or ILS. The ILS is used for landing in adverse weather conditions. One of the components of the ILS is the localizer. The localizer emits a signal that is used by the pilot for centerline guidance to the runway. Radio-frequency interference can cause the localizer to be rendered useless altogether, or it can cause to be displayed to the pilot erroneous centerline-guidance information.

The FAA operates numerous other types of air-navigation facilities which are susceptible to the radio-frequency interference. They include short-range and long-range radar, distance measuring equipment, TAGAN bearing and distance equipment, and direction-finding equipment.

Radio-frequency interference can also create problems in communication between air traffic controllers and pilots. There is a considerable amount of air/ground voice communication in providing separation between aircraft during departure, en route to destination, and landing. When frequencies used in these voice communications are cluttered or made unusable by interference, difficulties are created that add to the burden of the controller and the pilot. When interference on an air traffic control frequency becomes so great as to make the fre-



quency unusable, the controller must switch to another frequency. This involves calling each aircraft under his control to inform the aircraft of his new frequency. This process diverts the controller's attention from his main task of controlling the aircraft.

Radio-frequency interference can not only cause delay and inconvenience but can create situations which could result in disaster. Where voice communications between controller and aircraft pilot are distorted or blanked out, vital communications at a critical stage in the flight may be lost, perhaps even a warning of impending collision with another aircraft. Interference may prevent the pilot from identifying the station he may be attempting to navigate by. Or interference, from a garage-door opener to use an example we have had some recent experience with, could cause a pilot to deviate from his intended course and thus fly into an area where he should not be. Any of these situations could cause or contribute to an aircraft accident.

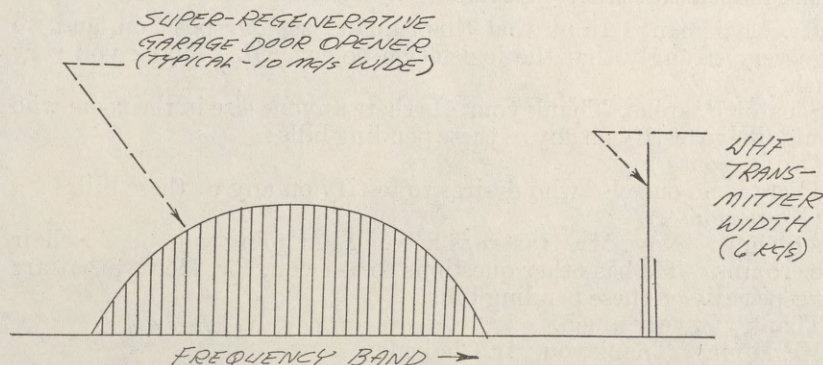
Let me show you this chart (F.A.A. fig. 3) how one segment of the aviation radio spectrum is affected by an unregulated radio device, such as a garage-door opener.

Each authorized user in this band needs only a small piece of the spectrum to operate on, as illustrated by the "spikes" on the chart. The garage-door opener radiates energy over a large portion of the band, thus polluting the spectrum.

At present, where radio-frequency interference affects naval performance or voice communications, the source of the interference must be located through aerial inspection and use of radio vans on the ground. When the source is located, action must be taken against operator of the interfering device to close the device down or have it modified to eliminate the interference. Recently, in the Los Alamitos area of California, a serious amount of interference was noted on 243 megacycles, the frequency used for emergency communications, and on 282 megacycles, the homer frequency for the lost Alamitos Naval Air Station. A task force consisting of Navy, FAA, and FCC components undertook to locate the offending devices and take action to eliminate their effects. This team, using ground vans, automobiles, and a helicopter, located 58 garage-door openers emitting interfering signals. Those 58 devices were only a small percentage of the total offenders, and it took a week to locate that number. The cost of this operation to the Government was about \$100 per garage-door opener closed down. This example illustrates the cumbersome, costly, and only partially effective, measures that must be utilized to get at and eliminate interfering devices under current law. If S. 1015, were enacted, however, a much more effective and much less expensive means of eliminating interference would be available; namely regulation of the manufacture of such devices. We therefore strongly urge enactment of this bill.

FREQUENCY SPECTRUM POLLUTION BY NON-LICENSED DEVICES

(FAA Figure 3)



LHF AIR TRAFFIC CONTROL COMMUNICATIONS

Senator PASTORE. All right, sir. Identify yourself.

Mr. THOMAS. I am David D. Thomas, Associate Administrator of the Federal Aviation Agency, having staff responsibility for navigation, communications, certification of airmen, and other matters related to these bills.

The first question that I recall you asked Mr. Henry was: Is the hazard the same after the station ceases broadcasting? The very reasons that made us seek lighting and marking in the first instance pertain, and the towers are as hazardous when they are mute as when they are broadcasting.

Also, due to the lacy nature of the towers, they are very difficult to see under the best circumstances, with the full cooperation of the industry, the FCC, and ourselves in properly marking them. We strongly urge this legislation be passed.

In the second bill, S. 1015, we have numerous examples of interference with radio aids to air navigation which do involve safety of life and property.

We have the utmost and continuing cooperation of the FCC in chasing down the user.

I would like to give just one example. We have had quite a few garage-door cases. We had one in Los Angeles which interfered with both the communication of an air facility and air-navigation devices to the extent it was hazardous. This was the broad-spectrum pollution mentioned by the past witness.

The FCC and the Navy cooperated, and altogether there were 14 men at any given time, 3 vans, 2 automobiles, a helicopter, and on various occasions jets, chasing these down.

The FCC closed down 58 individual ones, and this was their cumulative effect—not just one householder, but the cumulative effect.

And, if I could read just one statement from our engineer, I think this states the problem. He says:

At any given time 14 men—
and so forth—

were involved. Even with this system it would take months to cover just the Los Angeles area alone. However, it is obvious that new trucks are putting in these radiating units almost as rapidly as they could be located. Further, it is indicated, by at least the three that were noted, homeowners are not above turning the unit back on as soon as the investigating team has left.

Mr. Chairman, I think that this summarizes our position, and we urge very strongly that the legislation be enacted. Thank you very much.

Senator PASTORE. Thank you. Is there anyone else in the room who would like to testify on any of these pending bills?

(No response.)

There is no one else who desires to testify on any of these bills?

(No response.)

All right. Now, Mr. Hartke is here. I am going to hand the chair over to him. He has other questions to ask you, Mr. Henry, that are not especially on these pending bills.

Thank you very much.

Mr. HENRY. Thank you, Mr. Chairman.

Senator HARTKE. Thank you, Mr. Chairman. Good morning, Mr. Chairman. I want you to know that my inattention this morning

to your bills—I read over your entire report, and, basically, I feel very sympathetic with the views which have been expressed there. But we are on medicare, and I will not keep you long.

But I do know that you propose to increase license fees. Is that correct?

Mr. HENRY. To increase license fees?

Senator HARTKE. Yes, sir.

Mr. HENRY. Not to my knowledge, sir. We are considering at the moment some increases to some and some decreases to the others, but we have taken no action to the best of my knowledge.

Senator HARTKE. Well, let me say, then, that in relation to those proposals which you have not yet reached a decision upon—if that's confusing, it's not meant to be—I would like for you to either comment today or, if you do not care to, if you would like to postpone it, it's all right.

Do you feel that in the questions of license fees that the fee itself should pay the actual cost of processing the applications of the various applicants?

Mr. HENRY. Not necessarily, no. We just take the cost of application processing as one element in fixing the fee.

Senator HARTKE. Do you feel that the fee itself is an item which is to pay additional Commission costs? In other words, costs which are required as a result of the application?

Mr. HENRY. Again, the best answer to that is "No." It goes in the general treasury, and the costs to the Commission for processing the application are only one element.

Senator HARTKE. Do you have a policy which is to keep a limit on the amounts that will be held at a nominal amount? Or is there—

Mr. HENRY. Yes, generally speaking, our effort is to make them nominal, and we try to—although some are not as nominal as others—keep them very low.

Senator HARTKE. On what statutory authority are you acting in establishing any of these fees?

Mr. HENRY. Well, it was the title V of—the general counsel can cite you the statute.

Mr. GELLER. It was the Appropriations Act of—

Senator HARTKE. Do you feel this was the proper action? And do you think maybe the present law should be changed, that Congress should set these fees?

Mr. HENRY. Let me answer the first question. It was the Appropriation Act—

Senator HARTKE. A rider on the Appropriations Act? Is that right?

Mr. HENRY. Yes, of 1952.

Mr. GELLER. And our authority to do this was sustained by the court of appeals of the seventh circuit, and certiorari was denied by the Supreme Court.

Mr. HENRY. And your question is whether that is an appropriate method of exercising our jurisdiction.

Senator HARTKE. That's right.

Mr. HENRY. We decided that it was—while we recognized the interests of the committees in the House and in the Senate that related to the industries which have to pay the fees, we thought that this

did give us adequate authority, and if we exercised the jurisdiction properly, then this source of our jurisdiction was adequate.

Senator HARTKE. Isn't this a question, though, very closely related to the whole question of user fees in all industry fields?

Mr. HENRY. Yes.

Senator HARTKE. And, generally speaking, user fees are a matter of great importance to the Congress. In fact, in the transportation field, which is closely allied to communications, this is going to be subject to review.

Do you believe that the question of fees should be reviewed at the same time that the user fee question is reviewed by the Congress? Or do you think a special committee possibly in line with this ought to give consideration to the whole question of user fees in all fields, including communications?

Mr. HENRY. Well, I don't feel that it would be either necessary or desirable to have a special investigation of the filing fees that we charge in the communications field.

Nor do I think that these should be considered in the overall deliberations on user fees.

Our filing fees are nominal. And we believe that we have buttressed them adequately with findings of fact indicating that they are in the public interest.

So we don't think it is necessary. However, we certainly have no objection to any investigation that you might want to have of them.

Senator HARTKE. Now, another matter. When you were before the committee on February 25 and 26, we had rather lengthy discussions pertaining to your freeze on the acquisition of VHF stations by multiple owners in the top 50 markets. And you indicated at that time that the Commission was considering a proposed rulemaking proceeding which would lead to a new policy regarding the multiple owners.

You recall that discussion?

Mr. HENRY. Yes, sir.

Senator HARTKE. I noticed that on Monday, June 21, the Commission released a new interim policy concerning the acquisition of broadcasting stations.

I have not reviewed it in its entirety, although I have scanned it rather hurriedly. But I would like for you to submit for the record at this point any factual data as contained therein that was not discussed and available at the time you appeared before our committee.

Mr. HENRY. Senator Hartke, I have reread my testimony in that hearing, and I think it might be well helped by some supplementary comment.

So let me go back. Your main concern, as I recall it, was whether the facts showed any serious increase in concentration of ownership or control, either nationwide or in the top 50 markets.

I think that all of the facts relating to number of owners, percentage increase, et cetera, in these markets were pretty well developed in that hearing. I think we have added very little factual data to that in our notice of proposed rulemaking.

I think we have summarized it better, perhaps stated it somewhat differently, but we have not added many additional facts.

Senator HARTKE. You will recall we had a rather extensive colloquy, and Senator Pastore was involved in that colloquy too at that time.

We were talking about the number of multiple owners, the number of outlets available, and the trends.

As a result of that, can you give us any explanation as to why it took so long after that period of time, if there are no new facts, to adopt such a policy?

Mr. HENRY. Well, that was at the end of February, and I was hoping that we could issue a notice of proposed rulemaking in about 60 days.

However, I did indicate to the committee at that time that we were giving first priority to two other matters, namely, CATV and proposed rules with respect to network ownership of programs.

One month after I testified we did issue the proposed rules regarding the networks. And 2 months after my testimony we issued the CATV rules and proposed rules. That was on April 23.

It then took us 2 more months to issue the notice of proposed rulemaking in the multiple ownership matter.

So I think the main reason for the additional delay was the fact that we were somewhat delayed in both—we took more time, rather, to get out the network matter and the CATV matter than I had anticipated.

We then were able to do this in 2 months.

Now, the reason it took us 2 months longer, even though we developed, at least for the public record, at this point, no or very little additional factual data, was because the Commission was, in fact, investigating other areas in this multiple ownership general matter.

We were looking into the concentration of control in the States, and we were looking into concentration of control in various communities. We were considering cross ownership of communications media, such as TV, AM, and FM. We were considering cross ownership of other media, such as newspapers.

All of these matters were under consideration by both our staff and the Commission. We had several meetings on the matter, and each time we required a revision of a proposed document.

Then it turned out that we had a split Commission. As the notice proposed rulemaking indicated, it was 4 to 3. This required some additional time for the various dissenting Commissioners to consider their dissenting opinions and then to write them.

That, in general, is what took us the additional time.

Senator HARTKE. Did you invite additional comments from the interested parties to find out whether or not the facts, the full facts, had been developed?

Mr. HENRY. No sir; and we knew that the full facts had not been developed. And we are expecting that the comments from the interested members of the industry and the public will give us additional facts. But we thought it would be better to get those facts after the actual proposed rule was made.

Senator HARTKE. But in the meantime what you have here is you have a freeze on, and the point of it is that it is just as effective as though the rule were in effect.

Mr. HENRY. Well, there again it is subject to that interpretation, but let me give you my view on that.

The law requires the Commission to set for hearing any application that it cannot find will serve the public interest. Now——

Senator HARTKE. Let me say to you I am as much interested in the public interest——

Mr. HENRY. Yes, sir.

Senator HARTKE (continuing). And I am not interested in being against the public interest. Just so there is a clear understanding as to where we are going.

I might join with you if I could exactly determine where we are going.

Mr. HENRY. I understand that. And we are just, I think, having some honest disagreement about how to reach the same objective.

But, at any rate, four of us on the Commission cannot find it in the public interest to grant certain applications which tend toward increased concentration of control without a hearing. Therefore, I think, with or without the public notice, we would have to designate for hearing those applications that don't meet the policy.

Now, your question is: Do we have the factual basis on which to make that sort of an initial tentative public interest judgment?

And I can only point to the considerations mentioned in the notice of proposed rulemaking.

Senator HARTKE. You see, this is the point I made last time, and the thing still disturbs me quite greatly: That is, the fact that you have a freeze which is industrywide, and yet you have the authority in the Commission to make a case-by-case determination. And this case-by-case determination, in fact, is denied, not on the basis that there is some good ground for it, but it is denied on the ground that you don't know where you are going.

Mr. HENRY. Well, there again I disagree with you as to the fact that it's denied. You are entitled to your opinion as to whether we know where we are going.

Senator HARTKE. You tell me how there can be, while there is a freeze, any change in the condition. As long as there is a freeze on applications, it's a freeze. It is not just a partial one. It is a complete ban.

Mr. HENRY. No——

Senator HARTKE. The actual effect is as effective at this moment as if the rule itself had been adopted.

Mr. HENRY. Well, I can't dispute that at the moment. We have not had any applications that would violate the proposed policy.

Senator HARTKE. Wouldn't it, under the situation at the moment, be sort of useless action on the part of anybody?

Mr. HENRY. Well, I don't think so.

Let's put it this way——

Senator HARTKE. Let me ask you a question on this. I think we are going to have to go into this whole matter at greater length, because I am going to have to go down and vote.

The truth of it is at this moment that any application which is made would be met immediately with the Commission's decision that there is a complete freeze upon any exception; isn't that right?

Mr. HENRY. No sir; a complete freeze would require that we send it back and not even accept the application.

Senator HARTKE. Well, you give them the courtesy of accepting the application.

Mr. HENRY. And designating it for a hearing.

Senator HARTKE. Pardon me?

Mr. HENRY. We would accept the application and, absent compelling affirmative showing, designate it for hearing.

We did discuss a couple of instances last time in which a waiver of the policy might be obtained. I agree with you that is unlikely.

Senator HARTKE. Yes. Well, I was just going to say as a practical matter, I mean, you wouldn't advise anybody to go through that useless procedure, would you?

Mr. HENRY. Well, I don't know whether it would be useless or not. It would depend on what the facts were in your case.

Senator HARTKE. You recall last time we discussed what the basis of this policy was. In other words, was it concentration of power, concentration of economic wealth, concentration of news dissemination. And in our attempts to secure an answer to this question we didn't come up with any real definitive reply.

Do you have anything to add to the replies that we had at that time in the last session?

Mr. HENRY. Yes. I would like to try to supplement it and perhaps supplement it in writing if you feel that it could or should be done.

Senator HARTKE. Well, that would be fine.

Mr. HENRY. Some of the questions that I was asked at the last hearing were this:

Were we concerned about the concentration of economic wealth? Were we concerned about thought control because stations were editorializing? Were we concerned with just general bigness in the sense or monopoly, and so on?

Now, in my answer I tried to eliminate certain of those things, and I think in rereading it I may not have stated what the affirmative reasons were.

I did eliminate economic concentration of wealth per se. As you pointed out, I believe, we would not deny a broadcasting license necessarily to General Motors or other large corporations. So it is not economic wealth in and of itself.

I also said that it was not because we were afraid that the licensees would editorialize and thus impose some sort of thought control on those that were listening. I said this because we encourage editorializing—at least I do. I think if a licensee is a responsible citizen—and as far as I am concerned he is—he has every right to editorialize.

And, thirdly, "monopoly" is not in and of itself an answer.

But I think the affirmative reason is primarily two. And they are set out in our notice of proposed rulemaking, although they are not dealt with at length.

First of all, we do recognize that entry into these markets for television is limited. In other words, if you take the indications that normally attract people to a business, the capital appreciation, earnings, potential for growth, et cetera, we feel that many more people would get into television, particularly in these markets, than are now in it.

So it is, in fact, limited. We control who gets into it. Not all that want to get into it can get into it.

The second reason is one that I suppose we could argue about—whether it is sustained or not by any specific factual detail. But it is this: That communications is a powerful and influential medium and that the greater the potentiality for expression of differing views within this medium, the better. The greater the potentiality for diversity in terms of political broadcasting, editorializing, the area of controversial issues, even the selection of general programs, the more diversity the better.

Now, I can cite you, I think, probably the most eloquent statement in defense of that proposition. That is Judge Learned Hand in *United States v. Associated Press*. He was talking about newspapers, but we think it is equally applicable to the communications industry. And he said:

However, neither exclusively nor even primarily are the interests of the newspaper industry

—and here we would substitute “communications industry”—

conclusive * * *

In other words, the interests of the industry are not conclusive.

* * * for that industry serves one of the most vital of all general interests the dissemination of news from as many different sources and with as many different facets and colors as is possible.

Senator HARTKE. Mr. Chairman, I wanted to ask some more questions. I will submit them to you. They were on drop-ins, and so on.

But I am called to the Finance Committee for a very important vote, and in view of the fact I do not want to burden this hearing with this whole discussion, I am going to adjourn the hearing at this time and hope that we can take this up in some detail at a later time.

Mr. HENRY. All right. And if you would desire to submit to us any questions in writing, we would be happy to answer them.

Senator HARTKE. The hearing is adjourned.

(Whereupon, at 11:58 a.m., the subcommittee adjourned, subject to the call of the chairman.)

(The following material was subsequently received for inclusion in the record:)

AIR TRANSPORT ASSOCIATION,
Washington, D.C., June 24, 1965.

HON. JOHN O. PASTORE,
Chairman, Communications Subcommittee, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Air Transport Association, in behalf of its 43 air carrier members, heartily endorses S. 903.

Antenna structures such as radio and television towers are of vital concern to our carriers who frequently must make use of airspace in the proximity of such towers in order to provide air transportation. S. 903, by requiring permittees and licensees to maintain the painting and/or illumination of broadcast towers ordered by the Federal Communications Commission until such structures are dismantled, even though they are no longer used for transmission purposes, will be helpful to the airlines and other airspace users in coping with abandoned towers as long as they remain in existence. But surely there is no justification for allowing antenna structures to impinge on aeronautical operations for very long once they cease to be licensed. Therefore, the further provision of this bill, the one making it possible to require dismantlement of an abandoned tower upon a determination by the Administrator of the Federal Aviation Agency that there is a reasonable possibility that it may constitute a menace to air navigation, will make a significant contribution to the safety of air navigation and thus to the public interest.

These things considered, we urge immediate passage of S. 903.

Cordially,

S. G. TIPTON.

NATIONAL MARINE ELECTRONICS ASSOCIATION,

Washington, D.C., June 25, 1965.

HON. WARREN G. MAGNUSON,
*U.S. Senate, Senate Office Building,
Washington, D.C.*

DEAR SENATOR MAGNUSON: Senate bill No. 1015 and House bill No. 5864 have been brought to the attention of the National Marine Electronics Association. It is my understanding that these bills concern the right of the Federal Communications Commission to regulate, as necessary, radio frequency interference producing devices that might effect the safety of human lives, etc.

As chairman of the Commerce Committee I believe you have been concerned with this bill. Further, it is my understanding that hearings are now in progress on this matter.

The National Marine Electronics Association is vitally concerned with this problem in regard to its effect upon safety of lives at sea. It has been our feeling that more stringent regulation of this problem is long overdue.

As secretary of this group, and speaking for them, I urge you to do everything possible to tighten up the requirements concerning the elimination of radio frequency interference devices.

Very truly yours,

R. P. KAUFFMAN, *Secretary.*

KIRKLAND, ELLIS, HODSON, CHAFFETZ & MASTERS,

Washington, D.C., June 25, 1965.

Re S. 1554.

HON. JOHN O. PASTORE,
*Chairman, Senate Subcommittee on Communications,
New Senate Office Building, Washington, D.C.*

MY DEAR SENATOR PASTORE: On March 18, 1965, I received a copy of this committee's release on S. 1554, and on April 19 I made a letter response to Mr. Zapple stating in substance that, while I had no problem concerning the revisions proposed in sections 214 and 222 of the Communications Act, I did point out that it was not then the practice of the Commission to give public notice of the filing of such applications for extension of lines or consolidation authority. This was brought to the attention of the Commission; and by its letter of May 6, 1965 to the committee, the Commission advised that prospectively it would give public notice of applications filed by common carriers under section 214, 221, and 222 of the act, with certain exceptions as to which there is no question. The Commission is to be commended for its prompt action in this matter and for instituting the public notice practice.

The grant of certificates of convenience and necessity under section 214 of the act, or of consolidation authority under section 221 or section 222 of the act, can encompass matters of great importance to communities, other carriers, or persons; and there is no question but what persons adversely affected may request a hearing upon such applications. The statute contains provisions for express notice to specified State or Federal officials, but it does not follow that other members of the public, or officials, may not also be interested in such applications. The right to a hearing in a proper case is meaningless if notice is lacking. The tendency has been to give that notice which is expressly provided for in the statute, but not to give public notice. Section 1(19) of the Interstate Commerce Act, from which section 214 of the Communications Act was taken, in 1934, provides for notice by publication in local newspapers in each county where lines are to be extended. This notice does not seem necessary in interstate communications, but some sort of public notice, which is commonplace in the case of all other types of applications filed with the Commission, would be effective and adequate, and in the public interest in my judgment.

Accordingly, I would recommend that a section 3 be added to S. 1554 providing, in substance, that public notice, in such form as the Commission by regulation may prescribe, shall be given of the filing of applications for certificates under section 214 of the act and for authorizations under section 221 or section 222 of the act. The inclusion of such an amendment in terms agreeable to the Commission would resolve the ambiguity of public notice which exists in these three provisions of the statute.

Your consideration of this public notice problem is sincerely appreciated.

Yours very truly,

DONALD C. BEELAR.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., July 1, 1965.

HON. JOHN O. PASTORE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PASTORE: We have been asked to comment on a letter dated June 22, 1965, addressed to you by Mr. Donald C. Beelar regarding S. 1554, a bill which would amend sections 214(b) and 222 (c) (1) of the Communications Act of 1934, as amended, to substitute the Secretary of Defense (for the Secretaries of the Army and Navy) as the person to be officially notified of the filing of certain applications with the Commission. Mr. Beelar recommends that a section 3 be added to S. 1554 to require that public notice shall be given of the filing of applications for certificates under section 214 of the Communications Act and for authorizations under section 221 or section 222 of each act.

In an earlier letter dated April 19, 1965, addressed to Mr. Nicholas Zapple, counsel for the Senate Commerce Committee, Mr. Beelar expressed his concern regarding the failure of the Commission to give public notice of the filing with it of certain applications under sections 214 and 222 of the Communications Act. Upon consideration of the letter to Mr. Zapple, we reviewed our practices regarding the giving of notice to the public of applications filed with us, and advised Senator Magnuson that, in the future, the Commission would list in a "Public Notice" all applications filed by common carriers under sections 214, 221, and 222 of the Communications Act, except applications seeking authority to discontinue, reduce, or impair communications service. With respect to such latter applications, there appeared to be no need to list such applications in our "Public Notice" inasmuch as our rules require the carriers, themselves, to publish and post notice locally regarding such applications. Mr. Beelar states that he has no question regarding such exceptions.

The Commission, of course, will continue to include the applications for certificates under section 214 and for authorizations under section 221 or 222 in its "Public Notices." Under these circumstances, there appears to be no reason for the Congress to enact the legislation recommended by Mr. Beelar. Such legislation would not require the Commission to do anything that it is not now doing in the way of providing notice to the public nor would it make available to the public any additional information not currently contained in the Commission's "Public Notices."

I appreciate the opportunity to comment on this matter.

Yours sincerely,

E. WILLIAM HENRY, *Chairman.*

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF EMERGENCY PLANNING,
Washington, D.C., June 2, 1965.

HON. JOHN O. PASTORE,
*Chairman, Subcommittee on Communications,
Commerce Committee, U.S. Senate,
Washington, D.C.*

DEAR SENATOR PASTORE: I refer to S. 1015, a bill now pending in your subcommittee, which would amend the Communications Act of 1934, as amended, to give the Federal Communications Commission authority to prescribe regulations for the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception.

While the Commission takes the position, and I believe properly, that the Communications Act prohibits the use of equipment or apparatus which causes interference to radio communications, it has no specific rulemaking authority under the act to require that before equipment or apparatus is put on the market it must be properly designed to prevent harmful interference. Since the prohibition falls on the use of the offending equipment, it means that the Commission, in trying to control radio interference, is confined to apprehending the users of equipment which in most instances has been purchased in good faith on the assumption that its operation would be legal. This after-the-fact approach is quite inadequate to control the "radiation smog" which makes it increasingly difficult for any user of radio communications to obtain interference-free reception.

This problem of spectrum pollution by unwanted or unnecessary radiations is of increasing concern to the Government and is one of the matters now under

study by the Joint Technical Advisory Committee Subcommittee on Electromagnetic Compatibility.

While the bill as written would exempt from FCC regulation devices manufactured for use by any agency of the Government, it is my intent, should the bill become law, to issue standards to insure that Government equipment meets as a minimum any criteria or standards laid down by the Commission for non-Government equipment.

I will be glad to testify in favor of the proposed legislation should that be your desire.

Sincerely,

J. D. O'CONNELL.

NEW YORK, N.Y., June 22, 1965.

Senator JOHN O. PASTORE,
*Chairman, Communications Subcommittee,
Senate Commerce Committee,
Senate Office Building, Washington, D.C.:*

In matter of Senate bill S. 1015, the NEMA statement dated June 21, 1965, third paragraph, second sentence, should read correctly as: "However, we do believe that a clarification of Senate bill, S. 1015, in line with our understanding of the intent of the FCC, is desirable and necessary."

NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION,

L. D. PRICE,

Secretary, NEMA Codes and Standards Committee.

NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION,

New York, N.Y., June 22, 1965.

In the matter of amendment of the Communications Act of 1934, as amended, to give the FCC authority to prescribe regulations for the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception—Senate bill, S. 1015, February 8, 1965.

Senator JOHN O. PASTORE,
Chairman, Communications Subcommittee, Senate Commerce Committee, Senate Office Building, Washington, D.C.

DEAR SENATOR PASTORE: Further to my telegram of June 22, 1965, attached are six copies of the corrected NEMA statement filed in regard to the above referenced matter.

The corrected statement is identified as: "June 21, 1965 (corrected June 22, 1965)."

Yours sincerely,

L. D. PRICE, *Secretary.*

NATIONAL ELECTRICAL MANUFACTURERS ASSOCIATION,

New York, N.Y., June 21, 1965.

(Corrected June 22, 1965.)

In the matter of amendment of the Communications Act of 1934, as amended, to give the FCC authority to prescribe regulations for the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception—Senate bill, S. 1015, February 8, 1965.

Senator JOHN O. PASTORE,
Chairman, Communications Subcommittee, Senate Commerce Committee, Senate Office Building, Washington, D.C.

DEAR SENATOR PASTORE: This statement, made in regard to the above referenced matter, is submitted by the Codes and Standards Committee of the National Electrical Manufacturers Association (NEMA). The codes and standards committee is a standing committee, correlating the technical standardization activities of the National Electrical Manufacturers Association.

The National Electrical Manufacturers Association is the national trade organization for the electrical equipment industry. The association serves approximately 500 of the Nation's leading manufacturers of electrical products in such divergent areas as household appliances; electrical building equipment; generation, transmission, and distribution equipment; wire and cable; lighting

equipment; industrial equipment; electrical insulating materials; and industrial electronics and communications equipment. Its member companies range in size from small single-line firms to diversified industrial giants.

The National Electrical Manufacturers Association believes that there is no basic conflict with the Federal Communications Commission's intent and reasons to establish reasonable control of some types of radio interference devices. However, we do believe that a clarification of Senate bill S. 1015, in line with our understanding of the intent of the FCC, is desirable and necessary. The National Electrical Manufacturers Association, therefore, respectfully proposes the following modification (shown italicized) of section 302(a) :

"Sec. 302(a) The Commission may, consistent with the public interest, convenience, and necessity, make reasonable regulations, *formulated in consultation with the affected industry representatives*, governing the interference potential of devices which in their operation are capable of emitting radio frequency energy by radiation, conduction, or other means in sufficient degree to cause harmful interference to *commercial, aircraft, and public safety* radio communications. Such regulations shall be applicable to the manufacture, import, sale, offer for sale, shipment, or use of such devices."

The consideration by the Communications Subcommittee of the modification proposed herein would be greatly appreciated.

Yours sincerely,

L. D. PRICE, *Secretary.*

ELECTRONIC INDUSTRIES ASSOCIATION,
Washington, D.C., July 8, 1965.

Re S. 1015 to amend the Communications Act.

Hon. JOHN O. PASTORE,
*Chairman, Communications Subcommittee,
Senate Commerce Committee,
Senate Office Building, Washington, D.C.*

DEAR SENATOR PASTORE: Members of the Electronic Industries Association are deeply concerned with the provisions of S. 1015 to amend the Communications Act and desire to submit the following comments for consideration by your subcommittee and publication in the record of your hearings. I apologize for the delay in filing our comments, but our position on the legislation was not determined finally until July 1 when our board of directors acted on recommendation of our legislative policy committee.

EIA has a long history of cooperating with the Federal Communications Commission, particularly in the area of technical standardization, and is well aware of the serious problems confronting the FCC as a result of spurious or unauthorized radiation. We have worked closely with the FCC staff in controlling radiation emissions of television receivers for a number of years.

Following the introduction of S. 1015 EIA staff members and representatives of member companies have carefully studied its provisions and, on EIA's initiative, we held a conference with the FCC staff. We also have received a letter of explanation of the bill from Chairman E. William Henry. However, these communications have raised as many questions as they have answered, and our members believe more time is needed to work out with the FCC the basic problems of applying radiation controls before blank authorization is granted to the Commission by Congress.

Following consideration of the legislation and its implications to the electronics industry, the EIA board of directors on July 1 directed me to transmit the following conclusions and recommendations to your subcommittee:

1. EIA is acutely aware of the need for appropriate controls of spurious radiation in order to obtain maximum efficiency from the limited radio spectrum and is sympathetic with the Commission's efforts to limit interference with services licensed to operate within the spectrum.

2. Many members of EIA believe the FCC has sufficient regulatory power to control unwanted radiation through voluntary standardization practices by manufacturers, and they cite the experience of the radio-television industry as an example of effective action through government-industry cooperation.

3. The problems of interference caused by spurious radiation, while growing in number, have been known to the FCC and the industry for many years. Thus

there is no emergency or recent development which requires immediate congressional approval by Congress of S. 1015.

4. On the other hand, hasty legislative action may result in the imposition of unreasonable regulations on manufacturing which will retard rather than encourage technical developments designed to limit interference from radiation.

5. EIA respectfully suggests that the Communications Subcommittee of the Senate Commerce Committee defer action on S. 1015 and instruct the Federal Communications Commission to confer with industry regarding the problems of spurious radiation and possible methods of controlling it after which a report and recommendations can be submitted to your subcommittee next year.

We believe this delay will result in both a better understanding on the part of all industries concerned of the objectives of the FCC and in the eventual development of a program which will more effectively curb the causes of radiation interference with radio communications outlets and receivers. General agreement between the Commission and industry before legislation is enacted would best serve the public interest.

EIA stands ready to suggest industry representatives to attend a Government-industry conference on radiation at the invitation of the FCC or to serve on a study committee if the Commission prefers this procedure. We believe this procedure will avoid the pitfalls of hasty legislation without unduly delaying the solution of the problem.

Cordially,

JAMES D. SECREST,
Executive Vice President.

MULTI-ELMAC Co.,
Oak Park, Mich., July 8, 1965.

Re Senate bill 1015.

HON. JOHN O. PASTORE,
*Chairman, Subcommittee on Communications,
Senate Commerce Committee,
Senate Office Building, Washington, D.C.*

MY DEAR MR. CHAIRMAN: At your subcommittee's hearing on June 23, 1965, time was graciously made available to members of the electronics industry engaged in the manufacture of radio controls for door operators. Representatives of this industry present at the hearing—including the undersigned as chief engineer of Multi-Elmac Co.—agreed that expansion of the authority of FCC by S. 1015 was not objectionable; that time set aside for our oral comments might well be relinquished; and that suitable written comments should be filed, where rendered appropriate by the presentations of others before your subcommittee.

We respectfully ask that our following comment be received as a justifiable clarification of certain testimony given to your subcommittee.

The demonstrative testimony of Mr. David D. Thomas, of the FAA, described several radio aids to navigation—"Nav aids"—which are subject to radio interference. He discussed the VOR systems, but without mentioning that it operates within an assigned frequency range of 108 to 118 megacycles. He also discussed the ILS (instrument landing system), but did not mention that it operates within assigned frequencies of 330 to 335 megacycles, plus the VOR frequencies just mentioned.

The Multi-Elmac Co. manufactures and sells a substantial number of radio controls each year; but none of these operate in the segments of the radio frequency spectrum set aside for VOR and ILS systems. Our currently produced equipment complies fully with existing FCC regulations as to radiation level; and to our knowledge, has not been cited by FCC for interference to other services. We have no reason to believe that equipment complying with FCC's present rules as to radiation level causes interference with air navigation devices.

Contrary to the implications of Mr. Thomas' presentation, there is nothing inherently capable of interference with air navigation devices in the equipment we manufacture, since it does not operate on the frequencies of the Nav aids to which Mr. Thomas' made reference.

Our company is now working with FCC, as a member of an industry committee, to obtain adoption of appropriate new regulations meeting both the needs of the industry and the obvious necessity of eliminating interference to

other services and pollution of the radio frequency spectrum. We are confident that equitable and effective regulations will be thus resolved. Pending their resolution, and in the deliberations of your subcommittee, we desire your recognition of the fact that the use of garage door openers is not inherently dangerous to air navigation.

Appreciative of your consideration, we remain,

Very truly yours,

ROBERT D. LELAND,
Chief Engineer.

EMC TODAY

In 1960 electronic industries was first to call attention to the growing problems in RFI (radio frequency interference). The 10 feature articles we published on RFI in that year formed the basis for a special military training course at the Armour Research Foundation. Since then the scope of this subject has broadened considerably. RFI has grown to EMC (electromagnetic compatibility). It has become a topic for special courses at the University of Pennsylvania as well as Massachusetts Institute of Technology. The National Symposium on Electromagnetic Compatibility, held in New York City last month, attests to the growing interest and concern in this area.

We believe that you will find "New Developments in EMC," and "The Broad Aspects of EMC" both interesting and informative state-of-the-art reports. James Senn, James Hill, and Rexford Daniels are recognized industry spokesmen. In addition, we should like to make the following constructive suggestions:

1. EMC technology has advanced sufficiently to warrant training engineers in the field of RFI-EMC. They should receive information about how to detect, measure, and design devices and equipment to suppress unwanted radiations. It would be a good subject to include in all college engineering courses.

2. Suppression devices and connections should be clearly marked as EMC devices and made in such a manner that they cannot be left out when equipment is repaired. We suggest that all devices and grounds be tagged with a phrase such as "Do not remove without prior approval of -----."

3. There is a definite need for minimum specifications that would be applicable to all services—military, government, and civilian. Critical problems could be covered by more stringent specifications.

4. New EMC test equipment is coming on the market that has the desirable features of portability, automatic operation, and accuracy. This instrumentation is useful in the hands of trained specialists. However, there is still a need for equipment that can be used by technicians who do not have full knowledge of the field. This equipment should be rugged, portable, easy to operate, and less costly.

5. Engineers need comprehensive EMC design handbooks. Such texts would also help them solve existing problems.

6. Designers should more fully consider the electromagnetic environment in which equipment will operate. Some steps have been taken in this direction through ECAC (electromagnetic compatibility analysis center) for military equipment designers and users. A similar service, embracing the same methods, should be developed for civilian applications. Civilian and military equipment should be capable of living together.

7. Electrical-electronic devices such as heating pads, motors, razors, radios, tape recorders, and SCR's for control devices, etc., are creating unwanted radiation. Steps have been taken with some TV receivers under the "good neighbor" policy to reduce spurious radiation. All devices should be under some effective control. The purchaser of electrical devices knows that he should look for the Underwriters Laboratories approval label. Perhaps the engineering department of EIA and NEMA could develop radiation reduction standards. Then it would become possible to tag or label equipment that has met these specifications.

Let's look at electromagnetic radiation as a natural resource that should be nurtured and conserved in every possible way. Senate bill, S. 1015, now before Congress would grant broad power to the FCC to regulate unwanted radiation. We believe this is a constructive step in the right direction.

BERNARD F. OSBAHR.

The field of electromagnetic compatibility (EMC) goes beyond the normal "interference" to communications. It now encompasses the effects of radiation on man, animals, plant life, and materials, to cite a few. New problems on the horizon may be grouped into legal, legislative, and labor.

THE BROAD ASPECTS OF EMC

(By Rexford Daniels, president, Interference Consultants, Inc., Boston, Mass.)

Electronic industries state-of-the-art feature

"Electromagnetic compatibility" (EMC) is a term which is acquiring a broader and broader meaning every day, as scientists and engineers push out the frontiers of the electromagnetic spectrum into other disciplines. They are discovering that everything in nature has a resonance which, when activated by magnetic or electromagnetic energy, can affect its molecular structure, its habits, its uses, and even its place in its own environment. What may, therefore, be compatible today in one environment may be found incompatible tomorrow if that environment is changed. EMC is still an art struggling to be a science with nature seeming to continually complicate matters.

With the introduction of "spectrum signatures" by the military, all aspects of electromagnetic energy have become officially included, such as magnetic, inductive, Fresnel, and Fraunhofer regions, etc., as well as many terms in other disciplines which describe the reactions of this energy in those disciplines. EMC is also, therefore, no longer just an electronic term but is becoming an all-embracing figure of speech which includes its "side effects" as they become known.

Studies being made

The electromagnetic (EM) spectrum has ceased to be an inexhaustible natural resource which can be indiscriminately used. It has to employ such things as time sharing and propagation characteristic considerations, in addition to frequency allocation, to achieve compatibility. A good book on this subject is *Radio Spectrum Utilization, 1964*,¹ by the Joint Technical Advisory Committee. The book discusses all aspects and gives the reasons why. At the IEEE convention, March 1965, a panel of experts detailed the problems as they affected military and civilian uses, and fully justified the title of their discussion "Radio Spectrum Utilization as a National Problem." This panel also disclosed to the public, for the first time, the nationwide survey of all aspects of electromagnetic energy which is being made for the executive branch of the Government, by the Joint Technical Advisory Committee, and which will probably have some bearing on what action Congress takes to amend the Communications Act of 1934, now before Congress and known as S. 1015.

Another article in this issue will give the electronic progress which is being made in EMC, thereby, leaving for discussion the increasingly important "side effects" and, finally, the three L's—legal, legislative, and labor—which are beginning to appear on the horizons of those involved in the use of this energy.

Research into other disciplines

The EM spectrum is now being examined for a multitude of uses, many of which were not thought of 10 years ago. The Department of Agriculture, for example, is exploring different frequency ranges to learn if EM energy can be used for the control of insects and pests. Educational and technical institutions, foundations and industry are studying the biological effects of this energy on humans and animals. Other research groups are recording the operation of the brain and tapping in on muscle signals to control artificial limbs and guide fast-moving manned vehicles when the g's render the pilots immobile. Most of this research is unfortunately random in effort and not coordinated and, hence, the results often not available to those most interested.

¹ "Radio Spectrum Utilization," a report of the Joint Technical Advisory Committee, 1964, 345 East 47th St., New York, 10017, price \$10.

A bill to amend the Communications Act of 1934, S. 1015.

"Electromagnetic Energy and Sound for Use in Control of Certain Pests," S. O. Nelson and J. L. Seubert, American Association for the Advancement of Science, Montreal, Canada, December 1964.

RAD HAZ program, U.S. Navy, BuShips Journal, September 1959.

"The Frequency Spectrum and the Principle of Resonance Absorption," L. J. Baranski, California Museum of Science and Industry Lecture, Los Angeles, January 1963.

The military has taken the first step in recognizing the importance of the side effects of EM energy. They have established the triservice radiation hazards (RAD HAZ) program. This is divided into three subprograms: Bioeffects (hazards to personnel); HERO (hazards to ordnance) and SPARKS (hazards to flammable and volatile fluids). At present, there is no corresponding civilian groups—and there may never need to be, if technical information is made public and proper care is taken in its use.

Principles in achieving EMC

With the discovery that everything in nature has a basic resonance, it indicates that everything can become an active component in a sympathetic magnetic or electromagnetic environment. Architects are finding out that buildings are no longer inert masses of metal and mortar, but can be active antennas for radiating or conducting EM energy. Industry is finding out that a component or a product may appear to be compatible in a low test ambient, but can become suddenly active when placed in a system, assembly, or too near a "hot" element. Thus, length, width, and shape become important to the design engineer, and location to the packaging engineer.

From a systems circuitry standpoint there is no theoretical or practical reason which dictates the use of a connection to the earth's surface as a necessary part of an RF systems circuit.² In fact, there is no consideration dictating the use of any reference point as a so-called ground. However, the need for a single reference point, called a reference ground in RF systems circuitry, is well established. But the location of such a single point depends on its position in the circuitry of the system and impedance characteristics, and with no relationship to an NEC ground. EMC, thus, means the complete use of all EM energy within a system itself and leaving no residue to be attenuated or to be conducted to a ground outside of the circuitry. In other words, all energy, except that which is supposed to do outside work, should be controlled in basic design.

A third basic principle is the simple one of using non-emitting components in place of those which have to be attenuated. For example, substituting incandescent lamps for fluorescent; induction motors for brush-type motors and non-sparking switches for sparking.

Scanning the spectrum

It is not possible to include all the known research, which is being done in disciplines other than electronics, because they could fill volumes. However, we can start at the bottom of the spectrum and work up.

Man's last refuge for privacy, his brain, is now being invaded by laboratories all over the world. Russia is known to have eight groups working on all aspects of the brain, including thought transference. The number of those in the United States is unknown but more and more are continually coming to light. It seems that the speed of modern civilization is outrunning muscular reaction time and demanding quicker controls for all kinds of work. The brain's alpha rhythm, from about 7 to 13 cycles per second, can now be controlled and, when a person alters the pattern of his thinking, it is possible to use binary digits for communication. Or, in other words, thought transference.³ As brain activity climbs the spectrum, up to 150 kilocycles, it can operate muscles by creating different frequencies.⁴ These signals can be intercepted on the surface of the skin and fed into electronic devices which will duplicate the muscle action. Artificial arms and legs have been made to act normally by such methods, and controls of fast planes can now be operated by just thinking about them.⁵ Some day it may be possible to sit in front of a TV set and direct explorations at the bottom of the ocean without even getting one's feet wet. The prospects seem limitless, once the basic principle is understood.

Electrical anesthesia has been discovered at 700 cycles; from 550 kilocycles to 890 megacycles colloidal components of living cells have been found to resonate in the broadcast and TV bands; 5, 10, and 39 megacycles were found to increase germination of alfalfa seeds which contained hard seed; 21 megacycles increased the germination of gladiolus bulbs; 26 megacycles caused

² "Study and Evaluation of Radio Frequency Grounding Systems," BuDocks U.S. Navy Contract NBy-17828, ITRL, Inc., Boston, Mass.

³ "Communication by Brain Waves," Microwave Physics Laboratory, AFCL, Research Review, Office of Aerospace Research, November 1964.

⁴ "Muscle Voltage Moves Artificial Hand," G. W. Horn, *Electronics*, Oct. 11, 1963.

⁵ Same as above.

polystyrene spherules to form a "pearl chain" reaction in water; 29 megacycles killed bugs in bread; 300 to 3,000 megacycles will expedite the regrowth of severed nerve tissue, while 400 to 450 megacycles caused a change in the nucleic acid of common strains of bacteria and so on up the spectrum. These reactions often have to be obtained under laboratory conditions, so there is not much need for man to worry, at this time, that his life will be much affected.

The same is not true, it seems, for insects, bacteria and pests. At the 131st Annual Meeting of the American Association for the Advancement of Science, Montreal, December 26-31, 1964, S. O. Nelson and J. I. Seubert delivered a paper "Electromagnetic Energy and Sound for Use in Control of Certain Pests." In the paper they summarize the research results which had been done to date.

These are future possibilities of man's unbalancing of nature if proper controls are not concurrently studied. The electromagnetic attraction of fish could eventually wipe out whole species—to man's detriment. The discovery of the resonances of nature has, by several scientists, been declared to be of more eventual importance to man than the discovery of nuclear energy.

Too much radiation is hazardous to biological cells and that limits for bodily absorption have been established where very high powers are generated—as near certain radar and communication antennas. These same frequencies have been found upsetting to migratory birds; have been claimed to reduce the percentage of return of homing pigeons, in some areas, down to 2 to 5 percent; and, these same waves can trigger flash bulbs and erase intelligence from magnetic tape. These are examples of the manifold effects of just one frequency range.

More than a technical problem

Of less interest to the technical side but of more concern to management, are those considerations which are appearing in the legal, labor, and legislative fields. They originate as more and more evidence is obtained of harmful radiation; the losses suffered from interference with established communications; reimbursement for material and personal damage, and the introduction of local and national regulatory controls. A good example is the admonition at blasting sites to "turn off two-way radios." This raises the question of who could be held responsible if someone did not turn off his two-way radio and an explosion resulted. At the present time, it is a "user beware" psychology which puts the responsibility on the user of electromagnetically affected equipments, materials and components. But this will probably change as people become more concerned with safety and realize that an electric spark can be just as destructive as an incendiary spark. Already legal controls are expanding as the FCC's powers are increased; Public Law 200 (Presidential control of transmissions in a national emergency) is being publicized; West Virginia's national radio quiet zone is becoming a pattern for similar areas, and the Chicago-O'Hare International Airport has adopted the following zoning regulation:

"Section 10.5: Use restrictions—(1) General: Notwithstanding any other provisions in these zoning regulations, no use may be made of land within any zone in such a manner as to create electrical or electronic interference with radio or radar communication between the airport and aircraft * * *."

When it is understood that the zoning area takes in a width of 16,000 feet at a distance of 50,200 feet from the end of a runway, it is realized that quite a bit of territory is affected. As this zoning is to become a pattern for other airports, the question of EMC and responsibility will be introduced into every city and large town in the country.

So that buildings and whole industrial areas may be electromagnetically compatible, companies are protecting themselves with special clauses in rental contracts.

Labor

Radars, since the last war, and then nuclear radiation, have made labor conscious of the destructive capabilities of EM radiation. Naturally, the labor unions want protection for their members and also wish to have a margin of protection so that unknown hazards will be covered. Labor officials contend that this is a subject for collective bargaining and should be reinforced by a Federal law. They also wish improved workmen's compensation legislation making injury pay available even when symptoms do not materialize for seven or more years after ending employment.

It is logical to presume that, ultimately, some protection and some indemnity will have to be provided for everybody, including executives as well as union

members. Some companies are already anticipating the possibilities of claims for possible present injury and are running annual tests on all emitters to have evidence in their files.

Labor can also be affected by loss of jobs due to FCC violations where a company considers it cheaper to move to a new location rather than to try to shield or reduce radiation to acceptable levels in its present location. On the other hand, labor will probably benefit, for a short time at least, from the establishment of radiation limits on civilian products and equipments. It should also increase the market for "suppression" components and for the shielding of emitters which are too expensive to suppress.

What of the future?

If we are going to try and create a microvolt civilization in a millivolt world, electromagnetic progress will have to be fitted into incompatible environments. As there seems to be no effort being made on the part of man to reduce his use of the spectrum, those, who have studied the problems which will arise, state that EMC is the next big step in electronics and those, who can master the techniques involved, will benefit. The others will suffer in proportion to their opposition or lack of recognition of what is coming.



