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# INVASIONS OF PRIVACY (TELEPHONE SYSTEMS)

GOVERNMENT

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## HEARINGS BEFORE THE SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE OF THE COMMITTEE ON THE JUDICIARY UNITED STATES SENATE EIGHTY-NINTH CONGRESS

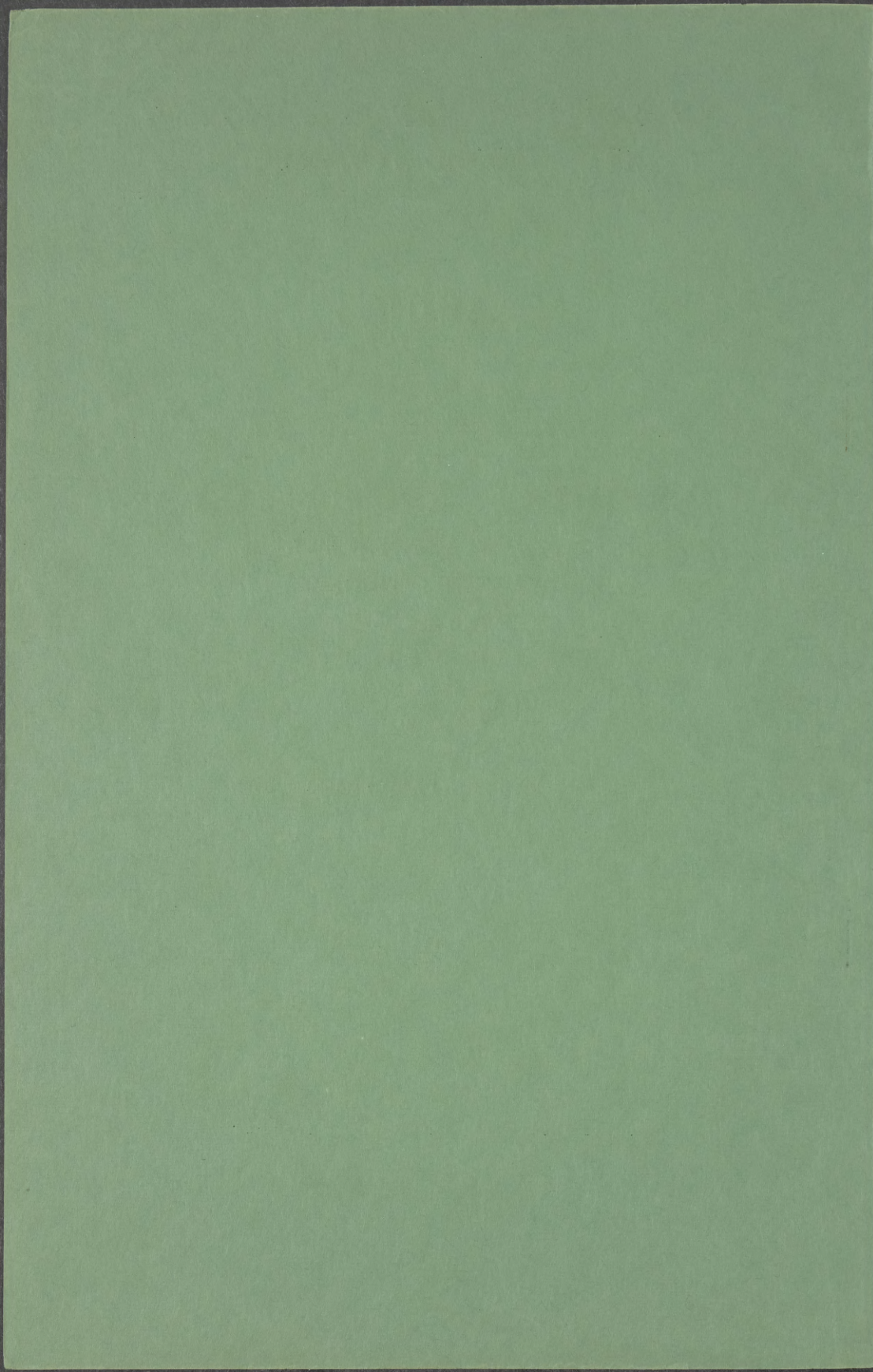
SECOND SESSION  
PURSUANT TO S. RES. 190

### PART 6

SEPTEMBER 14 AND 15, 1966



Printed for the use of the Committee on the Judiciary





# INVASIONS OF PRIVACY (TELEPHONE SYSTEMS)

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BEFORE THE  
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SEPTEMBER 14 AND 15, 1966



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U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1967

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## INVASIONS OF PRIVACY

### (Telephone Systems)

WEDNESDAY, SEPTEMBER 14, 1966

U.S. SENATE,  
SUBCOMMITTEE ON ADMINISTRATIVE  
PRACTICE AND PROCEDURE, OF THE  
COMMITTEE ON THE JUDICIARY,  
*Washington, D.C.*

The subcommittee met, pursuant to adjournment, at 10:05 a.m., in room 3110, New Senate Office Building, Senator Edward V. Long, of Missouri (chairman of the subcommittee), presiding.

Present: Senator Long of Missouri (presiding).

Also present: Bernard Fensterwald, Jr., chief counsel; H. G. Homme, Jr., assistant counsel; Benny L. Kass, assistant counsel; Bernard Waters, minority counsel, and Katherine Coulter.

Senator LONG. The committee will be in order.

Our first witness this morning is Mr. William Hogan, vice president of the New England Telephone & Telegraph Co. of Boston. Mr. Hogan, will you come forward, please.

Mr. Hogan, will you raise your hand. Do you solemnly swear the testimony you are about to give to this committee will be the truth, the whole truth, and nothing but the truth so help you God?

Mr. HOGAN. I do.

Senator LONG. Be seated. If you have an attorney, we will be very happy to have him sit at the counsel table with you.

Mr. HANIFY. My name is Edward B. Hanify, Mr. Chairman, and I appear here as counsel for the American Telephone & Telegraph Co., as well as for the New England Telephone & Telegraph Co. I believe the staff has also indicated an interest in my presence.

Senator LONG. You are representing Mr. Hogan. You are representing both the New England company and the A.T. & T.?

Mr. HANIFY. That is correct, sir.

Senator LONG. Very well, we are happy to have you here. Mr. Hogan, will you state your name and address and your official position for the record, please.

**TESTIMONY OF WILLIAM HOGAN, VICE PRESIDENT OF THE NEW ENGLAND TELEPHONE & TELEGRAPH CO., BOSTON, MASS.; ACCOMPANIED BY EDWARD B. HANIFY, COUNSEL**

Mr. HOGAN. My name is William M. Hogan, Jr., vice president of New England Telephone & Telegraph Co. I live at 108 Long Avenue, Belmont, Mass.



Senator LONG. How long have you served in this official capacity with the New England Telephone Co.?

Mr. HOGAN. I have been a vice president of the company for just over 2 years.

Senator LONG. Do they have a number of vice presidents?

Mr. HOGAN. Yes, sir. We have several vice presidents.

Senator LONG. What is the particular branch over which you have jurisdiction?

Mr. HOGAN. I am responsible for the field of public affairs.

This involves community and civic activities such as the chamber of commerce, United Fund activities and relations with governmental agencies.

Senator LONG. As such, do you have jurisdiction over the monitoring rooms or whatever name you may call them?

Mr. HOGAN. No; I do not, sir.

Senator LONG. You don't have it?

Mr. HOGAN. No, sir.

Senator LONG. You did have a conference with my chief counsel and members of my staff here in Washington 2 or 3 weeks ago?

Mr. HOGAN. Yes, I did, sir.

Senator LONG. And at that time you assured Mr. Fensterwald in discussing the various problems with him that you would make available certain of your employees—certain of the girls who worked in those monitoring rooms—either to him or to other members of my staff to discuss the activities in those rooms with them?

Mr. HOGAN. Yes, Senator, I did.

Senator LONG. And you told him that you would permit those girls to be questioned in private by members of my staff?

Mr. HOGAN. No, sir, I never said that.

Senator LONG. What did you say?

Mr. HOGAN. Well, the inquiry was whether or not members of the staff could discuss with the girls who work in the observing rooms any of the questions which they may have had in mind, and I agreed that certainly they could do that. But there was no mention made of the fact that they would talk to these girls alone.

Senator LONG. Mr. Hogan, don't you remember that during the conversation, they pointed out to you that girls like this would be like a private in the Army who wouldn't talk and give testimony in front of a general. Do you remember anything like that being mentioned?

Mr. HOGAN. I don't remember that, Senator, no. That was said in Boston by Mr. Homme more recently when he came to Boston to interview.

Senator LONG. But you have no impression that you would not permit these girls to be interviewed by my investigators unless they were in the presence of you or your officials?

Mr. HOGAN. Well, nothing was said specifically with regard to that, Senator, with regard to whether they would be alone or with others.

Senator LONG. Then Mr. Homme didn't make that request that that is what he wanted to do, did he?

Mr. HOGAN. He did when he came to Boston.



Senator LONG. You preferred not to let him discuss these matters with these girls in private. What did you have to cover up that you didn't want him to know?

Mr. HOGAN. We have nothing to cover up, sir.

Senator LONG. Then why did you refuse to let these girls be interviewed by one of my investigators in private?

Mr. HOGAN. Well, we had no objection to your representative interviewing these girls, but we did think that it should be in the company of outside counsel which I suggested to Mr. Homme.

Senator LONG. Why?

Mr. HOGAN. Well, finally I made this decision on advice of counsel, Mr. Hanify who is here. I sent for him that day, and I suggest that perhaps he can give you the legal reasons involved.

Mr. HANIFY. I would be happy to, Mr. Chairman.

Senator LONG. What is the reason then that you advised a company, so they say has nothing to hide, that they should not permit an employee to be interviewed by a Senate investigating committee staff member other than in the presence of you or some other individual that they would want to provide?

Mr. HANIFY. I was consulted by Mr. Hogan in the capacity of outside counsel for the company. I had been acting in that capacity in New England with respect to various matters which have affected the company.

Senator LONG. You are paid by the company? The company pays you?

Mr. HANIFY. Yes; I am a lawyer in private practice.

Senator LONG. These girls, though, these employees, didn't pay your fee?

Mr. HANIFY. Oh, no.

Senator LONG. You know your organization there sort of sounds like the Internal Revenue Service; that they provide counsel for their agents whether they want it or not. They want to have their man sitting there, too.

Mr. HANIFY. Well, Senator, I am sure you would like to hear my explanation.

Senator LONG. I would be happy to.

Mr. HANIFY. As a lawyer.

Senator LONG. Proceed.

Mr. HANIFY. I recall your very excellent speech to us up at the law school alumnae dinner where I had the pleasure of hearing you, and I think you will be in sympathy with my point of view when I have a chance to explain it.

Senator LONG. You may explain it.

Mr. HANIFY. Number one, the interview was sought on company premises with company auspices and with apparent company sanction. It seemed to me that under those circumstances the company owed a duty to the employees in question to be sure—

Senator LONG. May I interrupt you to inquire whether the girls asked the company to provide them counsel or not?

Mr. HANIFY. They hadn't been approached on the subject at all. This conference took place between your assistant counsel and myself, with respect to what you might call the ground rules for the interview. It was my suggestion that inasmuch as the interviews with



these girls were sought on the company premises, with apparent company sanctions, that the company owed a duty to the employees in question to be sure that the interviews were carried out fairly, that the questions were unambiguous, and that there was someone else present who could protect their rights.

Senator LONG. There couldn't have been anything, if I could interrupt you again, that the girls would testify to or would tell my people that your company wouldn't want them to?

Mr. HANIFY. Not in the slightest.

Senator LONG. You wouldn't indicate to me that you think it is a great act of cooperation when the American Telephone & Telegraph officials and the other telephone companies tell us that they want to help us and try to help us from time to time.

Mr. HANIFY. I think that this company has fully cooperated with this committee, Mr. Chairman. I think—

Senator LONG. I can assure you there is a difference of opinion about that. But proceed.

Mr. HANIFY. I think you are in the area of what I might call due process with respect to governmental interrogation. As I read the recent Supreme Court decisions, a lawyer in my position has an obligation to see to it that lay people who come in contact with governmental interrogation have the advantages of not being interrogated alone or privately. Now that is particularly true with respect to an employer when the interviews are taking place on his premises and with his sanction.

Senator LONG. But Mr. Hanify, didn't these companies tell us that they would furnish us any witnesses that we wanted and provide them any time we wanted? That is the offer your companies have made to this committee.

Mr. HANIFY. Absolutely, and so far as direct open testimony before this tribunal is concerned, we would be happy to have anybody that you wanted subpoenaed.

Senator LONG. Well now, we will make the arrangement about the subpoena. You have no subpoena power.

Mr. HANIFY. That is true, sir. Now, there was another complicating factor here that I think I should advert to, and that is that some of these employees had been approached by a representative of a newspaper. I am not suggesting that he was either authorized by the newspaper or authorized by you.

Senator LONG. I can assure you he wasn't authorized by me.

Mr. HANIFY. But he made representations to some of these girls that if they gave him a private interview, he would be able through his contacts with this committee to intervene to secure them freedom from your subpoena powers. That to me as a lawyer presented another grave background situation which I had to consider. So I gave the company independent advice as counsel under these circumstances in a spirit of full cooperation with your committee, Mr. Chairman, and I think if you had been in my position, you would have given them the same advice.

Senator LONG. I think my advice would be depending on the policies of the company, and the telephone companies have repeatedly told us and assured us of how they wanted to cooperate and they would make



these people available to us. We can bring them in here to testify. We have the power of subpoena.

Mr. HANIFY. We will make them available to you.

Senator LONG. There has never been any understanding that we had to subpoena a witness to bring them in here, and your company has no authority to say whether they come or they don't.

Mr. HANIFY. That is true.

Senator LONG. And to us it indicates that it is a very definite lack of cooperation. It smacks of inference that there is something you are covering up.

Mr. HANIFY. Well, I suggest, sir, that that inference is unwarranted and unfair. The New England Telephone Co. is always prepared to have any representative of this committee interview any employee, but if that is done under company auspices with company sanctions, it seems to us that normal concepts of fairplay in this part of the 20th century require at least that outside counsel be present to hear the interview.

Senator LONG. That gets back, as I mentioned a while ago, to whether a private is going to testify in front of the general or not. I don't know whether you know it or not but there are some very serious matters that our committee contends went on in those rooms, and these girls are the girls that can give that testimony to this committee. They would undoubtedly hesitate to do it with the president of the company or counsel or a vice president sitting there, because they might tell us things that the company wouldn't want us to know.

Mr. HANIFY. I deny for your record, sir, that there is a scintilla of evidence available to you that there has been any such activities taking place on these premises. Now, I think we have reached the point—

Senator LONG. Mr. Attorney, I don't want to argue the question with you. You don't know what you are talking about.

Mr. HANIFY. I have been through two hearings in Massachusetts where there have been public hearings and an ample opportunity to present such evidence, so for the company I suggest that any suggestion that such evidence exists on your part, with an opportunity here today to produce it, is unwarranted unless it exists.

Senator LONG. We have very definite information that certain Federal agencies have had their employees in there and have used those rooms for monitoring purposes.

Mr. HANIFY. We have checked and found there is so far as we can discover no truth to the story. If you will give us—

Senator LONG. You let the committee then make their investigation, because maybe these girls will give us the information that you might not want us to have.

Mr. HANIFY. We want you to have every piece of relevant information, sir.

Senator LONG. Do you mean to tell this committee that the Public Utility Commission of Massachusetts, if that is the correct legal name, has not used those rooms at any time or their agents have not used them?

Mr. HANIFY. I have no information that the Public Utility Commission of Massachusetts, except in the course of its duties in connection with the recent hearings, has had occasion to come into those



rooms. Now Mr. Hogan has caused to be made an investigation with respect to all our supervisory security personnel on this issue, and he is in a position to answer those questions.

Senator LONG. Why is he so anxious that you don't let these girls be made available to us to give us the information?

Mr. HANIFY. My dear Senator, we would be happy to have those girls interviewed by your counsel, would have that today. The only request was that the interview take place not alone and in star chamber, but in the presence of outside counsel. That was the only request.

Senator LONG. The presence of outside counsel doesn't mean anything—because whether it is an outside counsel or a counsel, they are both paid by the company—as to whether it is the vice president or who—these girls would be reluctant to talk to the committee because they would be fired if they were giving us information that the company or the outside counsel or the inside counsel or the vice president didn't want them to give us.

Mr. HANIFY. I suggest—

Mr. HOGAN. Mr. Chairman, I would like to interject here and state on behalf of management that that is not so. They would not be fired because they would be giving information that you might find useful and serviceable. All we want these people to do at any time is to tell the truth about anything they know. There has been no effort made to prevent that.

Senator LONG. It has been called to my attention that Mr. Homme, my counsel investigator who was in Boston at that time, asked you gentlemen if you would permit him to ask the girls as to whether they would object to being interviewed alone or not, and you refused to let him do that. Now, doesn't that smack of still some coverup?

Mr. HANIFY. No, sir.

Senator LONG. Doesn't that smack of some lack of cooperation, that your companies have been so vocal about wanting to perform with this committee?

Mr. HANIFY. No, sir.

Senator LONG. We have the impression it does, Mr. Counsel.

Mr. HANIFY. Would you like me to try to correct that or is it ineradicable?

Senator LONG. You mean to correct it, that they didn't ask Mr. Homme that?

Mr. HANIFY. No. Would you like me to try to correct your impression?

Senator LONG. We would be glad to listen to you.

Mr. HANIFY. Well, fine.

Senator LONG. But I think the facts are against any statement that you may make. Proceed.

Mr. HANIFY. Well, if this were a court of law, sir, I would suggest that perhaps you had prejudged the issue.

Senator LONG. Well, unfortunately you and—

Mr. HANIFY. And having heard—

Senator LONG. You must know this is not a court of law.

Mr. HANIFY. Having heard your eloquent championship of private rights in Boston, I am sure that on further consideration you will not prejudge the issue. The conference which I had with Mr. Homme was an attempt to work out what you might call ground rules for



these interviews, and it seemed to me that it was an idle gesture for us to go down and argue in front of these girls as to whether or not I should or should not be present. He told me his instructions were that he had to interview them under his instructions outside my presence.

Senator LONG. You still deny that was the understanding that Mr. Fensterwald had with Mr. Hogan when he met here with him?

Mr. HOGAN. I do; yes. There was never any mention made about interviewing alone until Mr. Homme came to Boston to talk with me. We talked about these girls being available for your staff to talk to, and they were available on two visits by two of your staff, but there never was any question raised about whether they talk to them alone or not, sir.

Senator LONG. What do you think these girls could have told this committee that would be so distasteful to you and the company that you wouldn't let them talk to us like that?

Mr. HOGAN. I don't know that they could tell us anything, sir.

Senator LONG. You don't know that you couldn't?

Mr. HOGAN. But the decision was on a legal basis.

Senator LONG. Can you cite me any law in Massachusetts or in the Federal statute that says an investigator of the Senate cannot talk to an employee of any company without the company providing counsel to be present? I don't know of any law like that.

Mr. HOGAN. On company time and on company premises and presumably under company auspices and with inference of company compulsion, yes; I think that is a different—

Senator LONG. But your company did volunteer to cooperate, didn't it?

Mr. HOGAN. That is right; and it still does.

Senator LONG. Well, do you still say that that is cooperation?

Mr. HOGAN. Yes, sir.

Senator LONG. We have a very definite difference of opinion on that then. Do you have something else, Mr. Hanify? I interrupted you a minute ago.

Mr. HANIFY. I think I have stated my point of view as thoroughly as I could. I think you should know that I take the responsibility for the advice which I gave the company as an independent outside lawyer that day.

Senator LONG. I think there are two things the Chair would want to say. That they are disappointed at what we consider the lack of cooperation that we have received from the New England Telephone Co. There is a misunderstanding. We feel that it has placed an emphasis on permitting these girls to be interviewed by my investigators that may or may not be proper, but it has the indication to the committee that an effort is being made to curtail the information that this committee hoped to have. We do have information in spite of what the attorney says that the Federal agencies have used those rooms for monitoring purposes. I don't think I asked you about any other representatives from the district attorney's offices using them, but that has been part of the investigation that is underway, and your activity in not permitting these girls to testify smacks very closely of the difficulty we have had with the Internal Revenue Service, and that investigation has not smacked of great cooperation between them and the committee. This type attitude will only lead to further and great-



er controversy between the companies and the committee, because the committee is prepared and will proceed along other lines to determine and get this information which we think we have.

I want to say, too, in passing, that this reference you made about some newspaper reporter telling these girls that if they would give him a private interview, he was close enough to the committee that he could get the subpoena quashed. Now, I have great respect for all the newspaper reporters. There is no newspaper reporter or anyone else who is that close to this committee, and anyone who would make those statements is not operating in any way with this committee. This committee will determine what subpoenas are issued, and there is no one who has any authority to say to any witness that if they will tell them their story, that they won't be subpoenaed by the committee. My impression is that that would be one of the fastest ways that a witness could get subpoenaed, to be taken in on that kind of deal.

Mr. HOGAN. Mr. Chairman, may I just say one thing?

Senator LONG. Yes.

Mr. HOGAN. I am frankly surprised and disappointed that you would feel that this company, the New England company, had not been cooperative with your people in this investigation. Back over a period of about 3 months now I would have thought that we had been extremely cooperative. We have had visits two or three times from your people. They have been permitted to interview several other people whom they asked about. They have looked at our premises.

Senator LONG. With or without counsel?

Mr. HOGAN. They were present. Somebody else was present in the interview.

Senator LONG. But there was always a company man present?

Mr. HOGAN. That is right, sir, and we have inquired further as they requested us to, and reported back information. I would have thought that with the exception of this one incident, which is based on the legal decision and a legal judgment that everything they had asked for had been provided for them, we certainly maintain an attitude of cooperation with this committee as far as it is legally possible, sir.

Senator LONG. Well, we are sorry we disagree with that matter. We are sorry we don't see the legal aspects of it. We don't believe that this is a legal matter as to the witness testifying before one of my staff members without there being the presence of an attorney. It is a policy matter rather than a legal matter. You have the right to be advised along that line and if it is a policy you adopt, of course we have a difference of opinion whether it is a matter of cooperation. As to the legal part of it, I don't see any aspects to the legal end. I have certainly, being an attorney myself, been delighted for you to employ outside counsel. I am always happy for members of the bar to appear before our committee and to assist in these hearings. We do feel though that this is more of a policy matter than it is a legal matter, and we regret and we are sorry that your company has adopted this policy that we feel is not justified under these circumstances.

Mr. HOGAN. Well, sir, I suggest we haven't adopted it as a policy except when it raised a legal question, and that otherwise we had been extremely cooperative with your people.



Senator LONG. We hope we don't have to subpoena every one of your girls who have worked there and bring them down before this committee to testify under oath, but if you force us to it, we may when the time comes. I thank both of you gentlemen.

Are there any questions?

Thank you very much.

Our next witness is Mr. Hubert L. Kertz, vice president of the American Telephone & Telegraph Co.

First will you raise your hand, please.

Do you solemnly swear the testimony you are about to give to this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KERTZ. I do.

Senator LONG. Will you be seated, Mr. Kertz. Do you have an attorney representing you?

**TESTIMONY OF HUBERT L. KERTZ, VICE PRESIDENT OF THE  
AMERICAN TELEPHONE & TELEGRAPH CO., NEW YORK, N.Y.;  
ACCOMPANIED BY EDWARD B. HANIFY, CHARLES RYAN, COUNSEL,  
AND JOHN F. CARLTON**

Mr. KERTZ. Yes, Mr. Chairman, I brought with me Mr. Charles Ryan who is an attorney for the A.T. & T. Co.

And also at your request I have Mr. John Carlton here, who has been the general security officer for the Bell System. In addition, Mr. Hanify is acting as he said as counsel for the Bell System.

Senator LONG. I want to get in the record your name and address and ask you a question or two. You have a statement you want to make?

Mr. KERTZ. Yes, sir; that is right.

Senator LONG. Your name is Hubert L. Kertz. You are vice president of the American Telephone & Telegraph Co.?

Mr. KERTZ. Yes, sir; I am vice president in charge of operations.

Senator LONG. Where are you located, Mr. Kertz?

Mr. KERTZ. 195 Broadway, New York.

Senator LONG. How long have you occupied this position with the company?

Mr. KERTZ. About two and a half years.

Senator LONG. Mr. Kertz, the committee will be very happy to hear your statement that you have prepared.

Mr. KERTZ. Yes, sir. I would like to thank the committee for the opportunity to present the Bell System views on the privacy of telephone communications. We have furnished extensive information to, and cooperated with this committee for the past 2 years and, in addition, have filed detailed answers in writing to the questions the chairman asked in his letter of August 11, 1966.

Senator LONG. May I interrupt to inquire if the New England Bell Telephone Co. is part of your system?

Mr. KERTZ. Yes, sir; the New England Bell Telephone Co., is part of the Bell System, that is correct.

Senator LONG. Do you have supervision over them?



Mr. KERTZ. Yes; the American Telephone & Telegraph Co., owns a majority of the stock interest in the New England Telephone & Telegraph Co.

Senator LONG. And your policies of operation are the same in the various companies in which you own the majority of the stock?

Mr. KERTZ. That is correct, Mr. Chairman. What we attempt to do—

Senator LONG. Southwestern Bell and New England Bell?

Mr. KERTZ. Yes, within the confines of local rules, regulations and so on that they must abide by, we have tried to present a common universal telephone service to the United States.

Senator LONG. You may proceed.

Mr. KERTZ. Privacy of communications is a basic concept in our business. We believe the public has an inherent right to feel that they can use the telephone with confidence, just as they talk face to face. Any undermining of this confidence would seriously impair the usefulness and value of telephone communications.

From the time our business began, almost 90 years ago, the American public has understood that the telephone service they were receiving was being personally furnished by switchboard operators, telephone installers, and central office repairmen, who, in the course of their jobs of completing calls, installing phones, and maintaining equipment, had an opportunity to be on a telephone connection. We have always recognized that the opportunity existed and we have worked hard and effectively to insure that unwarranted intrusions on customers' telephone conversations do not occur.

We are confident that we have done, and are doing, an excellent job in preserving privacy in telephone communication.

The advance of telephone technology in itself has produced an increasing measure of protection for today's telephone users.

The vast majority of calls today are placed without the presence of an operator on the connection. Local dial service for over 99 percent of all telephones, and direct dialing of long-distance calls for 87 percent of all telephones, greatly minimize opportunities for intrusions on privacy. The increase in one-party telephone service in the United States is another factor. Twenty years ago, only one-quarter of our customers had individual line service. Today, three-quarters of our customers have individual lines and the proportion is growing rapidly each year.

Beyond this, all companies in the Bell System conduct a vigorous program for the preservation of privacy.

We select our employees carefully, train them well, and supervise them diligently. They are regularly reminded that, as a basic condition of employment, they must adhere to our rules on the secrecy of communications. Violations can lead, and indeed have led, to discharge.

As an exhibit, we offer a copy of a typical booklet on the secrecy of communications that our employees are required to read and asked to sign. The language is clear and our intent is unmistakable.

I believe that the members of the committee have a copy of the book.

Senator LONG. I don't know how large it is. We will receive it and put that in the record. Without objection, it is so ordered.

(The booklet referred to follows:)



THE CODES WE WORK BY  
(New York Telephone Co.)

*To All Employees:*

Honesty and integrity are the cornerstones of our business. Our good character—yours and mine—is fundamental to the trust and confidence the public has in our company.

The principles of the business cannot be different from the principles that guide our personal lives. As telephone people, we are expected at all times to conduct our business lives according to the highest ethical standards; we must be guided by company regulations and must always act in strict observance of federal, state and local laws.

In so doing, each employee is protecting his or her own good name as well as that of all telephone people. At the same time, he is contributing to the public confidence essential to the success of our business.

C. W. PHALEN,  
*Chairman of the Board.*

HONESTY IN BUSINESS

Integrity is basic to the performance of our telephone job.

Telephone people have earned a reputation for honesty and integrity. It is a well-deserved reputation, built by thousands of telephone men and women who believe in and follow the highest code of business ethics. So that it may be maintained, high standards of individual conduct and performance must be continued.

As persons of good character, employees are expected at all times to practice fundamental honesty. Above and beyond this, all are required to exercise good judgment, observe diligently the laws applying to our business, and to adhere closely to the practices for safeguarding and protecting the secrecy of communications, company property, funds and records.

The vast majority of telephone people are honest and law-abiding citizens. Occasionally, an employee fails to live up to the proper code of behavior. Our company must and will take strong action against those who fail to meet the accepted standards of conduct. This may mean disciplinary action, including dismissal, and when appropriate, prosecution.

SECRECY OF COMMUNICATIONS

We have a moral and legal responsibility to safeguard our customers' privacy. Privacy is important to everyone. It is especially important to telephone customers. Safeguarding the customer's privacy—or secrecy of communications, as it is called—is a fundamental rule in our business. Further, privacy is the right of our customers who must be able to use our facilities with the knowledge and peace of mind that their communications are confidential.

Consequently, telephone people have a moral as well as a legal responsibility not to listen in on calls except when it is necessary to furnish good service. And, they must keep secret what they hear and what they see when—

Handling and monitoring telephone calls, Teletype messages and other types of transmissions;

Processing records of calls or messages; and

Having information as to the location and identify of pairs and cables.

Employees should also be constantly on the lookout for unauthorized wiring or other unusual or foreign equipment that might be evidence of wiretapping of telephone facilities. Discovery of any of these should be reported to your supervisor immediately.

*Federal and State laws*

Federal laws require that telephone people must keep secret the contents of any telephone, Teletype, telegraph, or radio (including television and facsimile) message or call. This secrecy applies to everything about a call or message—not only its contents but also who sent it and who received it, and even the fact that it took place.

Federal and state laws make it an offense punishable by fine and/or imprisonment to violate the secrecy of communications.



## SAFEGUARDING CONFIDENTIAL INFORMATION

Any arrangement for service is a confidential matter between customer and company.

Arrangements and requests for service and any records relating to the services we provide are confidential. Records, plans and other data contain information that can be of value to outside firms and individuals. This includes, for example, non-published telephone numbers, Bell System Credit Card numbers, the daily addendum, and even the details of the physical telephone network such as the location of cables or circuits.

Information of this type should not be discussed, released, disclosed or made available in any form, for any purpose, to anyone outside the company without proper authorization.

*Armed Forces*

Arrangements for service made by the Armed Forces may also be classified military information. Federal laws prohibit disclosing classified information which may affect the national security. Employees willfully failing to safeguard such data are subject to severe penalties under federal laws.

*Nonpublished service*

Many of our customers arrange for "non-published" telephone service. This may be for any of several reasons which are important to the customer. The telephone numbers and the names and addresses of these customers are confidential. Information about them should not be disclosed except to telephone people who require it to do their jobs.

## SAFEGUARDING COMPANY PROPERTY AND EQUIPMENT

Company property shall be used exclusively for conducting company business.

To provide dependable service, our company must keep on hand millions of dollars worth of equipment, supplies and other materials. Preventing the loss, damage, misuse or theft of this property is a matter of personal responsibility which each employee must accept as part of his job.

Whatever form it takes—including tools, vehicles, office equipment, telephone sets, or wire—company property should be used exclusively for conducting our business. It should not be used for personal benefit nor be taken, sold, given away or used regardless of its condition, unless there is proper company authorization to do so.

*Unauthorized service*

Telephone service or facilities, too, must not be rendered or supplied without company authorization. Installations, re-arrangements, or moves must not be made for anyone unless covered by an authorized order for service.

*Some do's*

Lock company vehicles when left in a public place. (It is a violation of New York State law to leave the ignition key in an unattended vehicle.)

Store company tools, supplies or equipment so as to protect them from loss, damage, destruction or theft.

Lock unattended company buildings and storage areas.

Use company property whether new, used or junk, strictly in accordance with approved practices.

Practice economy and avoid waste when using supplies of all kinds.

## RESPONSIBILITY FOR HANDLING COMPANY FUNDS

Follow prescribed practices to the letter when handling company money.

Company funds take many forms—coins from pay telephones, customer payments, cash advances. (At the same time, toll cards and tickets, service orders and other records are as valuable as money.)

Many company jobs require employees to make adjustments on bills, spend company funds, or incur personal expenses that will later be reimbursed by the company. It is a personal responsibility to use good judgment and to see to it that the company gets value received for the money expended.

Anyone who regularly handles company funds or anyone having access to them, should know and follow the prescribed practice for handling and protecting money.



## PREPARING AND HANDLING COMPANY RECORDS

Company records must be absolutely factual and accurate.

In any business, accurate and reliable records are basic to efficient operation. In our business, accuracy and reliability are particularly important, not only in providing the best in service to customers, but also in meeting our legal and financial obligations.

*Being accurate*

Every employee must accept a personal responsibility for accuracy and completeness. Records, vouchers, bills, payroll and service records, measurement and performance records and all other necessary data must be absolutely factual and accurate. In addition, plans, studies, reports, and specifications must represent an honest judgment.

The willful, unauthorized destruction or alteration of accounts, records or memoranda, or making false entries or even willfully failing to make correct entries, is dishonest and a violation of federal law.

*Safeguarding records*

All of us should also be alert at all times to safeguard records, (as well as money, and equipment) entrusted to our care. We must challenge any persons who might suggest or attempt unauthorized alteration, confiscation, or destruction of records. Report any suspicious occurrence to your supervisor so that proper action may be taken.

## CONFLICT OF INTEREST

Our business dealings shall not be influenced for personal, financial or other interests.

Each year, our company buys millions of dollars worth of goods and services from outside suppliers. A number of employees are involved in the selection of these suppliers and in purchasing these goods and services.

In making these purchases, our policy is to award business solely on the basis of merit and without favoritism, and wherever practicable on a competitive basis.

This policy requires that the employees involved must have no relationships or engage in any activities that might impair their independence of judgment. They must have no personal financial interests in suppliers of goods or services that would affect their decisions or actions on the company's behalf. They must not accept gifts, benefits or unusual hospitality that might tend in any way to influence them in the performance of their duties. If any possible conflict of interest situation arises, the individual concerned must disclose the facts so that action may be taken to determine whether a problem exists and, if so, to eliminate

## ACCEPTANCE OF GRATUITIES

In our business, the acceptance of gratuities is not permitted.

In many occupations the practice of tipping is customary.

This is not the case in our business. Customers are not expected to offer any gratuities for services rendered or anticipated, or for special services desired. If offered tips in spite of this, employees should not accept them. They should scrupulously avoid doing anything that would even suggest or give the impression that they expect gratuitous payment of any kind.

Customers occasionally express their appreciation for courteous service by sending flowers, candy and similar modest gifts at Christmas and other times. Return of such impersonal gifts may not be good judgment and might affront the giver. Within reason, such gifts may be accepted since they are not intended to have any real monetary value or any affect upon the type of service rendered or expected. However, before accepting such a gift, the employee should first obtain a clearance from his supervisor.

## CONCESSION TELEPHONE SERVICE

An important job—an important service at home and office.

Because telephone people provide an essential service to the public, they are always on call. For this reason, after six months of employment, employees qualify for concession telephone service. This service is important to our job. However, concession telephone service should be restricted to normal use by the employee and his immediate family. The type and amount of service and equipment an employee has should be accurately reflected on company records.



*Official phones*

The personal use of official telephones or company communications facilities should not be abused nor should their use interfere in any way with the conduct of company business.

## ESPIONAGE AND SABOTAGE

We are responsible for safeguarding government classified information.

Telephone men and women must constantly guard against disclosing company information which might be useful to espionage agents or saboteurs. Such information would include security procedures, circuit layout information, emergency rerouting and plans for restoring service, or any classified defense information. Any attempts to obtain such data by unauthorized or suspicious persons should be reported immediately to your supervisor.

Federal laws make it a crime to (1) obtain or communicate information to be used to the injury of the United States or to the advantage of a foreign power; or (2) to interfere with, injure, obstruct, or destroy war utilities and national defense utilities, which include telephone plant, wire and fixtures.

## EMPLOYEE BOND

Insurance against company losses.

All employees of our company are covered by a blanket Bell System Fidelity Bond. This bond protects our company against losses of money or property due to fraud or dishonest acts by employees. But, it does not free the employee from civil or criminal liability. The dishonest acts of any employee must be reported to the bonding company.

## WORK TIME AND PERSONAL INTEGRITY

A full day's work—an essential of good service.

Making the best use of time on the job is not only a matter of basic honesty but essential to meet our service obligations to our customers.

Putting work time to the best use means being honest with minutes; doing the job that is supposed to be done; giving our best efforts. That is fairest for employer, employee, and customer.

It helps us operate efficiently and to provide the kind of service customers have come to expect. It is also necessary to the self-esteem of each individual employee.

I have carefully read the booklet, "The Codes We Work By," and understand its provisions.

-----  
(Date)

-----  
(Signature)

-----  
(Title)

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(Department)

Mr. KERTZ. Thank you, Mr. Chairman.

We have 70,000 people whose daily work assignments are in the outside plant. These people are alert for unauthorized connections or indications that telephone terminals or equipment have been tampered with.

In addition, central offices are locked or supervised at all times. Information about customer service—location of terminals, lines, and description of equipment—is closely guarded.

Telephone cables are protected against intrusion. They are fully sealed and generally are filled with gas; any break in the cable sheath reduces the gas pressure and sets off an alarm.

With these measures, and others, we keep security at a high level.

Over the years we have seldom found evidence of the use of our facilities for wiretapping. Beyond this, however, we are concerned that, as a result of technological development, electronic monitoring



of telephone lines by outsiders can be done today in a much more sophisticated manner than has been possible heretofore. Devices now can pick up conversations without being physically connected to telephone lines. However, these devices must be in close proximity to a telephone line and our personnel in their day-to-day work assignments are alert for signs of this type of wiretapping.

Whether the device is a physical connection or otherwise, wiretapping is an invasion of privacy and we believe strongly that it should be stopped.

We do not feel that it is appropriate for us to comment on the broad subject of eavesdropping but, in our opinion, there is need for a clear-cut Federal law that makes wiretapping, as such, illegal. We would not object to properly protected exceptions for appropriate public authorities in cases involving national security.

Turning now to the subject of telephone company service observing which has been the object of some press interest in recent weeks, and of some misunderstandings as well, there are several points I would like to make clear:

(1) We are not, in our service observing, invading our customers' privacy. We do not monitor customer-to-customer conversations.

Senator LONG. Let me ask you here, if I may interrupt you before we get through with this, that is just a recent development; isn't it?

Mr. KERTZ. No, sir. Oh, you mean monitoring customer-to-customer conversations?

Senator LONG. "We do not monitor customer-to-customer conversations."

Mr. KERTZ. Well, we answered that——

Senator LONG. Isn't that a new development?

Mr. KERTZ. Mr. Chairman, we answered that as one of the questions that you asked. Briefly, it amounts to this. Back when we had manual systems, and we did not have direct distance dialing, dialing of toll calls by our customers, the service observing procedures contemplated monitoring the entire time that the connection was up, including the conversation interval. Of course, no recording or no notes were made of what the conversation was about.

Senator LONG. In Boston you just quit that operation the 1st of June, did you not?

Mr. KERTZ. I am coming to that, Mr. Chairman. Now, as we got into the dialing system, 10 years in 1956 we——

Senator LONG. I don't want to be discourteous, Mr. Witness, but you are not answering my question. This committee is used to being filibustered and we are in the Senate. You be a little more specific about my questions. I asked if you didn't stop this practice in Boston the 1st of June 1966.

Mr. KERTZ. We stopped that practice on toll calls on June 1, 1966.

Senator LONG. That is what I asked.

Mr. KERTZ. We stopped it on dial calls 10 years in 1956.

Senator LONG. We will discuss that later if we want to, but I want to know if you didn't stop that practice of your long-distance calls in Boston in 1966?

Mr. KERTZ. That is correct, sir; and we had planned that for some time.

Senator LONG. And your operators did listen to customer-to-customer calls?



Mr. KERTZ. Yes. The object was to determine the clarity of the transmission and to be alert for cutoffs and noise on the line. That was the object of it.

Senator LONG. Yes. And that was a nationwide practice?

Mr. KERTZ. Yes, sir; that is correct.

Senator LONG. And it was stopped nationwide on the 1st of June?

Mr. KERTZ. Yes. It is necessary that we do this as a unit in the Bell System, because the results of service observing which are statistical in nature are all put together and summarized for the Bell System each month and so we all have to be together on it.

Senator LONG. Well now, how did you determine that June 1 was the date you were going to stop?

Mr. KERTZ. Because back in 1962 when we first went to work to put together some equipment that would give us better indications of the volume of transmission and other things, we determined that it was going to take some further development, and in 1965 we saw the development completed, and a way of doing this, and since we all had to do it together, we alerted all the companies, told them how to do it, and we set the date as June 1, 1966.

Senator LONG. I am curious. On May 10, 1966, you notified your general traffic managers that you were going to make this change on June 1. I am curious why it was an emergency handling required on it? What was the emergency about it or the immediate rush?

Mr. KERTZ. There was no emergency about it at all. As I say, we had been planning this for some time.

Senator LONG. You didn't know that my committee was making some investigation of this activity at that time?

Mr. KERTZ. I was aware that the committee was making an investigation of the whole thing, but it had nothing to do with the decision to make that change on June 1, 1966.

Senator LONG. This is your document and not mine.

Mr. KERTZ. I know, sir.

Senator LONG. Since you knew my committee was taking a look at it, why was it marked "emergency handling required"?

Mr. KERTZ. It is because—

Senator LONG. What was the emergency about it?

Mr. KERTZ (continuing). We all have to do it together. We cannot have the Southwestern Bell do it on June 1, the New England Co. on July 15, and someone else on August 1.

Senator LONG. That would be a routine handling like any other order would go out, but why would this be emergency handling? What would be the immediate rush about it? You had been doing this for years.

Mr. KERTZ. That is right, sir, but we want to make them do it all together on the same day.

Senator LONG. But everything that you want to put out to have done on the same day, you don't say it is on an emergency handling basis, do you?

Mr. KERTZ. On an occasion like this we would, because we would never get them all together if we did not.

Senator LONG. What is the difference with the other things that you have the companies do?

Mr. KERTZ. Well, we do that on other things, Mr. Chairman.

Senator LONG. Do you always say "emergency handling" on it?



Mr. KERTZ. If we are going to make a change that involves the whole Bell System, that involves our 800,000 employees, that involves every company in the Bell System, you have to do it in a way like this or they will never get it done all together.

Senator LONG. And you were able then to change the equipment in the entire Bell System nationwide in 20 days?

Mr. KERTZ. This is correct. Of course, we had previous correspondence and discussions about how to do it before that.

Senator LONG. Did you not make a big change back in 1956 in Boston?

Mr. KERTZ. We made a big change in 1956 in all the companies.

Senator LONG. And how long did it take you to do that?

Mr. KERTZ. Well, I am sorry, I don't have that in mind, but I would imagine that it would take about the same time as this last change.

Senator LONG. But apparently Boston did not get this done by June 1, did they?

Mr. KERTZ. My understanding is that they did.

Senator LONG. Mr. Kertz, if you would make a little investigation and tell us a little later maybe about whether they did or they did not. Our committee has information they did not get it done.

Mr. KERTZ. Mr. Chairman, I will be glad to do that and inform the committee.

(See letter of October 11, 1966, from Mr. Kertz to Senator Edward V. Long in appendix.)

Senator LONG. Very well. We are still curious about the emergency. We know that you were anxious to get it all done at one time. But you did not get it done on the same date, and we wonder why there was an emergency to do it at that time when this committee was starting to look at it.

Mr. KERTZ. Well, as I explained, in order to get done on the same date, that is why we made it that urgent, and I am not aware that we did not do it on that date throughout the Bell System.

Senator LONG. Well, then, it is not an emergency.

Mr. KERTZ. In order to bring it to the attention of the general traffic managers that it had to be done on June 1. We have been working on that for some time. That is not something we thought of in May.

Senator LONG. You had to get new equipment, did you not, to make this change?

Mr. KERTZ. Yes, but we had gotten the equipment long before May 10 when that went out.

Senator LONG. Where did you get that from?

Mr. KERTZ. From Western Electric; we had to manufacture it.

Senator LONG. And had it been distributed all over the country?

Mr. KERTZ. Yes, sir; that is correct. It took some time to do it.

Senator LONG. But it has still got to be an emergency that you had to get it done—completed by June 1?

Mr. KERTZ. That is correct, otherwise our index based on service observing would not have meant anything for the month of July.

Senator LONG. Or otherwise this committee might have found more companies were using this practice in actual practice at that time?

Mr. KERTZ. No, Mr. Chairman, I disagree. The activities of this committee had nothing to do with that change.

Senator LONG. Very well. But we are happy you made the change anyway.



Mr. KERTZ. Thank you, sir.

Senator LONG. You may proceed.

Mr. KERTZ. (2) Almost all businesses use some form of quality control for the products they sell. Our product is communications and service observing is our quality-control tool. It measures the speed, accuracy, and completeness of our operator service. It measures the performance of our equipment. It measures the effectiveness of our employees when customers call to report troubles or to transact business.

(3) Service observing is the most effective method we have to judge the quality of telephone service we are providing our customers. It is needed and we have found no satisfactory substitute for it.

(4) Observations are made on a random sampling basis and observations are not directed at particular lines.

Senator LONG. They do not listen to the entire call, to the entire conversation?

Mr. KERTZ. No, sir. No place in the Bell System do we listen to the conversation.

Senator LONG. Since June 1?

Mr. KERTZ. Customer-to-customer conversation, that is right.

(5) The number of calls observed is a very small percentage of the total handled, roughly three one-hundredths of 1 percent.

(6) We have utilized service observing for quality control of our service for more than 60 years.

Senator LONG. Mr. Kertz, let me ask you one other question. I am sorry to keep interrupting you but I think it will be a little easier.

Mr. KERTZ. Surely, sir; no problem.

Senator LONG. You emphasize the small percentage of calls that you did monitor and did not listen to the entire customer-to-customer call. During the year 1965 there was just a matter of over 39 million of those calls listened to, was there not?

Mr. KERTZ. You are fairly close.

Senator LONG. If there were more than that the percentages fall but you still listened to over 39 million calls?

Mr. KERTZ. You are fairly close. Our figure shows something like 36 million out of 120 billion calls.

Senator LONG. The number is small, percentagewise, but to a man who now finds out someone is listening to his call, 39 million—36 million even—is a lot of telephone calls to have listened in on.

Mr. KERTZ. I do not agree the way you have used the term "listen." I think if you will bear with me in the statement, and referring to the answer to the questions you asked, you will see that this service-observing procedure is not one of listening. It is a statistical device to ascertain how our equipment works and how our operators handle calls.

Senator LONG. But they do listen. They hear the words they say, do they not?

Mr. KERTZ. They listen. They did in——

Senator LONG. Would you tell me that the operators are developed to the extent they just hear the sound but are not conscious of the word or what is being said on that call?

Mr. KERTZ. No, Mr. Chairman. The 39 million—I will accept your figure—of calls that occurred in 1965, not all of those involved listening to the conversation by a long measure. On the vast majority of those we do not listen to the conversation. They are the dial-line observa-



tions. The only ones that were listened to in 1965 were those that involved an operator, that is, where the operator was handling the call.

Senator LONG. But the facilities are there for them to listen if they want to?

Mr. KERTZ. The facilities are there to listen if they want; that is correct. We have utilized service observing for quality control of our service for more than 60 years. In all these years, we know of no instance where a service observer has violated the company rules designed to protect the privacy of our customers' conversations.

Service observations are made in our three major operating departments. In each case, the proportion of calls observed is small.

The commercial department observes a sample of calls from customers to the telephone company service representatives on business matters. These include calls from customers requesting new installations of telephone service or for information about a billing matter.

We observe on plant department calls when a customer reports trouble to the telephone company repair service personnel.

In the traffic department we observe on calls to information and to operators who announce changes in telephone numbers. Observations, which terminate when conversation between customers begins, are also made on a very small percentage of the directly dialed calls and long-distance calls requiring operator assistance.

To assure privacy for our customers, we apply strict safeguards. Only authorized personnel have access to service-observing locations and the rooms are kept locked when they are not in use.

Senator LONG. Is that the kind of room we are talking about in Boston?

Mr. KERTZ. Yes, sir; that is what we are talking about.

Senator LONG. Do you mean to tell this committee no one has ever been in there that was not company personnel?

Mr. KERTZ. To the best of my knowledge, Mr. Chairman, no unauthorized persons have ever been allowed in our service-observing rooms.

Senator LONG. The word "unauthorized" is maybe what we are hanging on here, then. Do you mean to tell this committee that no one other than employees of the Bell Telephone System have been in those rooms and used them?

Mr. KERTZ. I mean to say that. It is certainly not our policy to do that.

Senator LONG. I know it may not be your policy, but there may be exceptions to your policy. Do you mean to tell this committee that there has been no exception to that policy in those rooms?

Mr. KERTZ. I cannot speak for all the companies, but clearly the Bell System policy is that there are no outsiders as service observers.

Senator LONG. But you would not tell this committee under oath that there has been no violations of that policy in the New England Bell System?

Mr. KERTZ. I would have to ask New England Bell about that question.

Senator LONG. But you are not in a position to say "No" positively that such has not occurred?

Mr. KERTZ. No, sir; I am not. We have some 1,000 service-observing rooms around the United States. I certainly am not personally familiar with what goes on in each one. But the Bell System policy is that there are no outsiders and no unauthorized personnel in those



service-observing rooms and they are kept locked when they are not in use. It wouldn't do anybody any good to get in there anyhow, because you can't get on a particular line. The calls that come into the service-observing desk come in at random and you wouldn't know which one it was.

Senator LONG. Why, Mr. Kertz, do you not know it would be very easy for the telephone company to hook that line up in there for anyone to listen on if they wanted to?

Mr. KERTZ. No.

Senator LONG. That would be a very simple operation, would it not?

Mr. KERTZ. No, Mr. Chairman, on the contrary, it would not be simple. As a matter of fact, it would be one of the most difficult ways of wiretapping. If I wanted to wiretap a line, the last place I would go would be a service-observing room.

Senator LONG. But suppose the phone company wanted to help in that observation?

Mr. KERTZ. Even if I as an official of the A.T. & T. wanted to observe on a line, wiretap a line, I wouldn't go to the service-observing room to do it.

Senator LONG. Where would you go?

Mr. KERTZ. I would go to the main frames of the equipment or out to the cables.

Senator LONG. Now the main frames, is that where we get these pairing numbers and so on?

Mr. KERTZ. That is right.

Senator LONG. And that is where your security department has control over it, to see if they do not do it. They have that information if they want to furnish it to someone, what numbers to tap on?

Mr. KERTZ. It is not that easy, because on the frames appear cable pair numbers. On the other side of the frames appear telephone numbers or line equipment numbers, and to get hold of a particular line at a particular location, you have to have access to quite a few records.

Senator LONG. Well, there has been a great deal of sworn testimony before my committee that in certain areas of the country it has not been too difficult for certain taps to be made on those pairs and so on.

Mr. KERTZ. That is right. I think you have just made my point, that the best place to wiretap is not the service observing room. It is the equipment at some other place.

Senator LONG. There is testimony before our committee that the going rate for getting that information was \$50 a pair.

Mr. KERTZ. Mr. Chairman, a general allegation like that is quite unfair. I know of no instance like that.

Senator LONG. We certainly do not want to be unfair. I have a very high regard for Southwestern Bell, that is my telephone company back in Missouri. I am not familiar with A.T. & T. but I know it is the parent company. And the general statement I would say is a little unfair but there is more specific information in the particular case that I am talking about than just the general information, but there was testimony that they secured that information for \$50 a pair.

Mr. KERTZ. Well, again I know of no instance like that, and if we knew of one like that, we certainly would take some strict action in a hurry.

Senator LONG. I am sure you would.

Mr. KERTZ. In the traffic department we observe on calls to information and to operators who announce changes in telephone num-



bers. Observations, which terminate when conversation between customers begins, are also made on a very small percentage of the directly dialed calls and long-distance calls requiring operator assistance.

To assure privacy for our customers, we apply strict safeguards. Only authorized personnel have access to service observing locations and the rooms are kept locked when they are not in use. Employees who perform service-observing duties are chosen from our more experienced people—people of demonstrated reliability. They are selected with care, thoroughly trained, and closely supervised.

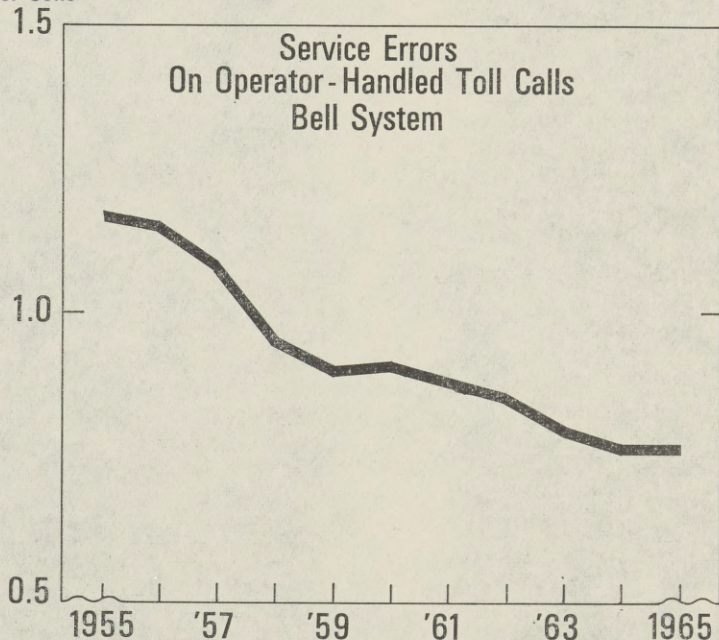
As a method of quality control, service observing has contributed greatly to the improvement in service which has been achieved over the years. This improvement is accomplished through the application of corrective measures to weaknesses disclosed by service observations. Attached to this statement are charts which illustrate this fact.

These charts, which I will not, unless your committee would like me to go into detail on, show you we have been able to improve the service on operator-handled toll calls, on information calls, on customer-dialing irregularities, on equipment failures, on assistance calls, on operators' errors, and on unsatisfactory occurrences at information boards, through the use of these service-observing tolls.

Chart 1

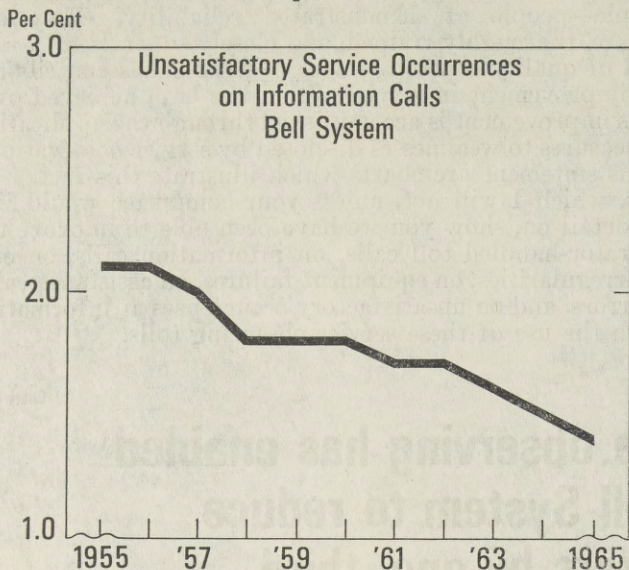
## Service observing has enabled the Bell System to reduce toll errors by one-third . . .

Per Cent



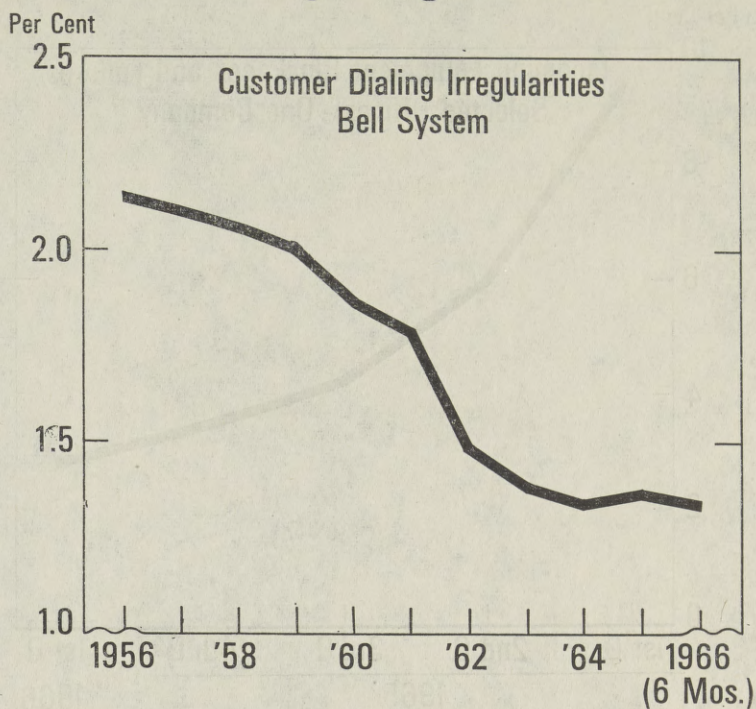


## Service observing enabled Bell System to reduce unsatisfactory service occurrences at Information by one-third . . .



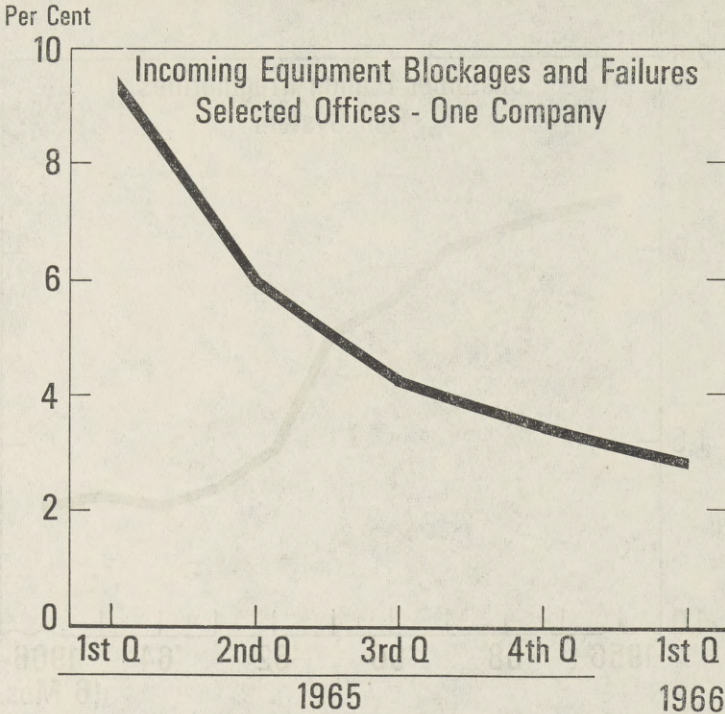


**Service observing has provided facts  
to enable Bell System to reduce  
customer dialing irregularities . . .**



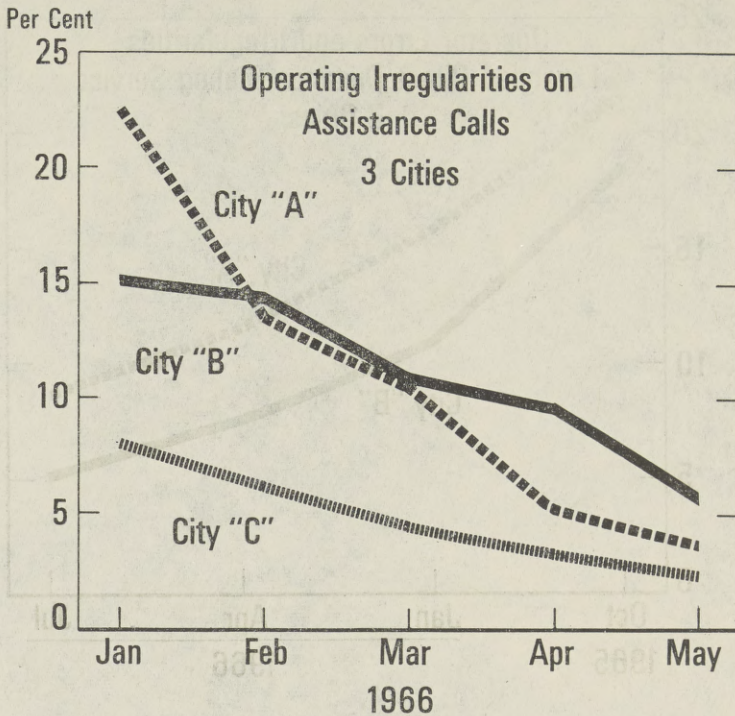


**Incoming trunk observations disclosed a high rate of failure on calls to a group of offices - led to effective corrective action . . .**



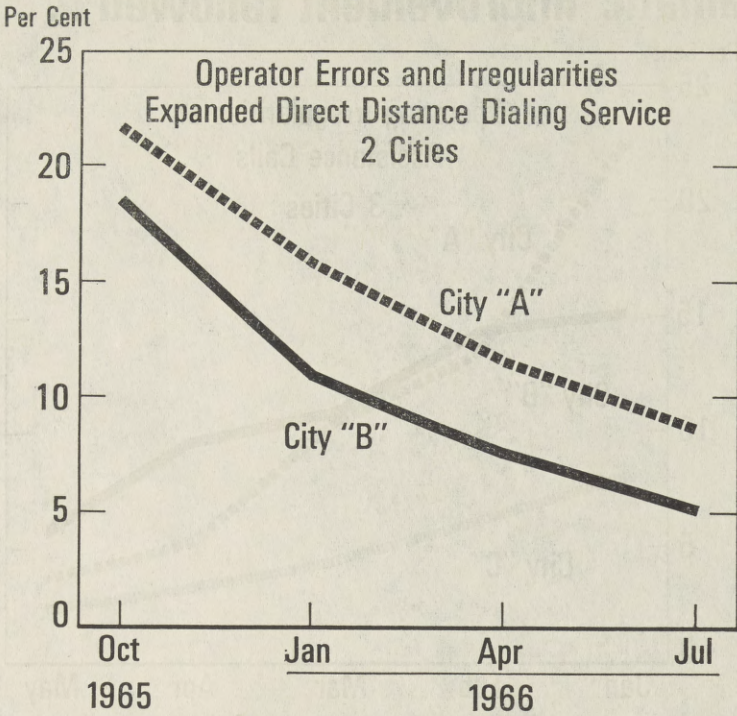


**When Assistance Call observing was introduced in January 1966, operating irregularities were spotlighted - dramatic improvement followed . . .**





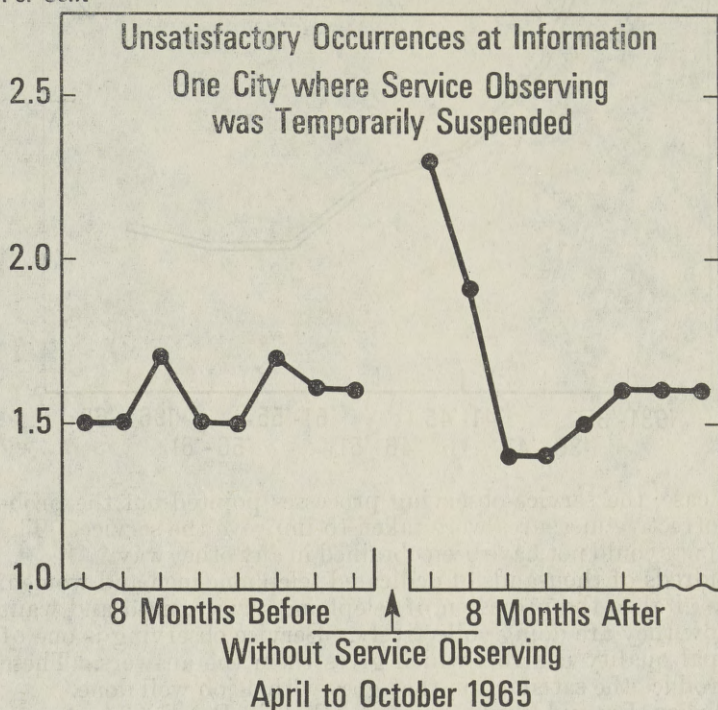
**After service observing provided the facts on a new type of service, operator errors and irregularities were dramatically reduced . . .**





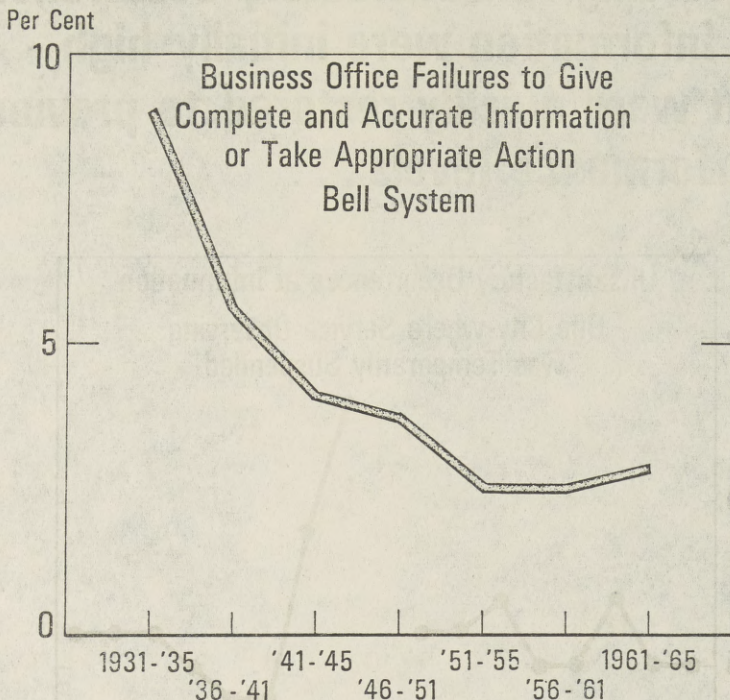
**After a six month lapse in service observing, unsatisfactory occurrences at Information were initially high - but were quickly restored to previous performance levels . . .**

Per Cent





## Service observing has helped the Bell System improve business office service . . .



In each case, the service-observing processes pointed out the problem and corrective measures were taken to improve the service. The necessary facts could not have been obtained in any other way.

The hundreds of thousands of dedicated telephone men and women, who are so vital to the provision of telephone service, need and want to know how they are doing collectively. Service observing is one of the principal quality controls which gives them the answers. These answers produce the satisfaction that goes with a job well done.

In conclusion, I would like to assure you that the Bell System is completely dedicated to the proposition that the public is entitled to telephone communications free from interception or divulgence. We have always and will continue to strive for perfection in this area. Service observing does not conflict with this objective. In fact, service observing is an invaluable tool and the quality of our service is largely dependent on its continuation.

Thank you.

Senator LONG. There is no way while service observing that you can let the customer know you are listening in on them?

Mr. KERTZ. No, sir.



Senator LONG. Would that ruin the effect of it?

Mr. KERTZ. Although some companies have mentioned the fact that observing is done in their telephone directories, what we are trying to do here on a very random sample basis is to take a cross section of all the calls that go through the network. We are not interested in the troubles on the particular line. As a matter of fact, the chances of any line being up are quite remote. On the average line it would take almost 10 years before it got up on the service-observing list. We are not interested in the individual line per se at all. What we are interested in is how the network, the local and the long-distance network, operates. In effect it is a gigantic, nationwide computer, and what we are looking to find out is how it works. And to do that, we take a cross section of calls that go into this nationwide computer, and the observations made on those calls tell us how well that computer is working for us.

Senator LONG. Is the Bell Telephone Laboratories part of your organization?

Mr. KERTZ. Yes, sir; that is correct. The Bell Telephone Laboratories is owned 50 percent by the Western Electric Co. and 50 percent by the A.T. & T. The Western Electric Co., as you know, is practically 100 percent owned by the A.T. & T. The Bell Laboratories is the research arm of the Bell System.

Senator LONG. And do they have the same principles and rules that apply there that apply to the other companies?

Mr. KERTZ. Yes, sir; exactly. Of course, they are quite stringent in other areas, because they do a small amount of Government work in classified areas, and this is something else again.

Senator LONG. A member of my staff picked up this wall blackout at the Bell Laboratories that says, "Remember—no classified conversations."

Mr. KERTZ. That is correct.

Senator LONG. I am a little curious. What would be your reaction there, that you are afraid people are listening in or that there is wire-tap or service observation on those lines? Just what does that mean?

Mr. KERTZ. That means, Mr. Chairman, that we are following out the rules set forth by the Department of Defense which prohibits the transmission of classified information over any telephone line.

Senator LONG. I see. Now, then, whether it is classified or not, do these girls that have been doing this monitoring all these years, are they cleared for security?

Mr. KERTZ. No, sir; because they are not in a job that requires security clearance.

Senator LONG. Even though they hear a conversation that would be wholly confidential between Government officials?

Mr. KERTZ. As we just explained concerning the plaque that you have obtained, classified information is not sent over telephone lines in plain language.

Senator LONG. It may be highly confidential. There is a difference between classified and highly confidential. The Governor of the State of Massachusetts might have a highly confidential conversation with me or with his Senator. That would not be classified but he certainly would not want some individual, telephone operator or otherwise, listening in on it.



Mr. KERTZ. This is correct.

Senator LONG. Do you see a difference in that?

Mr. KERTZ. And that is why we do our best to make sure that this does not happen.

Senator LONG. And that is one of the reasons that you have changed the system as of June 1?

Mr. KERTZ. No, sir.

Senator LONG. It is not?

Mr. KERTZ. That was not the reason we changed the system June 1.

Senator LONG. Would not that be one of them? Were you not willing to use a different type of equipment to change so that a third person would not be listening in on them? I understood that was one of the reasons you were anxious for this new technical development.

Mr. KERTZ. We found better ways of making this measurement with new technological developments, much better than having the operator say the transmission from the sending parties was poor or the connection was noisy. That is why we made the change.

Senator LONG. But it did have certainly some advantage of not having a third party listening in on conversations; did it not? It does away with that?

Mr. KERTZ. Well, sure, that was a side effect, but that was not the reason we made the change. You must remember again that these were only on the calls on which an operator was on the connection. Direct distance dial calls have not been monitored during the conversation interval since 1956.

Senator LONG. But that has just been a more recent development, long-distance dialing is not universally done. A lot of calls still are not handled long distance on direct dialing?

Mr. KERTZ. Oh, no, Mr. Chairman, on the contrary, 87 percent of the United States in the Bell System today have access to the Bell System distance dialing.

Senator LONG. They have that access, and I do not know how many calls that I make myself a week, but I am just one of the fellows that has never made a long-distance dialing and I am sure that many in the country have not.

Mr. KERTZ. Well, I have the figure for that too, Mr. Chairman; 87 percent of the telephones have access to direct distance dialing. Now, of all the long-distance calls, something better than 50 percent are direct-distance dialed. The others are handled by operator, because they are person-to-person calls or collect calls and things like that. And, incidentally, we have a new development that we are presently putting in the plant that largely takes the operator out of the person-to-person and collect type of call.

Senator LONG. What are these new technological devices you tell about that have done away with this. I believe you all call it tagging. I call it tapping. It sounds very similar. Maybe there is some technical difference, but like in the Boston deal we are talking about, what is this new technological device that you put in there?

Mr. KERTZ. They are transmission volume meters, which tell us the quality of the transmission on the connection, and they are able to detect a noisy connection without listening to conversation. You can tell this from the meters, the needles on the meters.

Senator LONG. And that is on there through the entire call, the entire conversation?



Mr. KERTZ. Well, it can be but we do not keep——

Senator LONG. You had a rule that the girl would not listen in on a call longer than 10 minutes?

Mr. KERTZ. That is right, sir.

Senator LONG. After that you cut it off?

Mr. KERTZ. That was before June on operator-handled calls only.

Senator LONG. Yes. Mr. Fensterwald?

Mr. FENSTERWALD. I have got a number of questions relating to the questionnaire and the answers that were given to us by the Bell System. I wonder if at this point in the record we could insert the questions and their printed answers and refer to them in the questioning?

Senator LONG. Without objection, it is so ordered.

(The questions referred to follow:)

ANSWERS TO THE 10 QUESTIONS CONTAINED IN THE ATTACHMENT TO THE LETTER DATED AUGUST 11, 1966, FROM SENATOR EDWARD V. LONG TO MR. H. I. ROMNES—  
QUESTIONS ARE RESTATED EXACTLY AS WRITTEN IN THE ATTACHMENT

I. What precautions has the Company taken to safeguard the privacy of communications?

The Telephone Company takes every precaution that is possible and reasonable to insure the privacy of communications. We believe this privacy should be carefully protected and that people have an inherent right to feel that they can use the telephone freely and informally, just as they talk face-to-face. We abhor eavesdropping and no organization has greater interest in privacy of communications than ours.

Our first line of defense in insuring privacy of communications is our employees who are carefully selected and well trained. These employees are fully familiar with, and are periodically required to review with their supervisors, their responsibility in regard to the privacy of communications. Our procedures require that all employees must read a booklet describing what is expected of them and acknowledge their understanding.

In regard to our operating plant, care is taken to protect our central office equipment, our outside plant, and the records concerning all of our facilities, including those serving each customer, from unauthorized people acquiring access thereto or specific knowledge thereof.

All of our premises housing central offices, equipment and wiring, and records are at all times kept locked or carefully supervised by responsible management people.

Our underground cables, even in manholes, are fully sealed and self-protecting against intrusion by wiretappers. In most cases, these cables are under gas pressure, and any opening in the cable sheath will produce a recognizable alarm.

Our wide flung complex of terminals, wire, and equipment on customers' premises are patrolled by some 70,000 installers and repairmen. These employees each year make about 70 million visits to customer premises to install, repair and inspect telephone facilities. Each of these people is alerted to be on the look-out for unauthorized connections to, or signs of tampering with, our terminals, wires or other telephone apparatus.

In the course of checking customer complaints, new installations, or additions to existing installations, test deskmen at repair service bureaus electrically test over 35 million telephone lines every year. These people are constantly on the alert for any evidence of unauthorized use of plant, thereby providing additional protection to the privacy of communications.

In addition, in many of our larger offices, automatic line insulation testing is patrolling our facilities daily. These tests of idle lines check for indications of poor insulation, foreign voltages, and shorted, crossed or grounded wires. The instrumentality involved is sufficiently sensitive to detect certain installations and devices used for wiretapping. Every indication is promptly investigated.

The progress in the science and art of telephone communication, of course, has had and will continue to have as its prime purpose the improvement of customer service. This improvement has been accompanied by an increasing protection of the privacy of the customer. Direct dialing by the customer of virtually all local calls and a large percentage of long distance calls, a reduced proportion of party lines, direct inward dialing to PBX extensions and automatic testing



equipment, for example, have contributed to increased telephone privacy. In addition, the extension of direct distance dialing to Person-to-Person, Collect and Credit Card calls and to long distance calls from coin box telephones will further this trend.

II. In the Company's estimate, how secure is the telephone system?

Excellent.

III. "Service Observing":

(a) The extent, purposes, and details of service observing in the following categories:

(1) Observation of duties and performance of "clerical personnel" (including but not limited to "order takers" and "bill collectors and adjusters").

Almost all businesses necessarily require some form of quality control for the product they sell. The Bell System's product is service. Service observing is the principal quality control procedure of the Bell System, designated for the purpose of maintaining and improving the quality of telephone service. It is based on a series of official practices produced by the American Telephone and Telegraph Company and followed by all System Companies.

The observations made in accordance with these practices provide facts on performance which enable management to undertake needed action such as correcting weaknesses, changing procedures, encouraging innovations, or improving the performance of our people and facilities.

Service observing also is a principal source of data furnished to regulatory bodies to indicate the quality of service being rendered.

Service observing does not compromise the customer's right of privacy. Actual conversations between customers are not observed under any of our service observing practices.

Observing on customer-to-customer calls is done on a random sampling basis and takes place on less than three one-hundredths of one per cent of all calls. The observer notes facts encountered during the call handling only.

Calls to the Telephone Company, such as to Information, the Business Office, and Repair Service, are also sampled. The observer notes only sufficient detail to accurately appraise the quality of the service rendered.

The results obtained measure the quality of service which an office or unit is giving; they are not used to measure the performance of individual employees.

The use and value of service observing measurements are well known to employees. All Companies include in their induction programs for affected new employees an explanation of the use and necessity for service observing.

In more than 60 years of service observing, we know of no instance where a service observer has ever violated any of the rigid Company rules designed to protect the privacy of our customers' conversations.

Turning now to your question pertaining to the extent, purposes and details of service observing on "clerical personnel."

First, we do not observe on personnel engaged full time in purely clerical activities in any department. Commercial Department observations are taken on the work of employees having the title of Service Representative. These employees, who constitute about half the force in a typical Business Office, are subject to observing since they transact Company business matters directly with customers.

Observing of the Service Representative performance was instituted in the mid 1920's. The observations we are describing are made when customers initiate telephone calls to the Company's business offices. All observed calls relate to the customer's business with the Company, such as, the installation or removal or changes of service, and billing matters.

Observation begins when the customer's call is received. Observers note, for example, the speed of answer, errors, and omissions in information given to or received from the customer, breakdowns in procedure, delays in obtaining needed information, the necessity for call-backs, and the courtesy and helpfulness extended the customer.

Customer-Business Office calls total around 130 million annually—a little over 1% of them are observed.

(2) Observation of duties and performance of "operating personnel" (including but not limited to "repair," "information," "test," "long distance," "special operator" personnel).

Observing on "operating personnel," as defined in the question, is the concern of the Plant and Traffic Departments. Brief descriptions of their principal observing plans follow:



## REPAIR SERVICE

Plant service observing is done on Repair Service. This observing was introduced in the mid 1920's. It is done on calls from customers to plant repair service centers. All the calls relate to customer service difficulties.

The data compiled are similar to those described previously for Commercial operations.

Currently, there are some 1,350 repair service centers observed. The volume of observed calls is about 5% of the 40 million total calls received at repair centers.

## OPERATOR-HANDLED TOLL

Service observing on cord switchboards handling toll traffic dates back to 1912. The observations are designed to measure operator and equipment performance.

Speed of answer is measured mechanically but operator accuracy, speed and manner, plus equipment performance, are measured by the observer. Most of this observing is done by connecting the observer to a cord pair on the operator's position, rather than to a specific customer line. This procedure insures a completely random selection of calls observed.

The observer remains connected to the cord pair through the setting up of the connection, timing the operator's actions and noting any operator or equipment failures. The observer cuts out of the connection when conversation starts and times the message by signals on her position. The observer requisitions the operator's ticket and checks it for accuracy, timing and the collection of charges on coin calls.

There are just over 1,000 operator-handled toll chief operator units now being observed in the Bell System. Approximately one of every 500 operator-handled toll calls is observed.

## INFORMATION

Observing on operator-handled Information service is strictly a measurement of the operator's effectiveness in providing accurate, complete and pleasing service. The observer is connected to an Information trunk which has been randomly selected by an incoming call from a local or distant customer or operator. The observer notes the request and checks the details given by the operator for accuracy.

The observer has no knowledge of the calling number and there is no conversation other than that between the customer and the operator.

Approximately one of every 1,300 Information calls is observed.

## INTERCEPT

Observing on operator-handled Intercept service (calls to disconnected or changed numbers) is similar to Information observing. Again, the operator is unaware of the calling number. The observer is connected to a trunk incoming to the Intercept board and notes the exchange between the operator and the customer. She measures the operator's accuracy, speed and manner.

Approximately one of every 1,000 Intercept calls is observed.

(3) "Random" service observing for "quality control."

Observing which is not basically of either of the two types covered above, that is, of "clerical personnel" or "operating personnel," concerns the measurement of the performance of our dial machines and switching network. Three Traffic measurement plans are involved. A brief description of each of these plans follows:

## DIAL LINE

This practice measures the effectiveness of the dial system on directly dialed calls and the customer's use of the dial equipment, by observing while the customer dials the number and the connection is established. The dialed number is printed as a series of dashes on a paper tape. The observer notes customer dialing errors and equipment malfunctions, staying on each connection only long enough to establish that the desired station has been reached. The lines to be observed are picked at random and are completely changed at least once every two weeks.

Approximately one of every 11,000 dialed calls is observed.



## DDD OUTGOING TRUNK

Measurements are made on the effectiveness of direct distance dialing (DDD) by observing on a representative cross section of the trunks outgoing from local offices to the long distance switching machines.

When a trunk is seized, the called number is displayed before the observer who stays on the connection only long enough to determine whether or not the desired station is reached. Ineffective attempts due to equipment unavailability and failures are noted. The calling station is not identified.

Approximately one of every 500 outgoing DDD calls is observed.

## DDD INCOMING TRUNKS

Incoming trunk observations measure the effectiveness of the dial equipment in completing toll calls coming into the observed area from other areas. The items measured relate to the disposition of the call—completed, busy, don't answer, reached intercept correctly, or ineffective attempt.

The observer is connected to a trunk incoming to the toll switching machine from another area. She views a display of the called number and remains on the connection only long enough to determine the disposition. She does not know the calling number.

Approximately one of every 300 incoming DDD calls is observed.

(b) Are there any categories of lines which are exempt from "service observing," and, if so, which categories?

Our practices do not call for the exclusion of any categories of customers' lines. As has been previously indicated, service observing is an overall quality control measuring procedure which does not violate the privacy of communication—its purpose is to measure statistically and impersonally the quality of service being rendered to the public in general.

Actually, much of the service observing is done on trunks or cords which are available for seizure by any line. In these instances, it is not possible to exempt any specific categories of lines.

(c) Is "service observing" specifically approved by any Federal or state authorities and, if so, when and by whom was such approval given?

The Company has not felt specific approval was required. However, as with all our operating practices, our service observing practices and revisions thereto are filed with the Federal Communications Commission at its request.

Regulatory authorities are frequently provided with data to indicate the quality of service being rendered to the public—the principal source of which is service observing.

(d) Does the Company "service observe" on pay telephones?

The Company does observe on pay telephones. A random sample of coin lines is selected for dial line observing in proportion to the number of coin lines in the office, and these are changed regularly as previously described. In addition, calls from pay telephones to the Business Office, Information, Long Distance, Intercepting Operator, etc., are observed in the same manner as calls from non-pay telephones.

(e) An approximation of the number of calls which were "service observed" by the Company in 1965.

The following lists the approximate number of calls originated by customers, the number observed by the Company, and the relationship between the two, for the principal observed services of the three operating departments.

Type of traffic	Number of calls originated	Number of calls observed	Relationship of calls observed to calls originated
	<i>Millions</i>	<i>Thousands</i>	
Business office.....	135	1,500	1 per 90.
Repair service.....	40	2,000	1 per 20.
Operator-handled toll.....	2,500	5,000	1 per 500.
Information.....	3,250	2,500	1 per 1,300.
Intercept.....	1,100	1,100	1 per 1,000.
Dial line.....	120,000	11,000	1 per 11,000.
DDD outgoing trunk.....	3,250	6,400	1 per 500.
DDD incoming trunk.....	3,250	10,000	1 per 300.



The number of observations to be obtained is set at the statistical minimum which will assure a reasonable degree of reliability, with consideration to both the volume of calls and the number of operating locations throughout the Bell System.

(f) How many employees of the Company were engaged in the process of "service observing" in 1965?

During 1965, approximately 2,500 employees were engaged in the service observing processes out of a total force of about 800,000.

(g) Are such personnel subject to any security clearance?

Service observers are not on a job for which special security clearance is required. However, these are specially selected employees, of long service and demonstrated reliability, who are carefully trained and supervised.

Since Federal Government regulations prohibit the transmission of classified information over telephone lines, the question of military security clearance does not arise.

(h) What instructions are given to service observers re interception of information which might indicate the commission of a crime?

Observers do not listen to conversations. Therefore, the opportunity to overhear details on criminal activities is almost nonexistent. Bearing in mind the impersonal, statistical nature of their work, no instructions for service observers in regard to any special handling of information relating to a crime or matters of a like nature have ever been contained in observing practices.

(i) In connection with service observations, are any conversations recorded, and if so, under what circumstances and for what reason? Is a beep tone always used?

Conversations between customers have never been recorded in the Bell System.

The recording of customer contacts with employees has been used by the Bell System for Plant Repair Service calls only. This method has been used as a matter of efficiency. An electromechanical selector chooses a random sample of customer calls to the Repair Service Center for observing. A beep tone is always used when these calls are recorded.

The Company's experience with this method of service observing has not been satisfactory and plans are under way to substitute nonrecorded observing from centralized locations.

(j) In May 1966, the Company changed its policy re service observation of the substance and content of some calls; what was the reason and result of this change? Did the Company consult with the F.C.C. or other companies re this change?

Starting with the first service observing procedure over 60 years ago, it was the practice to measure the quality of service on a random selection of calls by observing the entire connection from removal of receiver to hangup. This included items that might occur during conversation, such as cutoffs, interruptions, poor transmission and speed of response to a customer's recall of the operator. Observing the conversation interval was recognized as being inefficient and, in 1956, with the extension of dialing and other technical improvements, observing on directly dialed conversations was discontinued. Observing on operator-handled toll conversations was continued at that time in view of the significance of the service items measured, particularly the quality of transmission and the accuracy of timing. Over the following years, with the further extension of direct distance dialing, the matter was reconsidered several times.

Then, in the fall of 1965, a plan was designed to obtain the necessary observing data for transmission improvement purposes from sources other than service observing. The subject of observing the conversation interval on operator-handled toll calls was again reviewed and decision reached to obtain otherwise the remaining essential information. After the development of a device to accomplish this purpose and discussions among the Bell System Companies, advice was circulated to all Companies under date of May 10, 1966 that, effective June 1, 1966, the observing of operator-handled toll conversations between customers was to be discontinued. As is generally done in connection with changes in service observing procedures, a uniform date for adoption was selected in order to preserve comparability of results. With this change, the last remaining vestige of observing the conversation interval on customer-customer calls was eliminated from Traffic Service Measurement procedures.



The Company did not consult with the F.C.C. or any non-Bell telephone company at the time of the change. However, the measurement plans and all revisions are filed with the F.C.C. While changes in operating practices, facilities and methods are discussed as appropriate with non-Bell telephone companies, changes in internal quality control measurement plans are normally not a subject for such discussion.

(k) To what extent would the Company's efficiency be impaired by curbs on the various types of service observing?

The Company's ability to give good telephone service would be drastically impaired by curbs on service observing.

Like all industry, we must be able to determine the quality of our product, and service observing is the Bell System's principal quality control measurement. Curbs on service observing, we are certain, would seriously affect our ability to provide good and improving service.

Specifically, the loss of uniform measurements of service performance, office-by-office throughout the System, would prevent establishment of uniform objective standards of performance. Trends in results, so valuable in determining the System's response to changing customer requirements and habits of telephone use, would no longer exist. It would also severely handicap us in the day-to-day management of the business, and none of the available alternatives, such as customer surveys or test calling, would satisfactorily or economically fill the gap.

There would be a particularly severe loss if service observing were eliminated, when new types of facilities, such as those to provide Expanded Direct Distance Dialing Service, are introduced. Service observing on Expanded Direct Distance Dialing measures the combined performance of the customer, the operator, and the equipment—no combination of test calling or surveys can approximate the data produced by present observing methods to evaluate accurately such a new facility or operating method.

To demonstrate the value of observing to the Bell System, attached are some examples drawn from practical experience in the various operating departments of cases where service observing data have led to improved service for our customers.

(See charts on p. 2613.)

#### IV. Rental of service observing equipment to subscribers:

(a) What different types of equipment can subscribers lease to monitor their own lines?

Basically, we offer two types of Service Observing or service training equipment: manual and dial operated. The equipment used for both of these types is standard telephone equipment.

The manually-operated observing equipment requires an extension of the line to be observed. This extension of the line is terminated in a key cabinet, key telephone, call director, or other such device.

With dial-operated observing equipment, the service observer typically dials a two-digit number that connects her with the line to be observed. This line has to be arranged for observing purposes; the observer cannot randomly observe on lines not previously arranged for observing purposes.

(b) What limitations, if any, are there on the type of subscribers who can lease service observing equipment? (How about a hospital? A hotel? A bank? A public authority? An agency of the Federal Government?)

As a general statement, any subscriber or potential subscriber of business telephone service who intends to use the service in conformity with tariff regulations may obtain service observing equipment. The principal limitations contained in tariff regulations are described in detail in the answer to question IV(e).

(c) An estimate of the number of the Company's subscribers who leased service observation equipment in 1965.

The Bell System Companies provide an estimated 4,000 subscribers with service observing or service training arrangements out of a total of five and one half million business accounts. The 4,000 include a substantial number of customers who have automatic call distributors (ACD's). ACD's were developed to provide an improved method of handling large volumes of incoming calls. They include an integrated service observing feature which permits the customer to measure the quality of service provided by his employees to his customers.



(d) Estimate the percentage of the Company's revenues derived from the lease of service observation equipment.

Revenues from observing equipment constitute only a minute fraction of one percent of total Bell System revenues.

(e) Does the Company require the imposition of any security measures on subscribers to whom service observation equipment is leased for the prevention of invasions of privacy, and, if so, describe the security measures?

Service observing is furnished subscribers under the provisions of intrastate tariffs. These tariffs generally impose restrictions and conditions on the provision of service, such as—

For business customers only.

Subscriber shall not use in manner contrary to law or tariff.

Employees shall be informed that telephone contacts are subject to observation.

Provided solely for the purpose of determining the need for training or improving the quality of service rendered by employees in the handling of telephone calls of an impersonal nature concerning the customer's business.

Equipment may not be used for any other purpose.

Subscribers who obtain special observing facilities sign agreements to use only as indicated and to inform employees.

A specific tariff example is the New York Telephone Company tariff for service training equipment which, in part, reads as follows:

(1) *General*.—Service training equipment is furnished to business subscribers for use with P.B.X. service, private line service or individual line service other than coin service. The equipment is provided solely for the purpose of determining the need for training or improving the quality of service rendered by the subscriber's employees in the operation of its P.B.X. switchboard or in the handling of telephone communications of an impersonal nature concerning the subscriber's business, such as furnishing information or taking orders or messages.

(2) *Obligation of the Subscriber*.—As a condition precedent to the furnishing of service training equipment, the subscriber shall agree in writing to use the service training equipment solely for the purpose stated in No. 1 above and to keep affected employees informed of its use.

(f) Are subscribers' telephone instruments especially marked to show that they are subject to monitoring?

Telephone instruments serving customers who have service observing equipment are not especially marked to show that they are subject to observing.

As was mentioned in the answer to question IV (e), the intrastate tariff provisions of the Bell System Companies do, however, require that employees of the subscriber be notified that service observing facilities may be used in conjunction with the performance of their duties. We understand that our customers use various methods of notification that include verbally informing the employee at the time of employment, the posting of notices, or special instruction to affected employees.

(g) Does the Company do any monitoring for subscribers? Or does the Company teach subscribers' employees how to use the monitoring gear?

The Company does not itself make observations using this equipment.

Customers are given instruction in the use of observing equipment as is the case for all new or unfamiliar equipment. The degree of training involved is limited to the amount necessary to assure correct use of the equipment and services involved.

(h) Will the Company supply a list of current subscribers who have leased service observation equipment in two of the following states: Massachusetts, New York, Illinois, Missouri, Florida, Louisiana and California?

If the Committee feels it would be helpful to it in its efforts, the Company is willing to furnish a list for two of the above states which will give the various categories of businesses obtaining service observing equipment and the number of customers in each category.

V. What procedure or procedures does the Company follow when employees discover the presence of extraneous equipment which might be used either for wiretap or eavesdropping purposes? To whom is a report made? Is the subscriber told and, if so, under what circumstances?



Local statutory requirements and operating procedures vary somewhat from Company to Company. Each of them has established their own particular ground rules for the small number of these situations that occur. Within this frame of reference, our recommended System procedures are described below.

Most frequently, when our people find improper wiring at a terminal, it is the result of either a record error or failure on the part of our personnel to remove the wires that were associated with a disconnected telephone. However, each of these cases is thoroughly investigated to insure that our records are correct and we obtain maximum use of our own telephone plant.

In those few cases where there is evidence of wiretapping, the recommended System policy is to effect removal of the wiretap and report such condition to the appropriate law enforcement agency. In every case, the employee discovering such evidence is required to contact his supervisor, and a thorough investigation is to be undertaken by plant and security forces.

In a small number of cases, a customer suspects a wiretap and asks for our assistance. Usually, these cases arise because the customer hears what are to him suspicious noises on his line. Hearing fragments of another conversation due to a defective cable, tapping noises due to loose connections, and other troubles are sometimes mistaken for wiretapping. Each of the Companies has established procedures to deal with such requests. The first step generally is to test the customer's line. In most cases, these tests will reveal trouble conditions. In these cases, the trouble is corrected and the customer informed there was no wiretap.

In cases where no trouble is detected, a thorough physical inspection for evidence of a wiretap is to be made at the customer's premises and all other locations where his circuitry might be exposed to wiretap. If no evidence of a wiretap is found, the customer is so informed.

When evidence of a wiretap is found, the practice generally is to remove the tap and inform the customer and appropriate law enforcement authorities.

In one state where a statute exists legalizing wiretapping under court order, when evidence is found of a wiretap either as a result of customer complaint or inspecting or testing of plant, the wiretap is not removed; the law enforcement authorities are informed and we proceed in accordance with their instructions.

#### VI. Cooperation with law enforcement agencies:

(a) Under what circumstances, if any, are facilities made available by the Company to law enforcement personnel to monitor and/or record telephone communications?

Although there may have been a few past exceptions, it is our policy not to make facilities available to law enforcement agencies to monitor and/or record telephone conversations. See also our answer to question VI(f).

(b) Under what circumstances is toll information made available to law enforcement agencies?

Toll information, consisting primarily of toll billing statements and traffic operator tickets used in the preparation of such statements, is given to law enforcement agencies under subpoena, or demand of other lawful authority within the meaning of that term as used in Section 605 of the Communications Act (47 U.S.C.).

(c) Under what circumstances is Pen-register information made available to law enforcement agencies? What other uses are made of Pen-registers? Approximately how many Pen-registers are in the possession of the Company at this time?

Pen-register information is made available to law enforcement agencies upon presentation of a subpoena or demand of other lawful authority, or in cases of annoyance calls if the victim executes a written authorization to release it to a law enforcement agency.

Various uses are made of pen-registers by the operating departments. For example, each dial line observing position is equipped with a pen-register. The pen-register prints the digits dialed, enabling the call to be classified by type and to assist in identifying the reasons for equipment and customer dialing failures. Customer instruction desks are also equipped with pen-registers to allow practice dialing by customers with particular problems.

Pen-registers are also used to check customer complaints of overcharging on message unit calls. The customer line is connected to the pen-register, and calls printed on paper tape are compared to the message register reading for a given period to verify the accuracy of the billing.



The Plant Department uses pen-registers in dial offices for call-thru testing to determine that correct dial pulses are sent to the switching equipment; in intermediate offices they are installed between regenerative devices to insure the proper forwarding of pulses; and they are also used to insure that the proper pulse of current is applied to coin circuits to insure effective collection or return of coin deposits.

Pen-registers in System use at this time include one in each of about 2,500 central offices for Plant use and approximately 2,500 others used for service and complaint observing and for customer instruction.

(d) What position has the Company taken on the question of the constitutionality of State statutes which purport to legalize wire-tapping for law enforcement purposes?

The Company has taken no specific position on the question. Certain of the Operating Companies in states which have laws authorizing wiretapping under court order have taken the position that such statutes are in conflict with Section 605 of the Communications Act. To the extent that their position rests upon the Supremacy Clause of the Constitution, it may be considered a constitutional objection.

One Company does, however, furnish limited equipment information to law enforcement authorities under proper court order. This position stems from historical antecedents (the state law having been in effect for more than a quarter of a century) and reaffirmation by the highest court of the state on several occasions (the most recent being in March of this year) of the legality of the statute.

(e) Does the Company's commercial department report "overbusy" circuits to either the legal department or to law enforcement agencies? Is there monitoring of such circuits to determine possible law violations and, if so, who does the monitoring?

It is not the practice of any Company, with one exception, to report excessively busy circuit conditions to its legal department or to law enforcement agencies. In no case are any such circuits monitored.

(f) When leased lines are made available to either law enforcement or non-law enforcement personnel, is any effort made to determine whether or not the line is to be used for eavesdropping purposes?

When an order for such equipment is placed, any indication the line is to be used for an illegal purpose will generally result in an investigation by the Telephone Company before it fills such order. See too our answer to question VI(a).

VII. What is the Company's present estimate of the efficacy of the F.C.C.'s "beep tone" regulations?

The F.C.C. "beep tone" regulations requiring the disclosure to a party to a telephone conversation that his conversation is being recorded, we believe, are effective and should be continued. The Company polices the situation strictly and whenever it finds a recorder connected to its facilities without a recorder-connector, prompt corrective action is taken.

VIII. What restrictions, if any, are placed on the leasing of lines to persons who operate answering services? How about a person with a long criminal record?

Any subscriber or prospective subscriber of business telephone service who meets the conditions stated in the various Telephone Company tariffs may obtain telephone service, including service for telephone answering purposes. As with other services, the service will be disconnected by the Company when evidence of fraudulent or illegal usage is established.

IX. How and to what extent does an increasing lack of privacy adversely affect the Company?

We do not believe that there has been an increasing lack of privacy in the telephone business. On the contrary, with constant improvement in telephone technology, the trend has been clearly in the other direction.

Twenty years ago three out of four of our residence customers were on party lines; today the vast majority enjoy the greater privacy afforded by individual line service. Furthermore, practically all customers can now originate and receive local calls without requiring an operator to establish the connection. Nine out of ten customers can directly dial their station-to-station long distance calls.

For business customers, technological advances such as Centrex service and direct inward dialing to P.B.X. extensions have similarly contributed to increased privacy of communications.



In addition, more secure terminal boxes, automatic testing equipment, pressurized cables, and other developments have greatly increased, and will further increase, the overall security of the telephone system.

X. What suggestions can the Company make as to prospective Federal legislation in the fields of wiretapping and eavesdropping?

We do not feel it is appropriate for us to comment on the subject of eavesdropping but, in our opinion, there is a need for a clear-cut Federal law which makes wiretapping as such illegal. We would not object to properly protected exceptions for tapping by appropriate public authorities in cases involving protection of national security or kidnapping.

#### ADDITIONAL INFORMAL QUESTION CONCERNING AUTOMATED TELEPHONE DIALING DEVICES

We are aware of automated telephone dialing devices being manufactured for use in conjunction with Telephone Company services for the transmission of pre-recorded announcements.

Telephone service is furnished subject to the tariff condition that there will be no abuse or fraudulent use of the service. Abuse of service includes—

The use of service or facilities of the Telephone Company for a call or calls, anonymous or otherwise, if in a manner reasonably to be expected to frighten, abuse, torment, or harass another; and

The use of the service in such a manner as to interfere unreasonably with the use of the service by one or more other customers.

Telephone service is subject to disconnection if such abuse of the service occurs.

On November 29, 1965, we were queried by the F.C.C. about automated telephone dialing devices. We responded to the Commission's query on January 28, 1966 and, in summary, we stated that we share the Commission's concern about the potential abuses that can result from the use of automated telephone dialing devices, but feel that the existing tariff provisions will keep abuse of service by such dialing devices to a minimum. We also said we recognize that there may be many legitimate, worthwhile uses of the equipment and therefore conclude that an absolute prohibition against use of automatic telephone dialing devices would be unduly restrictive and not in the public interest. We shall be glad to make a copy of this correspondence available to the Committee.

Mr. FENSTERWALD. Have you got a copy of your reply to the questions, Mr. Kertz?

Mr. KERTZ. Yes; I do.

Mr. FENSTERWALD. I wonder if you would turn to page 5 which begins the section on service observing. It says, "Service observing is the principal quality control procedure of the Bell System."

I wonder if you could tell me what other procedures are used?

Mr. KERTZ. Well, we have management quality control procedures. For example, a foreman will go out and inspect the work done by his installers or repairmen to insure that the job is done in a standard and safe manner. We make audits of service orders in order to make sure that the errors that get in their do not get out of hand, that is to control the errors, and there are many others I could name if you would like.

Mr. FENSTERWALD. How about just personal supervision of your various operators?

Mr. KERTZ. Well, that is not a quality control measure. That is a training proposition. Quite often the service representatives, operators, information operators, they are concerned with the way in which they are handling the calls from customers, and they would like their supervisor to tell them a better way of looking a number up or a better way of answering a customer's question, and this type of quality control is not really a quality control tool as we have used it in the sense of service observing.



Mr. FENSTERWALD. You were kind enough to submit to the subcommittee two large volumes on service-observing procedures, and we have had a chance to go through those. One question that arose in my mind after reading those two volumes, a number of places it mentions not only the service observance itself is to be secret, but the very fact of service observing is to be secret. Could you tell me what the purpose of that is?

Mr. KERTZ. Surely. Human nature being what it is, if the workman, the operator, the service representative, or the repair clerk, know that their quality of work is being watched, sure they do better. Not all people, however, slip back if the service-observing procedures are taken away. Some do, and, of course, it contributes then to a poorer service. But we have never had our employees complain about our service observing to us. We have informed them all what the service-observing practices are. Now we do not like to pass around the fact that on Thursdays we may be service observing on unit A and on Wednesdays on unit B because then we do not have a very good comparison of the service between unit A or unit B, or a very good comparison with the service unit A was giving last month, as compared with this month so this is part of the service-observing process.

Mr. FENSTERWALD. And was it also felt that it would be helpful to the company if this process were kept secret from the public?

Mr. KERTZ. No; no, sir.

Mr. FENSTERWALD. Until this story broke in Boston about the middle of June, had there been any public knowledge of service observing on customer-to-customer calls?

Mr. KERTZ. I cannot recall any specifically; no, but I am sure that over the years, and I do remember some time back, we used to make a point of this in some of the directories, the fact that calls were being service observed, there was service observing on them in the interests of better service and I do recall bill inserts on this years ago. Now just in recent years I cannot answer specifically at this moment.

Mr. FENSTERWALD. Well, the reason I asked is that the revelation of this news apparently greatly excited the people of New England. They had a meeting of the Public Utilities Commissioners and there were all sorts of investigations, and apparently even the public authorities who regulate the phone companies so far as the dates are concerned were not aware of the customer-to-customer monitoring. I just wondered if now that it is public, if this will in any way inhibit the activities of your company?

Mr. KERTZ. Let me answer you this way. I will address myself directly to your questions. We have been service observing for over 60 years. There is nothing new about it. As far as the regulatory authorities knowing about our service observing practice, I cannot speak specifically for the New England company, but I do know that a great many of the regulatory authorities in the various States and the FCC have the service observing practices and are fully familiar with it.

Now, to answer your last question, I do not believe that the publicity that has been given this service observing is going to have any effect at all on our service observing practice. The thing that we are concerned with is that in order to provide the telephone service that we



give today in the Bell System, we have just got to have these service observing procedures. Any good business has that.

Mr. FENSTERWALD. You say any business needs them. Is the Bell Telephone System any different, say, than a large department store or any other business that needs to keep tabs on its employees?

Mr. KERTZ. In that respect I would say there are some similarities, and of course large department stores, airlines, anybody that is dealing with the public does have these quality control measures of service observing and to that extent they are similar to us.

Now of course our product is a service. We do not sell goods. We sell service and how well we do with our business depends upon how good this service is, and these service observing procedures are vital to the development of good service in the Bell System.

Mr. FENSTERWALD. But you have now managed as of June 1966 to do this quality control without listening to customer-to-customer calls?

Mr. KERTZ. We have since June 1, 1966, stopped listening to the customer-to-customer conversation part of the call on those calls that involved an operator, that is correct.

Mr. FENSTERWALD. On page 5 of your statement you say that service observance is not used to measure the performance of individual employees. Could you tell me why not?

Mr. KERTZ. Because we have no way of knowing which individual employee was handling this particular call. What we are looking at is how the entity is doing. By "entity" I mean the whole chief operator's unit or a total office; for example, there may be 100 positions and what we want to know is how the girls that man those 100 positions provide the service. In addition to that, we want to know how the equipment that is connected to those 100 positions is providing the service to the customers. And when the observations are done, the girls in the service observing room have no way of knowing what girl is in on this connection. The same thing is true in the other facets of our business.

Mr. FENSTERWALD. Outside of the service observance rooms themselves, don't you observe on individual employees?

Mr. KERTZ. No, we do not. To use the correct term, we do not service observe. As I explained a little while ago in answer to another question, this is an observation that has to do with the training process, because the girls are new in some particular.

We are concerned with the manner in which they are handling the public. They solicit advice and assistance from their supervisors, and that is what this is for. You see, the turnover rate in our service representatives who are in the business office and in our operators is quite high, so there is a constant inflow of new employees, and training is quite an item of expense in the traffic and commercial departments in this respect.

Mr. FENSTERWALD. Well, whether you call it service observing or secret monitoring or what have you, you do listen to individual employees and do check their quality that way, don't you?

Mr. KERTZ. That is correct.

Mr. FENSTERWALD. So the statement as I see it on page 6 here would have to be qualified to the extent that you do measure performance of individual employees by certain types of monitoring service observance or whatever you want to call it?



Mr. KERTZ. I am not going to agree to modifying any statement on page 6. Where is it?

Mr. FENSTERWALD. Right in the middle of the page:

The results obtained measure the quality of service an office is giving. They are not used to measure the service of individual employees.

Mr. KERTZ. That is exactly right.

Mr. FENSTERWALD. My question is, Would you qualify that to say there is other type of secret monitoring which does check on individual employees?

Mr. KERTZ. There is no other type of secret monitoring. There is another type of observing, which involves the training of employees. That I am not referring to here.

Mr. FENSTERWALD. So it is just a question that possibly in another part of your statement there would be a qualification for this.

Mr. KERTZ. If you want to discuss in general the observations that are made and the way we train new employees, that is a whole new area. You can't take a girl and put her at a switchboard and say "Handle calls," any more than you can take a service representative and put her at a service representative desk and say "Handle the calls from the public on new installations."

It is necessary to train them and we do this through weeks of training, in classrooms, and then when we put them on the switchboards or in the service representatives' positions, it is necessary to get them familiar with the procedures when they are actually dealing with live customers and that is what this is for.

Mr. FENSTERWALD. Would you say you never monitor an employee that has been on a board for 5 years or 10 years or 20 years?

Mr. KERTZ. Yes; we do, of course, because as new services come in it is necessary to train older employees in the new services. Moreover, we find quite often that as a result of our service observations, we will find, for example, that the answers on coin lines are long and, although those coin lines are in front of experienced operators, our service observations tell us that the coin service we are giving by the operator is not good. So we go in there and we ask the operators what the problem is, and it turns out they need some retraining in how to answer coin calls, and this is what it is for. This is how we keep our service up.

Mr. FENSTERWALD. Would it be fair to say that there are no employees of the Bell System who are not subject to electronic monitoring at one time or another.

Mr. KERTZ. No employees? Yes; surely.

Mr. FENSTERWALD. Which ones of them are not subject to electronic monitoring?

Mr. KERTZ. Well, the vast number of clerical employees, for example, who deal with bills and with service orders, the repairmen, well, to a minor degree there, and management personnel. There is no electronic monitoring of them.

Mr. FENSTERWALD. Well, to get back to the commercial branch, the customer-relations branch, isn't that constantly monitored?

Mr. KERTZ. The service representatives who answer calls from the public for telephone service, a certain number of those calls are monitored; that is correct.



Mr. FENSTERWALD. And the repair service?

Mr. KERTZ. And the repair service.

Mr. FENSTERWALD. So that the only people you think are not monitored, I use the term "think," is management?

Mr. KERTZ. No; that is not right. What about all the clerical personnel I just mentioned?

Mr. FENSTERWALD. You mean the ones that don't have anything to do with customers?

Mr. KERTZ. That is correct.

Mr. FENSTERWALD. What percentage of the company would that be?

Mr. KERTZ. Well, it would be about a little less than half, maybe half.

Mr. FENSTERWALD. So out of 800,000 employees, you have 400,000 that are subject to electronic monitoring; is that correct?

Mr. KERTZ. No; the 800,000 includes some others. If we talk about the operating people, we are talking about 600,000, and it is about half of those that are subject to monitoring. I think that is a fair statement.

Mr. FENSTERWALD. And at one point in here you say you never heard of anybody in your service-observing rooms in any way breaking the company rules?

Mr. KERTZ. That is correct.

Mr. FENSTERWALD. How would that come to your attention if there were?

Mr. KERTZ. Well, if that were done, I am sure, in service observing it would go up the management ranks, and higher management would know about it. This would be classified as a very serious incident.

Mr. FENSTERWALD. The man who ran your service observance in Boston up until about 2 years ago was kind enough to talk to us, and he said that girls under him used to get tips on horse races over the telephone, that they would use these for purposes of betting. Would you think that was wrongfully using the information or going against the company rules?

Mr. KERTZ. I certainly would, but the man you are talking about, if that is the one that we fired, I am not too sure as to the truth of that statement.

Mr. FENSTERWALD. I am speaking of Mr. Duby. I don't know whether we are speaking of the same gentleman.

Mr. KERTZ. I am informed he was discharged. I said fired. The same thing.

Mr. FENSTERWALD. Mr. Hanify, do you know for what he was discharged?

Mr. HANIFY. Yes, I do. I would say for cause.

Mr. FENSTERWALD. Well, going from Boston now to San Francisco——

Senator LONG. The chairman would like to suggest, I assume that any employee you fire any time is for cause. Somebody criticized me for some general statement awhile ago and——

Mr. HANIFY. Mr. Chairman, I am reluctant in a public hearing to say anything with respect to a discharged employee that affects his rights.

Senator LONG. I understand.



Mr. HANIFY. It is part of the same philosophy I was referring to earlier in my presentation. I am trying to be sedulous to protect the rights of individuals.

Mr. FENSTERWALD. I was just trying to find out if it had anything to do with his giving out information.

Mr. HANIFY. No, the discharge took place long before you had any contact with him and was for causes completely unrelated to any contact with you, and I think for causes that you would agree warranted it.

Mr. FENSTERWALD. Well, I don't want to go into that because he is not here, and I don't think that that would be fair.

I have a clipping here from the San Francisco Chronicle of August 25, 1966, which describes the attitude of some of the employees of the company who testified before the California Public Utilities Commission at that time. One of the girls, I will leave her name out of it at the moment, said:

"Once a week we are asked to leave our office and monitor our coworkers" she giggled. "Of course, we run right back downstairs and tell them what we overheard." Beyond that she said various delegations of visitors, including a detachment of school teachers and a brigade of firemen were invited to sit down and listen as she and her coworkers advertised.

Is this the type of thing that would be subject to serious discipline in the company?

Mr. KERTZ. It most certainly would. It is certainly not the Bell System policy; that is correct.

Mr. FENSTERWALD. So what you are telling us is that the Bell System has certain policies with respect to the secrecy of these operations, and when you find, happen to run across anyone who is breaking the rules, that they will be disciplined.

Mr. KERTZ. That is correct.

Mr. FENSTERWALD. But you have never heard of any breaches of confidence or anything such as the girl in California testified to before the PUC?

Mr. KERTZ. Well, now, before we were talking about breaches of confidence by service observers. Now, we have discharged employees for violation of our secrecy rules. In the plant department in the last 2 years, we actually discharged 12 people for violation of the secrecy of our communications, and in the traffic department, we discharged 55 over a period of 18 months, and we suspended another 54 for the same reason.

These all had to do with security, violation of security rules. We do our best to make sure that the employees understand it. In the operating rooms, in the test rooms, and in the switch rooms we put up and quote section 605 of the Communication Act, and you have in front of you the booklet that we ask each employee to read and sign. This is how we police the secrecy of communication.

Senator LONG. Mr. Kertz, I commend your company for doing this. I certainly think that is the way it should be done. But the fact remains that even by firing that many of them, that there have been violations of individual's privacy. They must have violated it or you wouldn't have fired them and I commend you for doing it, but it indicates still that there must have been constant vigil on the company's part to see that it is not done, but even in spite of that there have been violations.



Mr. KERTZ. This is right. We have, Mr. Chairman, as we have indicated here, a tremendous outside plant, a tremendous number of employees, and this is one of the reasons why we would welcome some legislation that would outlaw wiretapping as such.

Mr. FENSTERWALD. Mr. Kertz, could I get back a moment to this question of measuring the performance of individual employees, which you refer to on page 6. On page 9 of your statement you say "observer requisitions the operator's ticket and checks it for accuracy, timing and collection of charges on coin calls."

Wouldn't this measure the individual employee's performance?

Mr. KERTZ. Well, not the individual, no. Let me explain that.

What we do there, what we are attempting to find out is how accurate we are in our timing, and for example in the month of July we would like to be able to say that 99.6 percent of our timing was accurate, that is, it was neither overcharged nor undercharged. Now, these tickets that are collected by the service observer and matched against the observation that she made of the signals on her service observing board are not identified with any particular operator. They are identified again by the entity, in other words, the whole switchboard.

What we are trying to do is to find out whether unit A of the outward toll board achieved a 99.6 percent accuracy on timing in the month of July. We are not looking at individual operators here.

Mr. FENSTERWALD. Do you mean if an observer requisitions a particular operator's tickets and finds out that she is overcharging customers by 50 percent, that nothing is done about that?

Mr. KERTZ. Certainly. That is not the way that we go after an individual operator.

Mr. FENSTERWALD. Let's just suppose in this case an observer has requisitioned an operator's tickets, and they must know who the operator is before they can do that.

Mr. KERTZ. No, not necessarily, but assume that they do.

Mr. FENSTERWALD. And they find out that the operator is overcharging the customer by 50 percent.

Mr. KERTZ. Yes.

Mr. FENSTERWALD. Regularly. Wouldn't some report—

Mr. KERTZ. She wouldn't know regularly. She would know in this one instance. How would she know regularly? She has got one ticket from one operator. She knows that call was overcharged. She scores it on an IBM card similar to this one here.

She puts on here all the other things pertaining to the call, the time it connects, seconds to completion of dialing, seconds to ring, seconds to answer, the charge, and there is a point down here where it will say that the call was overcharged. No other numbers or anything else on it.

This goes into a computer, and at the end of the month, this particular ticket will contribute to a lower rating on timing for the unit. There is nothing done about the operator on this.

If we had a problem where an operator is not proficient enough in timing, their supervisors know that. They know that from the operations at the switchboard and they take that girl off and will retrain her. But the service observing process that winds up with this IBM card



in an index at the end of the month has nothing to do with this individual operator.

Mr. FENSTERWALD. I am glad that you mentioned the fact that the supervisor is aware of much of the information that goes on that card.

Mr. KERTZ. No, I didn't say that, Mr. Fensterwald. The supervisor is aware of the operations of the particular operator at the switchboard. That is what she is there for.

Mr. FENSTERWALD. My point is that it seems to me that much of the work that is done by the 2,500 service observers is duplication of work that is being done by other service observers, supervisors or whatever you want to call them who are watching the individual employees.

Mr. KERTZ. No, Mr. Fensterwald, that is not right, because the object again of the service observing is to determine the service that a unit is giving, the whole hundred positions of the switchboard, the 23 positions of service representatives' desks or a whole 10,000 line dial entity. That is what we are after.

We are not after what a particular line does or what a particular operator does or what a particular service representative does. We want to know the type of service that that entity or unit is giving, and it is to that point that service observing is directed and not to individuals.

Mr. FENSTERWALD. And even if you find an individual who is not performing properly as a result of the service observing, nothing is done about it?

Mr. KERTZ. Mr. Fensterwald, it would be extremely difficult to determine a particular individual was not operating properly from the service observing process. The way to discover that an individual is not performing properly is by her own supervisor, and that is what we have got those supervisors for.

Mr. FENSTERWALD. Now I would like to get to this question of how you select the lines that are going to be put up for service observing at any one time. Tell me how that process works.

Mr. KERTZ. Yes, without going into too much technical detail on it, the idea is that what we want to do is to find out the kind of service that the whole network is providing our subscribers, so each one of the dial entities in the Bell System selects lines at random, from the total 10,000 lines.

Mr. FENSTERWALD. Who selects them, an individual or a machine?

Mr. KERTZ. Well, it is both, because the dial management people in the traffic department who have to do with the provision of circuitry through the machine, they select lines from various groups. All of the lines connected to a telephone office are divided into groups. I am not speaking of numbers now, I am speaking of groups.

And out of each one of these groups, they select lines to put up on service observing for a week, and we get in 1 entity, you get 40 lines up. One entity is 10,000 lines. Now, these 40 lines are distributed through the whole office. Now this is done in each one of the 13,000 dial entities in the Bell System. The results of the service provided those lines are brought together each month to determine the type of dial service that is being provided by this nationwide network.

Now, in addition to selecting these lines at random, in some cases it is necessary, in order to get more DDD calls, to select some lines that



are heavy users, and what we try to do there is to get that proportion of business and residence and coin lines in the sample so that we have a true cross section, because again you see we are not concerned with that individual line at all. What we are concerned with is the service that that individual line gets in the network. So that is why the random selection.

I guess maybe another way of stating it is that what we do is take a cross section, a statistical and valid cross section of the traffic that is offered by the network, and it is that that we analyze to see what the service is like.

Mr. FENSTERWALD. In a particular service observing room say, in Franklin Street in Boston, who has the master list on any particular day as to whose telephone is being monitored?

Mr. KERTZ. I can't answer for Boston, but generally speaking in the Bell System, you would have to go to two lists to find it out, because at the service observing position itself, there there is a circuit number, but the circuit number bears no relation to the telephone number, and you have to go to another list that is someplace else to find out what circuit number is associated with what telephone number.

Mr. FENSTERWALD. Any installer in a particular plant can tell you that, can't they? Anybody that has access to the frame room?

Mr. KERTZ. Anybody who has access to the frame room can determine that a service observing shoe is on a particular vertical but to determine the telephone number and who it is and so on, he has to go to at least two other records.

Mr. FENSTERWALD. And they are available in the frame room?

Mr. KERTZ. No, they are not.

Mr. FENSTERWALD. Where would they be available?

Mr. KERTZ. Well, the line and group record would be available in the traffic assignment quarters, which may or may not be in that building. Now, having once found the line and group, the telephone number associated with it, he then would have to go to the test center to get the line cord to find out the telephone number and the name, and that may be in even another building, so this is not a question where an installer or any craftsman could go in and determine if that particular line was up on service observing. The whole atmosphere of this selection of lines for service observing is one of random sampling.

Mr. FENSTERWALD. And these lines, as I understand it, are changed on an average of once every 2 weeks?

Mr. KERTZ. No, generally it is once a week. I think you got the 2 weeks from Boston. If I understand it, New England and Boston do change them every 2 weeks, but generally speaking, it is once every week.

Mr. FENSTERWALD. So, as I understand it, at night in any particular frame room they have some of your installers going around and taking the shoes off Mr. Jones' line and putting them on Mr. Smith's line, so that after a week you have had a total rotation?

Mr. KERTZ. Yes. Some of them are done each night, that is right, but don't say Mr. Jones' and Mr. Smith's lines. It may take it off line group 8 circuit 1 and put it on line 10 circuit 1. That is all he knows.

Mr. FENSTERWALD. Suppose he wanted to leave it on one particular line for some length of time, could that be done?

Mr. KERTZ. It could, but it would be found out pretty quick.



Mr. FENSTERWALD. Suppose you had a line that was unusually busy, and you suspect that it was being used illegally by bookies. Couldn't you leave it on that line?

Mr. KERTZ. Well, yes, but I don't know for what purpose. If we were going to look for an overbusy line because we suspected it of being a busy, and I am speaking now of the security people, if this were determined to be necessary, they wouldn't do it through service observing. There are other ways of doing that.

Mr. FENSTERWALD. How would you go about it?

Mr. KERTZ. Well, for one thing, I think what would be done would be to put a register on there. Now, this practice that you are referring to here is not the policy of the Bell System, generally speaking. It is only followed in one company.

Mr. FENSTERWALD. Which company is that?

Mr. KERTZ. That is New York.

Mr. FENSTERWALD. And could you tell us why the exception there?

Mr. KERTZ. Yes. As you know, New York is one of the six States in the Union that has a State statute making wiretapping legal. In addition to that, they have some pretty strict laws about bookmaking, and it is the only company that goes into this looking at overbusy circuits, and when the racetracks open in Yonkers around New York City, a great many special procedures are put into effect which may or may not wind up informing the authorities of so-called overbusy circuits.

Senator LONG. Mr. Kertz, you mentioned in New York where they have this system of wiretapping. Has your counsel advised you as to the dangerous situation he may be in in permitting wiretapping in New York when it is a definite violation of the Federal statutes?

Mr. KERTZ. Well, yes. Of course, we would assume that the Federal law would supersede it, but I guess that is a question for the way in which Congress would like the law, but maybe I ought to ask my counsel to answer that question, Mr. Ryan.

Mr. RYAN. In New York the statute providing the exception to the general prohibition against eavesdropping has been in effect since 1942. It was in effect prior to the more recent U.S. Supreme Court decisions. There have been decisions uniformly by the New York Court of Appeals, the last one being in 1966, generally upholding the admissibility of wiretapping evidence in New York State courts.

Senator LONG. It is a crime to do it without a court order in New York, isn't it?

Mr. RYAN. It is a crime for anybody to eavesdrop, yes.

Senator LONG. All right, how do you get around it being a violation of the Federal law, then? Is your company put in a position if you agree to—

Mr. RYAN. No, our company is not put in the position of violating the Federal law.

Senator LONG. If you agree to permit the wiretapping to be done in New York State, aren't you violating section 605 of the Federal statute?

Mr. RYAN. No, sir; no, Mr. Chairman, we are not. If there is a court order, the New York company provides pair, cable, and terminal information to the authorities. Now, that information is obtainable by subpoena, probably, under New York law as it now exists. We per-



haps are furnishing the New York law enforcement authorities with information that may aid them in intercepting a conversation.

Senator LONG. Then isn't that a violation of the Federal law?

Mr. RYAN. No, sir. We are doing nothing about directly aiding them to intercept, nor do we have definite information that there is going to be any divulgence.

Senator LONG. If you make an interception, there is a divulgence. Aren't you participating in a conspiracy to violate section 605 of the Federal law?

Mr. RYAN. No, sir; we are not.

Senator LONG. I assume you have prepared a brief and have some legal authorities on the matter?

Mr. RYAN. Well, the most recent legal authority we have is a suit in the U.S. District Court for the Northern District of New York, brought against the New York company by an individual who, after being convicted, had her suspended sentence later revoked because of wiretapping evidence. That court held that we were not, by giving the information I mentioned, aiding or abetting in a violation of 605.

Senator LONG. There is a close question, though, don't you think, on it? Isn't this a dangerous question for the company?

Mr. RYAN. I think it is a close question. I think the reason the New York company has done it is because of the history. Now, there have been Federal cases where the U.S. Supreme Court had an opportunity to say that wiretap information should not be used in a State court in New York, and up to now it has not said that. There is the *Pugach* case, which I think probably your counsel is familiar with, and there is a *Dinan* case, in both of which instances, in one it started out in the U.S. district court, was affirmed by the Second Circuit, went to the Supreme Court. The *Dinan* case was a New York Court of Appeals case that went to the Supreme Court.

Now, under that state of the law, I think that there is no danger whatever in what we are doing. Now, it is true that in some States that have these laws, generally counsel for those companies has said that they will not comply, they will not do anything when they get an order. But you must realize that the orders that come out of these proceedings do not order us to do anything. We are not a party to the proceedings.

Senator LONG. If you have prepared a memorandum on the matter on a legal opinion on these cases, will you submit them to us?

Mr. RYAN. I will be glad to.

Senator LONG. Mr. Fensterwald.

Mr. FENSTERWALD. I just want to comment that Maryland has excellent racetracks, and as I understand it, Chesapeake & Potomac Co. of Maryland gives no cooperation to law enforcement at all. Is that the other side of the coin?

Mr. RYAN. That is my understanding. The same is true in New England.

Mr. FENSTERWALD. Mr. Kertz, on page 13 you answered a question with respect to security service observing. I believe you said in your prepared statement that there is no particular clearance of the girls, although they do have access to virtually every telephone line that goes through the Bell System.



Mr. KERTZ. That is a great overstatement. They don't have access to virtually every telephone that goes through the Bell System at all. They have access to the lines that are presently under the observing procedure, that is true, which may be 40, 80, or 100 of them.

Mr. FENSTERWALD. For instance, would the Governor of Massachusetts' line be subject to service observing?

Mr. KERTZ. Yes, because as I explained before, what we are trying to do is to take a cross section of the traffic that is offered to the network. Now, if you start to exclude lines for one reason or another, you have destroyed the statistic sample that you are trying to take, and you just don't get the right picture. So, what we do is, we select these lines at random from line groups. This has nothing to do with telephone lines, who they are or anything else.

Mr. FENSTERWALD. You have certain types of calls, however, that you exclude from service observing?

Mr. KERTZ. Well, on line service observing, we exclude calls that go to operators because those are taken care of in another way.

Senator LONG. Mr. Witness, that is a live quorum. It is necessary that I go to the floor. I will be right back, and we will recess at 12. We hope to finish. I am not sure we will be able to finish your testimony at that time. I have several things here I want to ask you. I will be right back. The committee will be in recess.

(Short recess.)

Senator LONG. The committee will be in order. Mr. Kertz, I had two or three questions that I overlooked asking you a few moments ago. Do you furnish service-observing equipment to various businesses, Federal agencies and so on?

Mr. KERTZ. Yes, it is part of our regular tariff offering.

Senator LONG. You have, I believe, approximately 4,000 customers.

Mr. KERTZ. That is correct.

Senator LONG. Is the Internal Revenue Service a member of those customers?

Mr. KERTZ. I can't answer that. I don't know.

Senator LONG. Can you find out for me and advise the committee?

Mr. KERTZ. May I consult with counsel a moment?

Mr. RYAN. Mr. Chairman, we would prefer not to give information as to the particular customer accounts, without a subpoena from this committee. We feel that it is a responsibility to our customers not to give names unless we are——

Senator LONG. I understand that, but even if they are Federal agencies? Would your feeling be the same?

Mr. RYAN. I would think so.

Senator LONG. What is so secret about it? Aren't the employees of your company told about it, and they have——

Mr. KERTZ. Yes, sir.

Mr. RYAN. There is nothing secret about it. The fact is this, Mr. Chairman, that this committee, of course, has more authority than an ordinary person coming into our business and saying "We want to know whether Mr. Jones has some kind of equipment," but we would not give that to an individual. This committee has the power of subpoena, and we prefer not to give the names of individual customers who have this equipment, or any other kind of equipment.

Senator LONG. Even though they are Federal agencies?



Mr. RYAN. Yes, sir.

Senator LONG. That is still a good example of the cooperation that we have been led to expect we would have.

Mr. RYAN. Mr. Chairman, all you have to do is write out a subpoena and we will give it to you.

Senator LONG. We understand that; and we have a large supply of them. Let me ask you, Mr. Kertz, about whether it is the policy of your company or not to deny this committee the opportunity to discuss problems that they may want to with employees of the various companies or with your company, without an attorney or a representative of your company being present? What is your policy on that as a matter of cooperation with this committee?

Mr. KERTZ. Mr. Chairman, we have cooperated. The Bell System companies have allowed your committee investigators to interview quite a few of the associated company employees.

Senator LONG. We have asked specifically then about the girls that have operated these monitoring rooms.

Mr. KERTZ. We would have to ask the individual Bell System company on that point just as we would ask the New England company. This is a matter in which each individual company may have special problems of their own that aren't applicable universally on a Bell System basis.

Senator LONG. Would that mean that they would have information that they might be reluctant for the committee to have?

Mr. KERTZ. No, sir.

Senator LONG. That wouldn't be one of the problems?

Mr. KERTZ. No, sir; that would not be. The Bell System policy on that point is we are perfectly willing to make available to you what information you require.

Senator LONG. But you want make the investigation, and determine the information yourselves. You can see certainly from the committee's standpoint that my investigators feel that they must talk to the witnesses and get that information, rather than for you to accumulate it and hand it to us.

Mr. KERTZ. Well, I haven't discussed this with the individual Bell System company presidents, but I am sure that they would be perfectly willing to have your committee investigators talk with their employees. I am sure, too, that they would like to have somebody present.

Senator LONG. That is the point in controversy. We feel that the employee, the little girl that is the innocent pawn in this matter that has been doing the observing or, as you say, tagging, and we say tapping, that she would be more apt to feel freer and to give us information that we want, than being in the presence of attorneys of your company or officials of your company. This is so especially if she had not asked the company to provide her with legal counsel.

Mr. HANIFY. Might I interject just to clear up one point. The situation with respect to my advice as to the New England company was directed to a situation where the company itself was asked to provide facilities for interview, a special room for interview, and to ask the employees to subject themselves to the interview.

Now with respect to what your people do by way of interviewing employees under other than company auspices, and without any atmosphere of company coercion, I think we would be entirely willing



to leave that up to the employees in question. We have issued no edict, mandate, or any kind of restriction on that sort of thing.

Senator LONG. In other words, if we were to subpoena the girl to come down here and testify—

Mr. HANIFY. Apart from that, if your investigator wanted to interview her in her own premises at her own home or outside business hours. The point that I was confronted with, Mr. Chairman—I think you will see the advisability of it—is here is a company which is asked to call an employee off the job, as it were, put them in a separate private room, and subject them to ex parte secret interrogation. Now, under those circumstances, I take the position the company has a duty both to itself and the employee to see that counsel is present.

Senator LONG. Well, it was your company's idea that our man come to your office to talk to these individuals, was it not?

Mr. HANIFY. Not our company's idea in particular.

Senator LONG. You prefer that our investigators go to the employees' homes and talk to them there?

Mr. HANIFY. No; I have no preference with respect to what your investigators do.

Senator LONG. That will be agreeable to you though, if we did do that?

Mr. HANIFY. I am saying that we would interpose no obstacles or restrictions under those circumstances.

Senator LONG. There wouldn't be any that you could, would there?

Mr. HANIFY. Obviously we would tell the employees after hours it is up to themselves to whom they talk. We would exercise no suasion one way or another on that subject.

The problem that concerned me as counsel, and I think it would concern counsel for any business organization, is the problem of implicit coercion by the employer in subjecting any single individual employee to a private ex parte interview.

Senator LONG. You are bearing out exactly what our contention has been—that that type of coercion, as you think it would coerce them some way into talking to us, we think it would coerce them not to talk to us on your premises in your presence. So apparently we agree on the effect of the presence of your officials there, so we can arrange to talk to them privately.

Mr. HANIFY. I don't agree, Mr. Chairman, that an interview in my presence would be in any way coercive. I think Mr.—

Senator LONG. I understood that you said you thought that it would; that you felt that there would be that effect for them to be interviewed on the company premises.

Mr. HANIFY. I think a secret ex parte interview is one thing. I think an interview which is conducted in the presence of outside counsel, where there is an opportunity for the witness in question to have her rights protected, where somebody else hears what is said and can make a clear statement of it, if what is said ever comes into dispute—

Senator LONG. Are you more interested in protecting what they might say in regard to the company than you are in their rights themselves?

Mr. HANIFY. Both.

Senator LONG. They may have—

Mr. HANIFY. Both, Mr. Chairman.



Senator LONG. But these girls we want to talk to, did they make any request for you to represent them?

Mr. HANIFY. No, sir.

Senator LONG. They have a perfect right to do it and we certainly recognize it.

Mr. HANIFY. No, sir; they have not requested it. I have never interviewed the girls.

Senator LONG. Well, suppose we go to their homes.

Mr. HANIFY. That I think is a part of your procedures with respect to which the company does not take responsibility.

Senator LONG. Would the company furnish them counsel at that time?

Mr. HANIFY. That would depend upon whether the girl in question wanted counsel.

Senator LONG. I know; but if she asked would the company furnish counsel?

Mr. HANIFY. We haven't had to deal with that question. I should think that request would warrant serious consideration.

Senator LONG. I am sure it would.

Mr. HANIFY. Sure.

Senator LONG. I am sure it should warrant serious consideration. Mr. Kertz, what would be the policy of talking to witnesses of the A.T. & T.?

Mr. KERTZ. Well, the A.T. & T., Mr. Chairman—

Senator LONG. Would you prefer that we do that at home or that we do that at our offices here or at your offices in New York or wherever your offices may be, if there were witnesses that our investigators desired to talk to?

Mr. KERTZ. I assume, Mr. Chairman, you are talking about the A.T. & T. long line department, because the A.T. & T. and the general department—

Senator LONG. Any A.T. & T. employee. I am trying to get the policy, because we have been led to believe that the A.T. & T. was much more cooperative and had told us they would be and planned to be than we find in some individual telephone companies. We have other lists of telephone companies other than New England. We are not just limiting it to New England.

Mr. KERTZ. I am not prepared at this moment, Mr. Chairman, to say yes or no one way or the other on that. I will say generally, however, we will do our utmost to cooperate with you. Now as to whether or not you would want to be permitted to interview our employees on company premises on company time, I would have to consult on that point.

Senator LONG. So far your company has never turned us down. You have been cooperative along that line.

Mr. KERTZ. Thank you, sir.

Senator LONG. We wondered whether you did have a policy, a company policy that apparently is entirely different than what your wholly owned subsidiaries have.

Mr. KERTZ. Well, I think the circumstances are different too, as Mr. Hanify very well said this morning.

Senator LONG. Yes, I think perhaps those questions have more concern as to what our committee might find out than what the A.T. & T.



would have with your employees that we are talking about in New York.

Mr. HANIFY. I respectfully suggest that that had nothing to do with the decision, Mr. Chairman.

Senator LONG. Well, it is rather interesting anyway. I think those are all the questions we will have time for this morning. There are other questions, Mr. Kertz, that we would like to ask and continue with your testimony.

We can't today, and we can't tomorrow because we have other witnesses subpoenaed that are to be here. We are having a difficult situation on the floor, as you may know, and it is taking a great deal of time. We would like if you would, Mr. Kertz, to hold yourself available, and we will try to work out another time that is convenient for you and your counsel and the men that you have with you to come before our committee at some later date, rather than try to hold you until tomorrow, because I understand that you do have other appointments tomorrow, and it looks like we have a full schedule then also.

Will that be agreeable to you? We will conclude. I am very grateful to you for your help. You have been a very fine and a very courteous witness, and we do appreciate your time here, and I know the effort that you and the members of your staff have put into answering our questions. It has been very helpful to us, and we do appreciate that cooperation. So my staff will be in touch with you. Mr. Fensterwald will be in touch with you at some later date, when we would like to complete your testimony.

Mr. KERTZ. Thank you, sir.

Senator LONG. Thank you. The committee will now stand in recess until tomorrow morning at 10 o'clock, at which time we will convene in room 5302 of this building.

The committee will stand in recess.

(Whereupon, at 12 o'clock noon, the committee adjourned, to reconvene tomorrow, Thursday, September 15, 1966, at 10 a.m.)



would have with your copiers that we are talking about in New York.

Mr. Thwaites: I respectfully suggest that that matter is still the domain of the printer.

Mr. Thwaites: Well, it is a matter of printing and not of the printer. We will have time for that later. I think the

main question is, Mr. Thwaites, that we would like to see and examine your

manuscript.

Mr. Thwaites: I am not today, and we can tomorrow because we are not with

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## INVASIONS OF PRIVACY (Telephone Systems)

THURSDAY, SEPTEMBER 15, 1966

U.S. SENATE,  
SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND  
PROCEDURE OF THE COMMITTEE ON THE JUDICIARY,  
*Washington, D.C.*

The subcommittee met, pursuant to adjournment, at 10 a.m., in room 5302, New Senate Office Building, Senator Edward V. Long, of Missouri (chairman of the subcommittee), presiding.

Present: Senator Long of Missouri.

Also present: Bernard Fensterwald, Jr., chief counsel; H. G. Home, assistant counsel; and Bernard Waters, minority counsel.

Senator LONG. The committee will be in order.

Invading privacy is a serious matter. My Subcommittee on Administrative Practice and Procedure has studied this area for almost 2 years. I intend to introduce comprehensive legislation designed to protect our citizens' privacy early in the next Congress. As we have reviewed our hearing records there has been one noticeable gap. We have taken considerable testimony about wiretapping and the use of telephones for electronics eavesdropping purposes. We feel it necessary to hear from the telephone companies of America as to their attitude about this great problem. We hope to hear what, if anything, the telephone companies are doing to stop wiretapping and bugging.

We also want to learn if the telephone companies have ever suggested legislation to Congress on this subject. Yesterday we took testimony from representatives of the American Telephone & Telegraph Co. This is the largest telephone company. Today we will hear from the second largest, General Telephone & Electronics Corp.

Today these two companies cover nearly 90 percent of all telephone calls. Yesterday we learned that during 1965, A.T. & T. monitored 39 million calls. No phones were exempt, even Governors and other elected officials were subject to being overheard by a service observing telephone girl. And I might interpose that I understand they were not cleared for security matters in any way.

Then in great haste and under emergency orders A.T. & T. changed its practices and stopped listening in on actual customer-to-customer conversations. Although it was only coincidental, these practices changed just about the time when our subcommittee began its investigation. Today we hope to learn the attitude of the second largest telephone company toward this massive monitoring.

Our first witness today is Mr. Theodore F. Brophy who is vice president and general counsel of the General Telephone & Electronics Corp.



Mr. Brophy, will you rise and be sworn, please?

Do you solemnly swear the testimony you are about to give to this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BROPHY. I do.

Senator LONG. Thank you, sir. I recall visiting with you down at the American Bar Association, I believe, in the great State of Florida last year. I believe you introduced me to the audience there that I spoke to.

Mr. BROPHY. Yes, sir. That was my privilege at that time.

Senator LONG. We are happy to have you here with us this morning. We understand you have a prepared statement which the committee will be glad to hear at this time.

Mr. BROPHY. Thank you, sir.

**TESTIMONY OF THEODORE F. BROPHY, VICE PRESIDENT AND GENERAL COUNSEL OF THE GENERAL TELEPHONE & ELECTRONICS CORP.**

Mr. BROPHY. Mr. Chairman, my name is Theodore Brophy, and as you noted, I am vice president and general counsel of the General Telephone & Electronics Corp., as well as its wholly owned subsidiary, G.T. & E. Service Corp.

It is my privilege to be here in response to your invitation of August 11, 1966, addressed to Mr. Leslie H. Warner, president of General Telephone & Electronics Corp.

The principal witness on behalf of the General Telephone System will be George H. Gage, vice president—telephone operations staff of both General Telephone & Electronics Corp. and G.T. & E. Service Corp. Since these hearings involve to some extent not only an inquiry into the facts concerning the actual practices of the telephone companies but certain legal aspects of our procedures as well as our views concerning existing legislation, I would like to make some very brief introductory remarks before Mr. Gage commences his statement and then cooperate with Mr. Gage in answering any questions the subcommittee may have.

We have already filed with the subcommittee written answers to the questions attached to the chairman's letter to Mr. Warner.

We in the General System have followed with interest the hearings conducted by this subcommittee on the question of wiretapping and hope that as a result of these hearings effective legislation will be adopted strengthening and clarifying the existing legislation.

As you mentioned, I had the privilege on August 10, 1965, of acting as chairman of a luncheon meeting of the Public Utility Section of the American Bar Association in Miami, Fla., and introducing Senator Edward Long as the speaker at that luncheon. Although we in the General System have made every effort to comply with the existing law and protect the privacy of our customers' communications, I was most impressed by Senator Long's remarks and upon my return to New York urged Mr. James J. Clerkin, Jr., executive vice presi-



dent—telephone operations of our corporation, to issue a memorandum to the presidents of all the General System telephone operating companies, bringing to their attention the hearings being held by this subcommittee concerning the illegal use of wiretapping and reemphasizing the importance of compliance with section 605 of the Communications Act.

Such a memorandum was sent to the presidents of all the telephone operating companies in the General System of September 2, 1965, and I would like to submit a copy of that memorandum for the record.

(The document referred to follows:)

GENERAL TELEPHONE & ELECTRONICS CORP.,  
New York, N.Y., September 2, 1965.

To: Presidents of General System Telephone Operating Companies.

Subject: Wiretapping.

Recent hearings before a Senate Subcommittee headed by Senator Edward V. Long have highlighted the illegal use of wiretapping in certain parts of the United States. While there is considerable diversity of thought as to whether wiretapping should be legal to any extent and, if so, to what extent, it is important that all General System telephone operating companies take appropriate action to enforce the law as it presently exists.

Under Section 605 of the Communications Act of 1934 it is illegal for any person to engage in wiretapping or to assist others in doing so. Under recent decisions by the U.S. Supreme Court, state laws which permit wiretapping to any extent have been held to be illegal because they violate the clear intent of Section 605.

As you no doubt have read, various legislative proposals have been submitted to Congress in order to amend Section 605 so that wiretapping may be permitted under various limited circumstances. As yet, however, no such action has been taken by Congress. Accordingly, it is requested that you take whatever action is appropriate to ensure that personnel within your companies are acting within the law in this area.

JAMES J. CLERKIN, Jr.,  
*Executive Vice President—Telephone Operations.*

Mr. BROPHY. So far as legislation is concerned, I personally believe that section 605 of the Communications Act is ambiguous and does not by its terms provide the protection against illegal wiretapping which it should provide. Because of this ambiguity and certain imperfections in its scope, it has apparently proved difficult to interpret and enforce.

So far as the General Telephone System is concerned, we would like to see a clear, unambiguous act protecting the privacy of the telephone companies' customers. We recognize that it may be desirable to provide in the act for special exceptions necessary to meet the requirements of justice and the law enforcement agencies. Since we are not experts in the field of law enforcement, I do not feel it appropriate to suggest the extent or scope of such exceptions. I only urge that they be clear, unambiguous, and enforceable.

I would also hope that any such legislation would not impair the legitimate activities of the telephone company necessary to provide adequate service to its customers.

In addition, I would suggest that the burden of law enforcement must ultimately rest upon the law enforcement agencies and that the



duties and obligations of the telephone company, so far as wiretapping is concerned, should be limited to the reporting of certain factual information to the appropriate law enforcement agencies and regulatory authorities.

Let me assure you again that we appreciate the opportunity of appearing before this subcommittee and offer you our full cooperation in these hearings.

I would like now to introduce Mr. George H. Gage.

Senator LONG. Mr. Gage also has a statement.

Mr. Gage, will you be sworn, please?

Do you solemnly swear the testimony you are about to give to this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GAGE. I do, sir.

**TESTIMONY OF GEORGE H. GAGE, VICE PRESIDENT AND GENERAL COUNSEL OF THE GENERAL TELEPHONE & ELECTRONICS CORP., NEW YORK, N.Y.**

Senator LONG. Mr. Gage, you are the vice president in charge of the telephone operations staff of the General Telephone Co.?

Mr. GAGE. Yes, sir.

Senator LONG. Your office is in New York?

Mr. GAGE. Yes, sir.

Senator LONG. We are happy to have you here this morning and the committee will be delighted to hear your statement.

Mr. GAGE. Thank you.

Senator LONG. Thank you, Mr. Brophy, for a very helpful statement.

Mr. BROPHY. Thank you, Senator.

Senator LONG. I appreciate your being here with your vice president.

Mr. GAGE. Mr. Chairman, my name is George H. Gage. I am vice president—telephone operations staff of General Telephone & Electronics Corp., and also of G.T. & E.'s wholly owned subsidiary, G.T. & E. Service Corp., which furnishes to G.T. & E. and its subsidiaries, at cost, various advisory and consulting services. I join with Mr. Brophy in expressing our appreciation for this opportunity to present the views of the General System to this committee.

The more than 30 domestic telephone operating companies of the General System serve more than 6,600,000 telephones in portions of 32 States and comprise the largest group of non-Bell System telephone companies in the United States. The General System telephone operating companies thus are an integral part—and indeed, a significant part—of the nationwide telephone network.

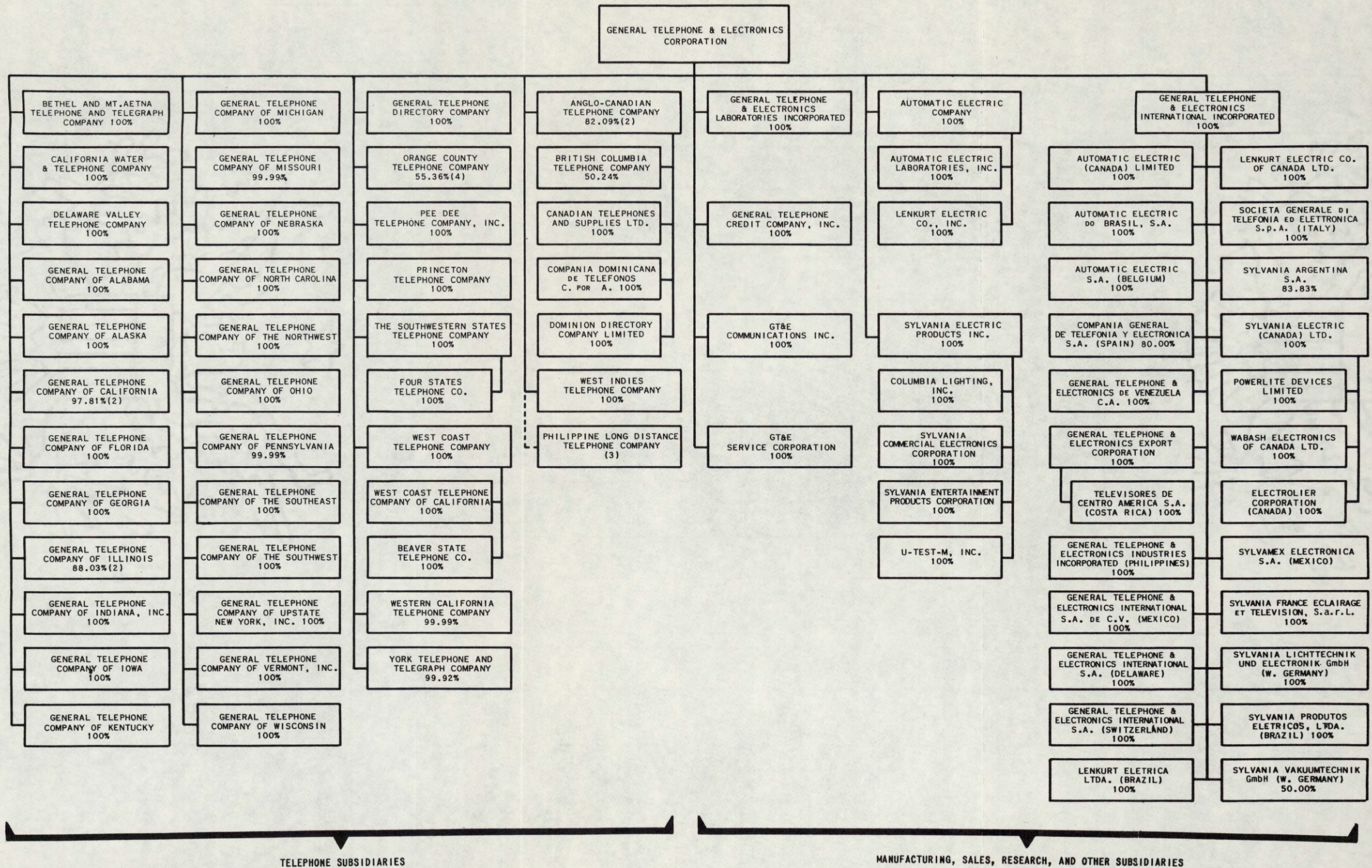
For purposes of brevity, I have included certain pertinent additional information concerning the General System telephone operating companies in exhibit A.

(The document referred to faces this page.)



## EXHIBIT A

## GENERAL TELEPHONE &amp; ELECTRONICS CORPORATION AND SUBSIDIARIES



ISSUED BY:

GT&E SERVICE CORPORATION  
ACCOUNTING DEPARTMENT

NOTES: 1. Percentages shown represent voting control, and also common stock ownership, except where indicated.

2. Common stock ownership, 100%.

3. Affiliated Company.

4. Common stock ownership 43.64%.

6/30/66





UNIT		LOCATION		STATUS		REMARKS	
1	A	101	101	101	101	101	101
2	B	102	102	102	102	102	102
3	C	103	103	103	103	103	103
4	D	104	104	104	104	104	104
5	E	105	105	105	105	105	105
6	F	106	106	106	106	106	106
7	G	107	107	107	107	107	107
8	H	108	108	108	108	108	108
9	I	109	109	109	109	109	109
10	J	110	110	110	110	110	110
11	K	111	111	111	111	111	111
12	L	112	112	112	112	112	112
13	M	113	113	113	113	113	113
14	N	114	114	114	114	114	114
15	O	115	115	115	115	115	115
16	P	116	116	116	116	116	116
17	Q	117	117	117	117	117	117
18	R	118	118	118	118	118	118
19	S	119	119	119	119	119	119
20	T	120	120	120	120	120	120
21	U	121	121	121	121	121	121
22	V	122	122	122	122	122	122
23	W	123	123	123	123	123	123
24	X	124	124	124	124	124	124
25	Y	125	125	125	125	125	125
26	Z	126	126	126	126	126	126
27	AA	127	127	127	127	127	127
28	AB	128	128	128	128	128	128
29	AC	129	129	129	129	129	129
30	AD	130	130	130	130	130	130
31	AE	131	131	131	131	131	131
32	AF	132	132	132	132	132	132
33	AG	133	133	133	133	133	133
34	AH	134	134	134	134	134	134
35	AI	135	135	135	135	135	135
36	AJ	136	136	136	136	136	136
37	AK	137	137	137	137	137	137
38	AL	138	138	138	138	138	138
39	AM	139	139	139	139	139	139
40	AN	140	140	140	140	140	140
41	AO	141	141	141	141	141	141
42	AP	142	142	142	142	142	142
43	AQ	143	143	143	143	143	143
44	AR	144	144	144	144	144	144
45	AS	145	145	145	145	145	145
46	AT	146	146	146	146	146	146
47	AU	147	147	147	147	147	147
48	AV	148	148	148	148	148	148
49	AW	149	149	149	149	149	149
50	AX	150	150	150	150	150	150
51	AY	151	151	151	151	151	151
52	AZ	152	152	152	152	152	152
53	BA	153	153	153	153	153	153
54	BB	154	154	154	154	154	154
55	BC	155	155	155	155	155	155
56	BD	156	156	156	156	156	156
57	BE	157	157	157	157	157	157
58	BF	158	158	158			



*Domestic telephone operations, June 30, 1966*

Telephone subsidiaries in the United States	Telephones		Employees
	Number	Percent dial	
General Telephone Co. of California	1,693,980	100	16,252
General Telephone Co. of Florida	582,861	100	5,053
General Telephone Co. of Indiana	495,073	100	4,002
General Telephone Co. of Illinois	466,320	100	3,693
General Telephone Co. of the Southwest	431,222	100	3,726
General Telephone Co. of Michigan	337,452	100	2,428
General Telephone Co. of Ohio	312,993	100	2,304
California Water & Telephone Co.	286,953	100	2,881
General Telephone Co. of the southeast	258,675	100	1,964
West Coast Telephone Co. and Subsidiaries	238,661	100	2,412
General Telephone Co. of Pennsylvania	248,351	100	1,903
General Telephone Co. of Wisconsin	229,670	94	1,447
Southwestern States Telephone Co. and subsidiaries	220,347	100	1,464
General Telephone Co. of Kentucky	191,849	100	1,606
General Telephone Co. of the Northwest	105,557	99	734
York Telephone & Telegraph Co.	101,423	100	552
General Telephone Co. of Upstate New York, Inc.	65,621	96	789
General Telephone Co. of Alabama	65,122	100	553
General Telephone Co. of Missouri	60,936	100	385
General Telephone Co. of Georgia	48,619	100	275
General Telephone Co. of Iowa	37,670	100	358
Western California Telephone Co.	33,856	100	252
General Telephone Co. of Nebraska	33,654	100	175
Orange County Telephone Co.	22,649	100	180
Minor telephone subsidiaries	37,591	100	96
Total U.S. telephone subsidiaries	6,638,205	99	55,484

*Exchanges or divisions which serve more than 20,000 telephones, June 30, 1966*

Telephones		Telephones	
Tampa, Fla	172,602	Everett, Wash	49,648
Long Beach, Calif	171,769	Johnstown, Pa	49,346
St. Petersburg, Fla	147,469	Sarasota, Fla	46,381
West Los Angeles, Calif	118,370	Lafayette, Ind	46,285
Fort Wayne, Ind	117,846	Santa Maria, Calif	44,275
South Bay, Calif	116,915	Halls Lake, Wash	40,052
Pomona, Calif	99,031	Lancaster, Calif	39,928
Orange, Calif	98,856	La Habra, Calif	39,497
Erie, Pa	92,714	Pico Rivera, Calif	38,424
Bellflower-Norwick, Calif	90,116	Bloomington, Ill	36,831
Lexington, Ky	88,600	Elkhart, Ind	35,805
Lakewood-Alamitos, Calif	85,557	Redlands, Calif	35,444
Santa Barbara, Calif	85,389	Ashland, Ky	35,048
Marina, Calif	84,123	Lakeland, Fla	34,938
Santa Monica, Calif	81,768	Beaverton, Oreg	34,261
Oxnard, Calif	77,546	Texarkana, Tex.-Ark	32,225
San Bernardino, Calif	75,725	San Angelo, Tex	32,182
Downey, Calif	70,737	Kirkland, Wash	29,466
Covina, Calif	69,582	Sepulveda, Calif	29,344
York, Pa	68,312	Columbia, Mo	29,091
Clearwater, Fla	64,959	Monrovia, Calif	28,078
Whittier, Calif	56,148	Richmond, Ind	27,597
Durham, N.C.	55,225	Bradenton, Fla	27,153
Muskegon, Mich	54,061	Wausau, Wis	27,104
Ontario, Calif	51,517	Palm Springs, Calif	26,692
Terre Haute, Ind	50,620	Coos Bay, Oreg	26,474
Baldwin Park, Calif	49,864	San Fernando, Calif	21,415
La Puente, Calif	49,723	Indio, Calif	20,379



Mr. GAGE. In addition, I would like to emphasize that the growth of the General System telephone operations has been both rapid and of great magnitude. The number of telephones served has risen from 1,306,429 in 1950 to 4,106,567 in 1960 to the more than 6,600,000 today. During this period a number of small companies joined the General System. Welding this ever-increasing number of telephone companies—each coping with the problems of rapid internal expansion—into a system with uniform standards, practices, and procedures, has been our goal. Candor compels me to note, however, that we are still working toward this goal.

In my present position, I am responsible for overall direction and coordination of the service corporation's advisory and consulting services to the system telephone operating companies regarding commercial, engineering, marketing, government communications, plant, traffic, and security department practices and procedures.

In the preparation of our recommendations in these areas, one of our principal concerns is with the protection and preservation of privacy of communications; the subject matter of these hearings. I am, of course, familiar with our recommended practices and procedures, the system standards. In addition, in preparation for my testimony here, I have reviewed with the various departments reporting to me the actual practices and procedures employed by individual system telephone companies. While I obviously do not and could not have personal knowledge of every factual situation involving privacy of communications throughout the General System, I do believe I am competent to testify as to our standards and, in general, the degree to which they have been met in practice.

No one is more interested in safeguarding and improving the privacy of communications than the General System telephone companies.

Numerous precautions have been and are being taken to safeguard privacy of communications. The more fundamental and obvious of these precautions—relating to personnel orientation and plant security—are set forth in our written answer to the subcommittee's question No. 1. Typical examples of some of our personnel orientation and training materials are attached hereto as exhibit B.

(The documents referred to follow:)

#### OUR CODE OF BUSINESS ETHICS

(General Telephone Co. of California)

#### OUR BASIC RESPONSIBILITY

The General System traditionally places the highest trust in the fundamental honesty and integrity of each employee in his daily relationships with the public and his fellow employees. Each of us in the System shares the vitally important responsibility for deserving the confidence placed in us, which is the very foundation for the public acceptance and support enjoyed by the over-all organization.

#### SECRECY OF COMMUNICATIONS

It is the right of the customer using our services to have absolute privacy of his communications, and employees should at all times safeguard this right in dealing with the customer's conversations, communications, or records. Secrecy of communications is a fundamental policy of the General System and is protected by Federal and State laws.



## ACCURACY IN REPORTS AND RECORDS

Accuracy in reporting and preparation of company records and reports is essential at all times. Misleading or incorrect records and reports can injure our services, reputation, and financial and legal standing with the public and the communities we serve.

## SAFEGUARDING COMPANY FUNDS

Each of us is responsible for safeguarding and properly accounting for company funds, and for any records or reports we may handle which help determine the company's revenue or expenditures.

## PROTECTION OF PROPERTY AND SERVICES

Each of us is expected to bear his full responsibility for the protection of company property against loss, theft, damage, vandalism, or unauthorized use. The degree to which we observe practices and instructions which afford such protection helps determine the price and quality of our services to the public.

*Let us always bear foremost in mind that the actions of each one of us not only reflect upon us as individuals but upon all of our associates and the entire General System.*

DONALD C. POWER,  
*Chairman and Chief Executive Officer,  
General Telephone & Electronics Corp.*

## THE CODE OF ETHICS AND THE INDIVIDUAL EMPLOYEE

*In traditionally placing the highest trust in the fundamental honesty and integrity of each member of the organization, the company in turn expects that each employee's conduct should at all times reflect favorably upon the company and every other employee.*

*Serving the public provides each of us with a great responsibility. Consequently, there can be no compromise in the requirement that any individual who violates the company's code of ethics is subject to disciplinary action and dismissal.*

## SECRECY OF COMMUNICATIONS

Every communication of any type which is transmitted through the facilities of the company is the personal property of the customer. It is the right of every customer using our services to have the absolute privacy of his communications protected. The substance, content, or nature of any telephone conversation or communication which we handle for our customers—or the fact that there has been a conversation or communication—is not to be divulged.

An employee may not use for his benefit, or for that of others, any information derived from any conversation or communication by a customer, or from records concerning a customer.

Unauthorized persons are not to be permitted to listen to or view any communication handled. Employees must not monitor any connection more than is necessary for its proper supervision.

Information regarding the equipment, trunks, circuits, cables, the use of facilities, non-published numbers, or ticket records of calls must not be given to any unauthorized person.

Secrecy of communications is a fundamental policy of the company, and is protected by Federal and State laws which impose severe penalties upon any person who violates this secrecy.

## INTEGRITY OF REPORTS AND RECORDS

Various accurate and reliable records are necessary for the company to meet its legal and financial obligations, and to manage the affairs of business. Integrity in the reporting and preparation of such records is necessary at all times, to safeguard our services, our reputation, and our financial and legal standing with the public and the communities we serve.

The company's accounts and records are prepared and maintained in accordance with the Uniform System of Accounts prescribed by appropriate regulatory



bodies which specify the time period for which various types of records are to be retained. Unauthorized destruction of records is a violation of law.

Reports and records, including those involving time spent or material used, vouchers, bills, payroll and service, and all other necessary data must be factual and accurate.

Any information as to location of equipment or circuits which could be used to the detriment of the company or to the nation's defense must not be disclosed to unauthorized persons.

#### HANDLING OF COMPANY MONEY AND PROTECTION OF COMPANY FUNDS

Payments for telephone services vary widely—from small coins for a pay-station call, to the large sums of currency and checks received by business offices. Each of us is responsible for safeguarding and properly accounting for company funds, and for any records or reports we may handle which help determine the company's revenues or expenditures. For example, long-distance tickets, service orders, payroll records, invoices, vouchers, and many other types of records represent company funds, just as do coins, currency, or checks. Removing, destroying, falsifying, or failing to prepare such records is as serious an offense as misappropriation of company funds or property.

Each employee who is involved in the handling of company money or records should know and follow procedures for the protection of funds and for assuring that they are credited or charged to proper accounts.

Assuring the correctness and approval of vouchers, drafts, and bills payable by the company should never be regarded as a routine matter. Each employee whose duties involve such authentication is responsible for the close scrutiny and verification of these expenses.

Coins collected, stuck or loose coins, or coins otherwise found at a coin telephone instrument must be turned in or deposited in accordance with company instructions.

Some employees are required to make adjustments on customers' calls or bills, to spend company funds, or to incur personal expenses on behalf of the company for which reimbursement is customarily made. Such employees are responsible for exercising good judgment on the company's behalf, determining that the company receives adequate value, and for verifying that the amounts expended are factually reported according to established practices.

#### USE OF COMPANY PROPERTY, EQUIPMENT, FACILITIES, AND SERVICES

Protection of the company's investment in equipment, tools, supplies, and vehicles against loss, theft, damage, vandalism, or unauthorized disposal is vitally important. The degree to which we observe practices and instructions which afford such protection helps determine the price customers must pay for our services.

Tools, supplies and materials, vehicles, telephones, and all other equipment and facilities are purchased with company funds for company use. They belong to the company in every sense, and are no more to be used for the personal benefit of an employee, or someone else, than is the cash that customers place in our hands.

Telephone equipment must not be installed, moved, rearranged, or removed without an authorized service or maintenance order, or other specific instruction. Any unauthorized connection to company facilities which is discovered or suspected should be reported promptly to the proper authority.

Keys to coin telephones may be used only for the purposes intended, and in accordance with specific instructions. Such keys and associated equipment must be safeguarded and protected at all times in accordance with established practices.

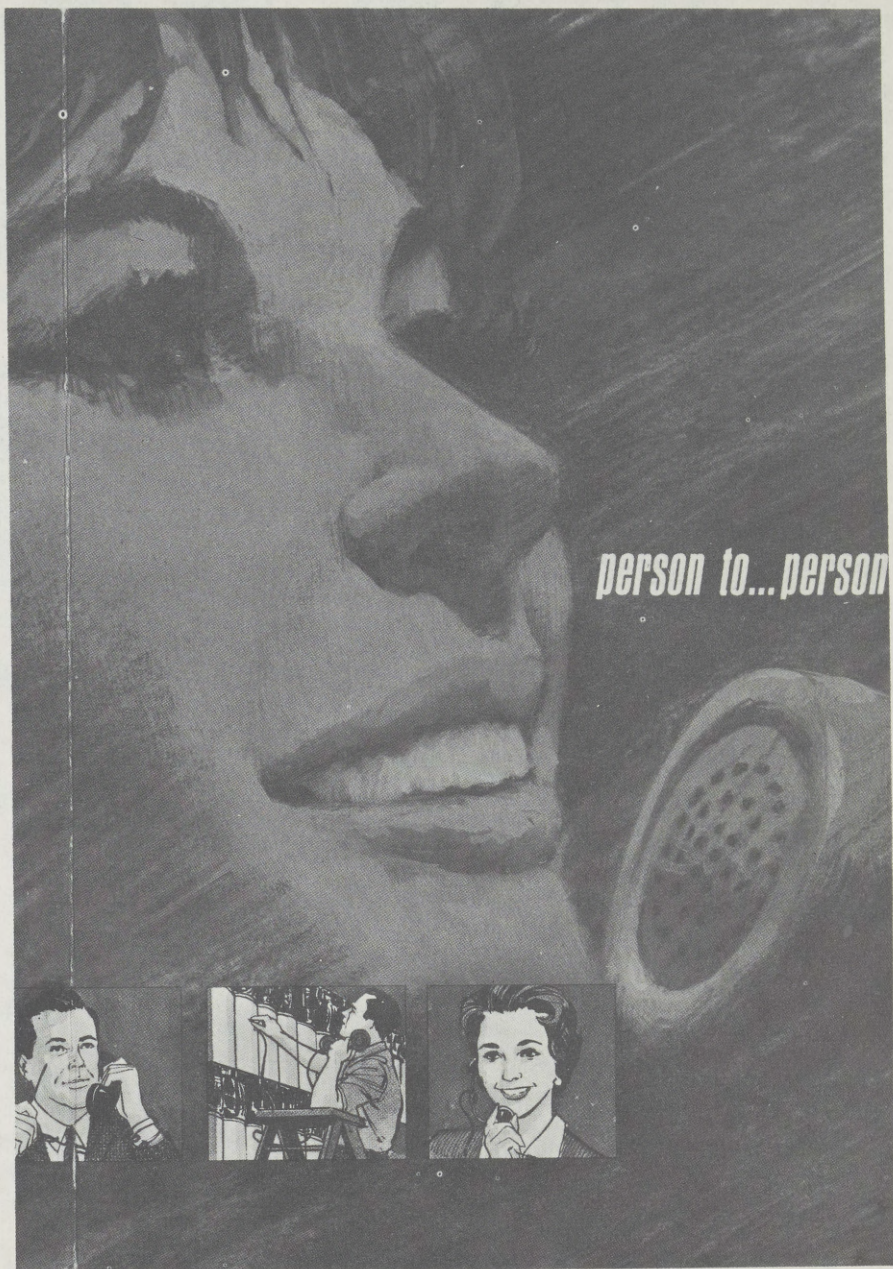
Personal long-distance calls are not to be charged to official company telephones, nor made on an unauthorized basis from switchboards, testboards, terminals, or other facility locations.

In using company and rented vehicles, safe driving practices and all traffic laws should be observed at all times.

When working on customer premises, or on public thoroughfares, employees should observe the rights and safety of customers and of the public. Our actions in such instances reflect upon us individually, and upon the company as a whole.

R. PARKER SULLIVAN,  
*President, General Telephone Co. of California.*







### WHY WE WROTE THE BOOK

Every time someone picks up a telephone, the telephone industry, as a whole, is being judged. Provided there is no problem in placing the call, the judgment is unconsciously good. If there is a single problem involved, whether we are at fault or not, we may be subject to criticism. It is our purpose in publishing this manual to help us keep this criticism at an absolute minimum.

Most criticism is helpful and expected. Perfection in any undertaking is impossible. Mechanical equipment of any type is subject to occasional failure, particularly equipment as highly complex as ours. As long as human beings remain human, there is always the possibility of human error. This, too, is to be expected.

In the following pages we outline our operational guidelines. The standard or policy is defined in each case, and the degree of attainment is expressed as a percentage following the standard. (98%) This means that the standard expressed is achieved in 98% of the cases.

In no case will you find 100% expressed as a degree of attainment. We do not expect the impossible. The percentages expressed are those which can normally be maintained. They are based on statistics compiled over many years of studying each of our operations.

Naturally, your personal goal should be to excel these established figures. This is the maximum effort. Maintaining the established figures is what is expected of you. This is the minimum effort.

Thus, with a minimum effort, we can avoid the major part of the fair criticism that might be leveled against us.

Here, then, is the book of minimums for your guidance.



**PERSON TO PERSON***Why We Wrote the Book**Our Best Foot Forward*

What the company can expect from you

What you can expect from the company

*Standards*

What is a standard?

How are these standards established?

What is the purpose of the standards?

Who uses the standards?

*What the State and Federal Governments**Say About Our Business*

The Public Service Commission and Public Service

Commission laws

The Federal Communications Act and Penal Code

*Keeping Our Customers Happy*

Visits to our offices

Calls to our offices

Correspondence received in our offices

*Keeping Our Customers Informed*

Time schedule, installation, transfer or change

Service priorities

Service recommendations

Billing

Payment in person, credit policies and deposits

Adjustments

Collections and disconnections of service for  
nonpayment

Information listings of new installations

Intercepting service

Directories

Consultation service

Communications Service Advisors

*Our Day-To-Day Operations*

Dial service

Dial service assistance

Operator intercepts

Operator toll service

Direct distance dialing - DDD service

Public telephones

Information service

Repair service and complaints

*Technical Standards*

Resistance standards for exchange cable pairs

Transmitting and receiving intelligence - voice,  
data, video*And in Conclusion...**presented to:*



### OUR BEST FOOT FORWARD

You, as an employee of General Telephone Company of Indiana, Inc., represent the company to the public. We, the company, represent you, as well as ourselves, to the public. To best accomplish this mutual goal of our best foot forward, we can expect certain things from each other.

#### *What the company can expect from you*

An active interest in providing good service to the customer and a genuine effort to satisfy the customer's need should be the guide for all of your actions. Our jobs should be performed with a minimum of inconvenience to our customers and the public, with respect for their property as well as that of the company. The rights and safety of our customers and the public should be observed always.

Good grooming and proper clothing for the work situation are requirements of any business. Equally important is a businesslike manner at all times and the normal courtesy and respect to customers, the public and co-workers.

#### *What you can expect from the company*

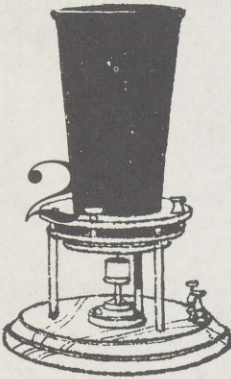
You can, of course, expect from the company the normal expectations implicit in any employer-employee relationship: job security, sound management, opportunities for you to learn, recognition of outstanding efforts, etc. In addition, you can expect that we will represent you and the company to the public by taking the lead in active participation in service clubs, chambers of commerce and other community organizations. We will encourage, through the chambers of commerce and local industrial foundations, the location of new industries and other business customers in the community.

Through our advertising program, we will strive to create an understanding of our business and its problems. The more the public is educated to the philosophy of our industry, the easier our job will be in serving this same public.

### STANDARDS

#### *What is a standard?*

A standard is a criterion or model against which the





quality, efficiency and effectiveness of a company's operation can be judged. It is the minimum performance expected from each member of the company.

*How are these standards established?*

Through careful study of customers' reactions, requirements and expectations, the standards are developed. They reflect what the customer expects of us, rather than easily attainable goals that we could set up ourselves. As a public service company, we must channel our entire effort to please the public that we serve. Hence, they set the standards, and we make every effort to live up to them.

*What is the purpose of the standards?*

The purpose of standards is to give us a measuring guide against which we can measure our service to our customers and the general public. It is our purpose to render the best possible service at all times consistent with good judgment and the legal requirements of the state and federal laws. This gives us a yardstick against which to measure our results.

*Who uses the standards?*

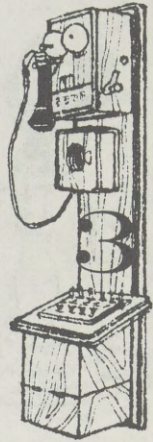
Everyone! — The public in judging whether or not we provide them the service they expect. — Top management in evaluating the performance of the various departments under their supervision and the employee in evaluating his own performance as a member of General Telephone.

# **WHAT THE STATE AND FEDERAL GOVERNMENTS SAY ABOUT OUR BUSINESS**

The communication industry, of which we are an important part, is clearly regulated by both the state and federal governments. In this case, we do not set the following as standards, they are laws. As laws, we must follow their requirements without fail.

*The Public Service Commission and Public Service Commission laws of the State of Indiana require that:*

- ...We must supply service to all applicants, impartially and without discrimination as long as the applicant complies with the reasonable regulations of the company.
- ...We must furnish reasonably adequate service at





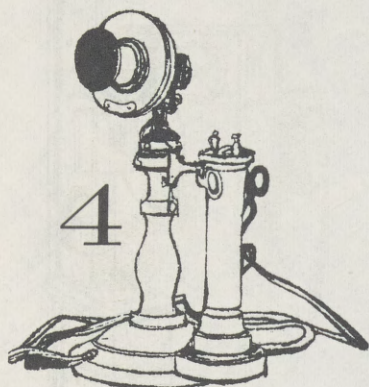
reasonable and just charges. It is unlawful for a public utility, such as we are, to charge more or less than the schedule of rates approved by the Public Service Commission of Indiana.

*The Federal Communications Act, Section 605, and the Penal Code, Sections 619 and 640 require that:*

- ...No employee may disclose the contents, or any part, of any telephone radio (including television and facsimile), teletypewriter or telegraph message addressed to another person without the permission of the sender, or willfully alter the purport or effect or meaning of any such message. In the case of telephone conversations, both parties are considered senders. Therefore, both parties must give permission before disclosure is allowed.
- ...No employee may use any information taken from a private message passing through his hands and addressed to another person, or acquired in any other manner as an employee of General Telephone Company of Indiana.
- ...No employee may permit an unauthorized person to listen to any telephone conversation. Employees must not monitor any connection except as is absolutely necessary for proper supervision or maintenance.
- ...No employee may tell anyone the fact or nature of any message, except as necessary for proper handling.
- ...No employee may discuss communication arrangements made between the company and its customers, except as necessary for proper handling.
- ...No employee may give any unauthorized person any information whatever about the location of equipment, trunks, circuits, cables, etc., or about local or toll ticket records of calls, teletypewriter messages, etc.

#### KEEPING OUR CUSTOMERS HAPPY

In each of our exchanges, we have exclusive rights, by law, to provide telephone service to all people in the area. Because we are the only telephone company in these areas, the need to maintain the goodwill and support of our customers becomes vitally import-





ant to a successful operation. We must be alert at all times to keep our relations with our customers on the highest possible level of courtesy, service and friendliness.

The initial contact with our customers usually occurs when the customer applies for a telephone. Frequently, however, the first time that customers personally meet any of our employees is when the telephone is installed in their homes or offices. It is at these times that first impressions are made and remembered. We must be certain that these impressions are good ones.

#### *Visits to our offices*

The office in which customers are served should be businesslike, but tasteful in its appointments. The furniture should be comfortable, the room well lighted, and the overall decor pleasing to the eye. Any customer who visits our offices should be greeted promptly, and within four minutes after his arrival a customer representative should be with the customer. (95%) If the office is on the Greeter Plan, the customer representative should be with the customer within two minutes. (95%)

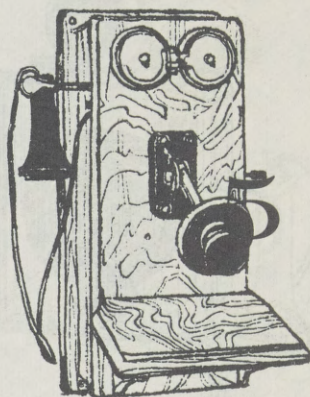
Visitors and salesmen should be met and conducted to the proper office within ten minutes after their arrival.

#### *Calls to our offices*

It is extremely important that telephone calls received in our offices be answered promptly. Any call received during business hours should be answered within ten seconds after the caller hears the first ring signal (93%), if the offices are served by a PBX with two or more positions. (95%) During other than normal business hours, or where the PBX is not manned around the clock, a mechanical announcer should advise the caller what time the business office is open.

#### *Correspondence received in our offices*

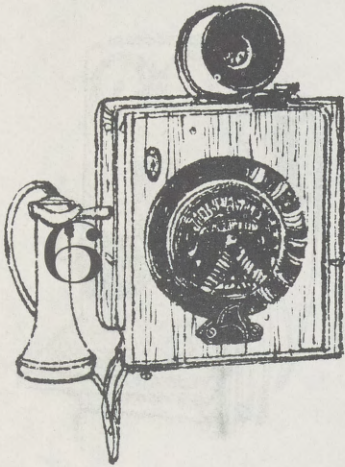
Replies to written correspondence coming into the company will be completed within three working days from the date of receipt of the letter. In some cases additional time is required to prepare an answer. In these cases an interim reply will be made





acknowledging receipt of the letter and advising the customer that a full reply will be forthcoming. Replies may be made, in some instances, by a telephone call or a personal visit. If this method is used, a note indicating how reply was made should be noted on the original written file. The time limitation on phone call replies or personal visits is the same as for written replies, three days from receipt of letter in the office.

In some instances exceptions are made to the procedures as outlined above. The exceptions apply only when special routines have been established for handling correspondence between the company and certain outside agencies.



### KEEPING OUR CUSTOMERS INFORMED

#### *Time schedule, installation, transfer or change*

The timing of installation, transfer or change of service is important to the customer. Obviously, different operations require different amounts of time. When discussing any of these services with a customer, it is important that the customer be told when he can expect that the job will be completed. Unless a specific installation date in excess of the normal time it takes to do the job is requested by a customer or unless outside plant or central office equipment is not available, the following schedule will apply: (95%)

Service	Number of Working Days After Customer	
	Places	Order
Basic 1-, 2-, 4- and Multi-party primary and extension service (where facilities are not immediately available outside the Base Rate Area, requests for primary service will be filled within ten days and regrade requests within thirty days.)	1	
Public and Semi-public Paystations; Without booths	2	
With booths (after customer is ready for installation)	5	



Answering Service Termination	1
Additional PBX Trunks, PBX Extensions	5
Electronic Secretaries	2
Standard Supplemental Equipment	8
Special Supplemental Equipment	48
Small Manual PBX's	
GTCI State Stock w/ Std Finish	12
GTCI State Stock w/ Spl Finish	26
Small Dial PABX (less than 100 lines)	
GTCI State Stock w/ Std Features & Finish	12
GTCI State Stock or Mfg. Stock w/ Spl Features or Finish	140
Large PABX (type 50B, 75B and 300)	
GTCI State Stock	70
Manufacturers Stock	160
Mfg. Non-Stock (requires factory engineering)	275
Dial TWX	17
Pushbutton Telephone Relay	
Cabinet (Add 1/2 day for each station in the System)	1
Dataphones	45
FX	10

Other special services shall be furnished as promptly as equipment can be obtained.

#### *Service priorities*

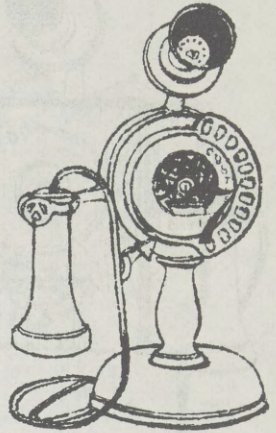
If two or more Service Requests are pending in an area where there is a shortage of facilities, requests will be processed in accordance with the list of service priorities set forth in Service Representative's Manual and General Instruction No. 18.

#### *Service recommendations*

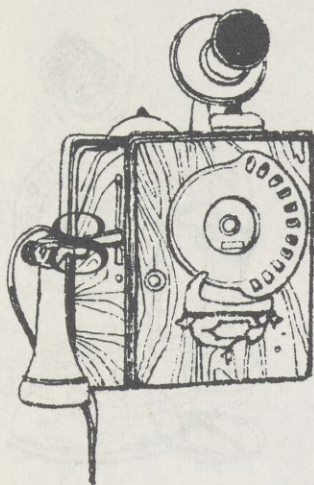
There are many services and benefits that we offer our customers. The full line of our services and the manner in which they can best benefit from these services should be carefully explained.

#### *Billing*

Customers are billed once each month. The day on







which the bill is mailed will vary no more than 2 days; therefore, the customer can be told approximately which day he can expect his bill. Should the telephone number be changed, the billing date could also change. This, however, would be explained when the change of numbers is made.

The customer can expect that all charges and credits for transactions completed prior to the cut-off date will appear on his bill prepared for that billing cycle. (98%) The only items that might not be included would be TWX, credit card, third number, mixed office toll, received collect calls and incoming foreign exchange calls. These items are not under the sole control of our company; hence, no policy can be set. Recharged toll, service order exceptions, cash exceptions and unidentified cash that did not appear on the regularly scheduled bill will be billed on the next billing cycle. (90%)

Bills should be printed in such a manner that they can easily be read and understood by our customers. They should contain no errors. (99%)

*Payment in person, credit policies and deposits*

Our initial payment requirements and credit policies should be explained to the new customer if applicable. A customer making his payment in person should reach the teller's position within two minutes from the time he enters our offices. (95%)

Deposits will be taken if the credit investigation determines it advisable to protect the company against possible loss.

*Adjustments*

If a customer requests an adjustment or if, for any reason, an adjustment is in order, it is important that the matter be settled and the appropriate action taken prior to the close of the current billing cycle. (95%)

*Collections and disconnections of service for non-payment*

Great care must be exercised in handling the collection of overdue accounts. The loss to the company must be kept to a minimum, with as little irritation to the customer as possible. Service disconnections



for nonpayment will only be accomplished to protect company revenue. Should a temporary disconnect action be necessary, a notification to take this action must be given to the customer five days prior to the date of the proposed action.

*Information listings of new installations*

For new installations only, listings will be entered in the information records within one work day after the customer's order has been completed. This is the maximum time applicable to publication in the daily supplement. For rotary or nonpublished files, the listing should be entered within four hours after completion of the customer's order.

*Intercepting service (traffic office)*

Entries should be made within two hours for manually posted records and 24 hours for printed records after the customer's order has been processed.

Intercepting service is available for:

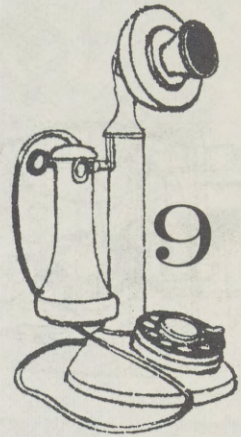
- a. Business Service—life of the directory, but no less than 6 months
- b. Residence Service—90 days

*Directories*

Our customers should receive the new issues of the directory at least three to five days prior to its publication date. (98%) The directories should be printed in a manner that makes them easily readable and understandable to the customer. The combined errors of both our company and the directory company should not exceed 3 per 10,000 listings for the alphabetical directory. The error tolerance for the classified directory, both listings and display, should not exceed 10 per 10,000 items.

The number of copies of the directory that are furnished our customers should be determined as follows:

- a. PBX and PABX customers are to receive as many directories as they request as long as the total does not exceed the total number of stations in service plus one for each attendant or switchboard position.
- b. Other customers' needs are to be determined when the application for new service is proces-

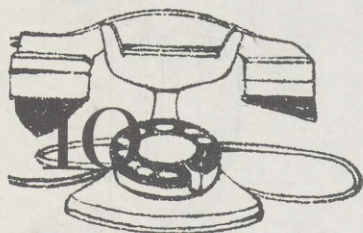




sed and adjusted when additional lines or instruments are added. Unless otherwise specified, customers are to receive directories equal to the number of main lines and extension telephones.

#### *Consultation service*

Once a telephone is placed in the customer's home or office, our job does not cease. Our engineers are constantly developing new equipment and developing new uses for the existing facilities. Our other available services to the customer are also being constantly improved. It is necessary to keep our customers up to date with these advances.



In order to accomplish this aim and to discover latent needs for service that a customer might have, a contact schedule has been developed. This is only a minimum schedule and does not preclude additional contacts if necessary to efficiently service an account. Contact may be made either in person or by telephone.

#### Type of Customer

Nonsystem business  
Small and large system  
business  
Large system business  
Public telephone  
Major accounts

#### Minimum Contact

Customer demand  
  
Once a year  
Once a year  
Once every two years  
On day-to-day basis

#### *Communications Service Advisors*

Communications Service Advisors should meet with customer management as often as is necessary to keep the customer properly informed and advised as to new equipment, etc. In any event, a routine visit should be made at least as often as indicated below:

#### PBX Customers

Cordless (manual or dial)  
1 and 2 position  
3 position  
4 position  
Over 4 positions

#### Minimum Contact

Once a year  
Once a year  
Twice a year  
Three times a year  
Monthly



TWX Customers

1 and 2 stations  
 3 or more stations  
 Private line teletype

Minimum Contact

Once a year  
 Twice a year  
 Once a year

**OUR DAY-TO-DAY OPERATIONS***Dial service*

When a customer places a call, he receives easily recognizable audio signals at certain points in the calling process. These signals indicate to the customer what has happened to the call and what additional action should be taken. Wherever possible, these signals follow commonly used patterns in the telephone industry. Calls originating in our central office receive signals such as these:

Action taken

Customer lifts receiver to make call. or

PABX customer dials a single digit to access exchange line.

Customer dials a line that is busy.

Customer starts to dial before receiving dial tone.

Customer encounters an all-trunk busy condition. (No available connections)

Customer dials a test number.

Signal received and description

Dial tone, a low continuous hum.

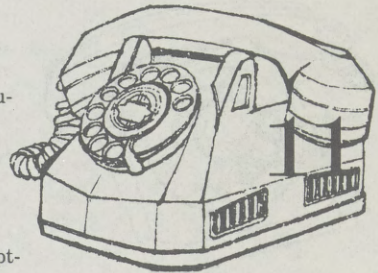
H U M M M M M

Busy tone, low interrupted hum. Buzz...buzz...buzz...

No tone. (No ring) or may ring wrong number depending on when dial tone cuts into dialing process.

All trunk busy tone, a low, rapid interrupted hum. Hum . . . hum . . . hum . . . or  
 A recorded announcement.

Reverse battery test tone, a low hum interrupted at intervals by clicking. Hum...click...hum...





Customer dials a TWX number.

Customer dials a transmission test number.

Customer dials and is connected to number called.

Customer's conversation is being recorded.

TWX test tone, a high pitched whine, continuous 7 seconds, click, silence.

Transmission test tone, a high pitched continuous whine.

Ring-back tone, an interrupted burring tone.

Recording tone, an interrupted beep tone, varying in frequency, with beep at 12 or 15 second intervals.

Recorded announcement that advises customer he has made an error and to check directory for new or correct listing.

"Bat in the ear" sound indicating digits received.

Operator answers and gives referral service.

Customer dials a nonexistent area code, nonexistent prefix, or nonworking number.

Customer dials the access codes for DDD.

Customer dials number that has been changed.

Normally customer will receive an instantaneous dial tone. During busy hours, customers should receive a dial tone within three seconds after picking up the telephone. (98.5%) Customers should successfully complete calls attempted without equipment irregularities, 4 digits or more, (99.4%) and without overflows because trunk or circuits in a desired group are busy. (99%)

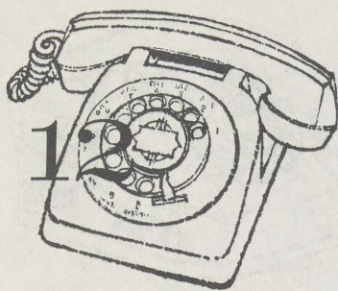
Wrong numbers can be caused by both customers and equipment; however, most calls will be completed. (98.8%)

#### *Dial service assistance*

The dial service assistance operator should answer a customer's call for assistance within 10 seconds from the time the customer hears the first ring. (92%)

#### *Operator intercepts*

If an operator must intercept a customer's call, this





action should be taken within 20 seconds from the time the customer hears the first ring. (92%) There should be no irregularities that adversely affect the accuracy, proficiency and pleasing quality of service by operators in handling these calls. (99.1%)

#### *Operator toll service*

Operators should answer customer calls within 10 seconds from the time the customer hears the first ring. (92%) Most calls will be successfully completed without error or mistakes made by the operator and/or equipment. (98.3%)

In some cases irregularities will be encountered that deviate from the regular operating practice, but they do not affect the accuracy of the customer's service, such as failure to acknowledge, failure to express regret over a customer's report of difficulty, etc. Care will be exercised to avoid these irregularities. (93%) Operator should be accurate within 10 seconds in timing the length of conversations. (95%) Toll circuits should be released within 10 seconds from the time the call is completed. (96.5%)

#### *Direct distance dialing—DDD service*

Objectives have not yet been determined for the industry.

#### *Public telephones*

A sufficient number of public telephones, located in safe, convenient locations, should be made available for public use. At each location there should be:

- a. An appropriate, current and serviceable directory.
- b. Clear, concise information on how to place call.
- c. Telephone facilities in an attractive, clean, well lighted and ventilated condition.
- d. An easily identifiable sign.

When the customer wants to make a call, he should find the public telephone in operational condition. (98%)

A "Sorry, Temporarily Out of Order" sign should be prominently displayed on any equipment that is not yet in service or out of order. The responsibility for this action can be on the installer, repairman, collec-





tor, or certain other company employees, whoever visits the installation first.

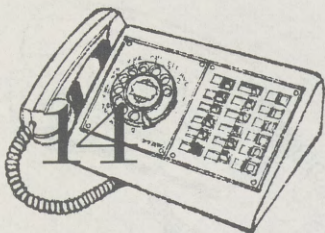
Public telephones should be inspected for appearance and operation each time a scheduled visit is made by a repairman, collector, or certain other company employees. These inspections should be made no less than once every 30 days.

#### *Information service*

Calls to information service should be answered within 20 seconds of the time that the customer hears the first ring. (92%) Customers should experience accuracy, proficiency and a pleasing quality in their calls. (98.3%)

Dial disposition on information calls should be as follows:

- a. Offices with more than 300,000 listings:
  1. Completion within 15 seconds. (18%)
  2. Completion within 90 seconds. (93%)
- b. Offices with less than 100,000 listings:
  1. Completion within 15 seconds. (30%)
  2. Completion within 60 seconds. (95%)



#### *Repair service and complaints*

Any employee who handles repair service calls or service complaints should pay particular attention to cultivating a pleasing telephone personality. He should have the ability to sell himself to the customer. He should assure the customer that he, personally, will act as their agent and will make every effort to resolve their complaint in a quick, satisfactory manner.

Customer calls to repair service should be answered within 20 seconds from the time the customer hears the first ring. (92%) All repair service calls where a trouble is reported will be cleared within established time periods.

<u>Customer</u>	<u>Time Period</u>
Military and governmental services vital to the nation's safety, health, welfare or defense.	Immediately
All other customer services which affect safety, health and welfare.	Immediately



Business and critical users' out-of-service cases reported during normal working hours.	2 hours (95%)
---	---------------

All other users' out-of-service cases and all public telephone trouble complaints reported during normal working hours.	4 hours (95%)
---	---------------

All other complaints.	24 hours (95%)
-----------------------	----------------

All out-of-service complaints received before 5 PM should be cleared on the calendar day that they are reported. (92.8%) This is applicable to Saturdays, Sundays and holidays.

The average number of Total Subscriber Reports to repair service should not exceed 5.2 per 100 stations per month. This average applies company wide.

Subsequent Trouble Reports to repair service should not exceed .5% of Total Subscriber Reports.

Repeated Trouble Reports to repair service should not exceed 1.5% of the Initial Subscriber Reports.

#### TECHNICAL STANDARDS

These standards have been developed to assist engineering and plant personnel in establishing the quality standards for sending and receiving signals.

##### *Resistance standards for exchange cable pairs*

Exchange loops shall have maximum nominal conductor-loop resistance of 1,000 or 1,200 depending on the equipment in the serving central office. Longer loops may be used by employment of long line equipment. All loops are to be maintained to a minimum of 20,000 ohms insulation resistance.

Dials in the field shall operate at a speed within 9 to 11 impulses per second. Dials adjusted in the shop shall operate within 9.5 to 10.5 impulses per second with a mean speed of 10. The break period shall be minimum 58.5%, maximum 61.5%.

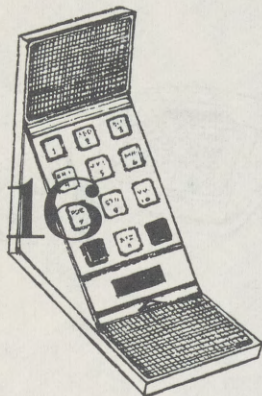
Line and terminal equipment shall be assigned for balanced loading and maximum utilization of central office equipment.

##### *Transmitting or receiving intelligence—voice, data, video*

All exchange pairs terminated beyond 18,000 feet







from the office should be fully loaded and applying the following conditions:

- a. H88 is recommended loading system.
- b. Nominal 0.5 section between the office end and first load point.
- c. Minimum of 0.5 and maximum of 1.5 section between station and last load point.
- d. Individual load section lengths should be within  $\pm 5\%$  of average spacing.
- e. Consider the economics of loading PBX trunks 12,000 feet or longer.

Reference: 1963 USITA Notes on Transmission Engineering and AE Technical Bulletin 533, GSP 889-852-100 and GSP 832-100-070.

On any station, limit length of bridged conductors to 6,000 feet with no bridging between load points. (1963 USITA Notes on Transmission Engineering and GSP 832-100-070, Section 6)

Provide PBX and PBX off-premise extension 1000 cycle transmission loss design per the following conditions:

- a. Limit 1000 cycle transmission loss from serving central office to PBX to 5.0 db or less.
- b. Limit 1000 cycle transmission loss for PBX to any off-premise extension to 5.0 db or less.
- c. Limit 1000 cycle transmission loss from serving central office to any PBX off-premise extension to 8.0 db or less.

If drop wire is warranted for economical considerations, limit its usage to five spans. The resistance and loss of excessive lengths should be accounted for when preparing the loop design. (Plant Instruction No. 3 and the 1963 USITA Notes on Transmission Engineering)

Limit the drop-plus-interior wire to 600 feet. Deviations must not be made without prior authorization of Area Transmission and Protection Engineer. (GSP 832-100-070, Paragraph 6.09)

Install proper type of station apparatus in prescribed zones in order to economically insure satisfactory



transmission. (1963 USITA Notes on Transmission Engineering and GSP 832-100-070, Section 5)

Reduce interference from low frequency power sources.

Keep cross talk and noise volume, as well as return loss, within prescribed limits. (1963 USITA Notes on Transmission Engineering)

Reduce radio frequency induction from radio transmitters.

#### AND IN CONCLUSION. . .

These are our standards, our policies, our aims for serving our customers in the best way we can. They are set forth as minimum guidelines for each member of the General Telephone Company of Indiana, Inc. They apply to all of us from our president to the newest member of the company.

Keep this book as a ready reference. It will answer many of your questions. If any part is unclear, your supervisor will be happy to help you in better understanding the point in question.



Form 442

Personnel Policies and Practices. }  
 Initial Employment. }  
 Revised : February 25, 1965. }

Gen. Instr. 3  
 Section No : 6  
 Page No. 3

2.2.6.4 The original birth certificate is returned to the employee after the Personnel Department obtains a photostatic copy.

2.2.7 *Veterans—Certificate of Honorable Discharge* should be attached if employee indicates previous Military Service.

2.2.7.1 The original Certificate is returned to the employee after the Personnel Department obtains a photostatic copy.

2.2.8 All applicants hired into a *Traffic Operator Assignment* are required to complete the Secrecy of Communication Pledge, Form 29, (Exhibit 8) and Personal Telephone Calls, Form 73, (Exhibit 9) which are attached to the Engagement Form 50.

2.2.9 Applicants under 21 years of age (See General Instruction #3, Section 28).

2.2.9.1 Applicants under 18 years of age must obtain a work permit or employment certificate. The certificate is retained by the hiring supervisor. The Engagement Form 50 should carry a notation that the employment certificate is on file in the local exchange or the District office.

2.2.9.2 Applicants under 21 years of age must sign an agreement (Exhibit 12) which states wages he shall receive for work performed. This form is to be prepared in triplicate, the original of which is to be furnished the employee and a copy is to be retained by his supervisor. The remaining copy shall accompany the Form 50.

2.2.10 Applicants 50 years of age or older, at the time of initial employment in our Company, must understand that they will not be eligible for retirement pension. To acknowledge acceptance of the fact that, because of age limitations, he will not be eligible for pension benefits, the employee must complete Form 81 (Exhibit 10) in duplicate. The original is forwarded with the Engagement Form 50; the duplicate is retained by the employee.

2.2.11 *Employment of Relatives*—Employment of a member of the immediate family of a Department Head, Division Manager, or Supervisor, may be undertaken only upon the written approval of the Director of Personnel. Statement of approval should be transmitted with Engagement Form 50.

2.2.12 Applicants who plan to continue outside selfemployment or employment with any corporation, firm or person after they begin employment with our Company, shall not be engaged without first obtaining written approval of the Department Head or Division Manager. Written approval should accompany Engagement Form 50.

General Telephone Company of Ohio.  
 Subject : Personnel Policies and Practices.  
 Section : Initial Employment.  
 Effective : January 1, 1960.  
 Form No. 29.  
 8-47.

General Instruction #3  
 Section 6  
 Exhibit VIII  
 Page 8

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 (Company)

#### *Secrecy of Communication Pledge*

It is unlawful for any employee of this Company to divulge in any manner the existence, contents or nature of any communication in the transmission of which she participates, except to the person to whom the communication is addressed. It is also unlawful for any employee to divulge in any manner the existence, contents or nature of any communication where the message or its existence has been overheard or intercepted by any means whatsoever.

All requests for any information about a message must be referred to the Business Office.

This means that no operator, under any circumstances shall divulge to anyone anything about any telephone communication of any kind which may come to her notice through the handling of a telephone call.

It means that none of us shall divulge to anyone, this includes members of our families, anything about any telephone communication of any kind which may be overheard by us or in any other way be known to us.



Transgression of these rules will result in immediate dismissal from the service, and may subject the employee involved to a criminal action, inasmuch as the laws provide for severe penalties for infraction.

I have read the above carefully, and I understand my personal responsibility as an employee of the Company.

I understand the consequences which would follow if I fail to do everything in my power to maintain the integrity of the telephone service.

-----  
(Signature)

-----  
(Witness)

-----  
(Date)

Form 73.

-----  
(Company)

#### PERSONAL TELEPHONE CALLS

A telephone has been placed in the operator's quarters for personal use by the operators with the understanding that the privilege of using this telephone will not be abused. Toll calls must not be charged to this telephone.

In no event will an operator be permitted to hold personal conversation from the switchboard. If it should be necessary that an operator be reached by telephone while on duty, the Chief Operator will take the message and give it to the operator, but messages which appear to be of unimportant nature will not be accepted. In certain unusual cases the Chief Operator may furnish relief for the operator and permit her to leave the board and accept the call at a telephone.

All Toll Calls must be ticketed and timed. In no circumstance will a ticket be destroyed.

Establishing a toll connection for a personal call, or for a friend, without preparing a ticket or later destroying the ticket is **THEFT**—just the same as the theft of money or other articles. Such an act will result in the immediate dismissal of the operator concerned.

I have read the above regulations carefully and I fully understand the consequences which will follow if I am in any way responsible for the theft of any toll calls.

-----  
(Witness)

-----  
(Signature)

-----  
(Date)

#### PROTECTION OF PLANT AND SERVICE

(Issued to \_\_\_\_\_, General Telephone Co. of the Southeast, December 1963)

DURHAM, N.C., December 1963.

#### To All Employees:

The vital importance of communications in our national, state and local community life makes it desirable to again emphasize the responsibility of telephone men and women to maintain the secrecy of telephone communications, the rendering of good and efficient service and the protection of telephone plant and equipment.

This booklet contains information on Federal Statutes and your Company's regulations concerning matters relating to secrecy of communications and the protection of plant and service.

We each have the responsibility for—

- (1) Maintaining the secrecy and privacy of communications.
- (2) Proper usage of the equipment with which we work.
- (3) Giving our subscribers the kind of service to which they are entitled.
- (4) Avoiding any inadvertent comment which might convey information that we might gain during the course of our work.



Will you please read carefully the information contained herein so that you will be sure that you understand. Sign the acknowledgment form on the opposite page and return to your supervisor. The booklet is to be kept for your future reference.

Should you have any questions in regard to this, your supervisor will be glad to discuss them with you.

G. A. KLEIN,  
Operating Vice President.  
H. H. DUNCAN,  
Traffic Director.

I have carefully read the booklet entitled "Protection of Plant and Service" and understand its provisions.

I appreciate the necessity for exercising every effort to protect the secrecy of the service rendered by this Company and to safeguard the plant whereby this service is furnished and I recognize my obligation applicable thereto.

-----  
(Signature)

-----  
(Title)

-----  
(Department)

-----  
(Date)

#### SECRECY OF COMMUNICATIONS

#### COMMUNICATIONS ACT OF 1934, AS AMENDED

#### *Title 47, United States Code, Section 605: Unauthorized Publication of Communications*

No person receiving or assisting in receiving, or transmitting, or assisting in transmitting, any interstate or foreign communication by wire or radio shall divulge or publish the existence, contents, substance, purport, effect, or meaning thereof, except through authorized channels of transmission or reception, to any person other than the addressee, his agent, or attorney, or to a person employed or authorized to forward such communication to its destination, or to proper accounting or distributing officers of the various communicating centers over which the communication may be passed, or to the master of a ship under whom he is serving, or in response to a subpoena issued by a court of competent jurisdiction, or on demand of other lawful authority; and no person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person; and no person not being entitled thereto shall receive or assist in receiving any interstate or foreign communication by wire or radio and use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto; and no person having received such intercepted communication or having become acquainted with the contents, substance, purport, effect, or meaning of the same or any part thereof, knowing that such information was so obtained, shall divulge or publish the existence, contents, substance, purport, effect, or meaning of the same or any part thereof, or use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto: Provided, That this section shall not apply to the receiving, divulging, publishing, or utilizing the contents of any radio communication broadcast, or transmitted by amateurs or others for the use of the general public, or relating to ships in distress.

#### *Title 47, United States Code, Section 501: General Penalty*

Any person who willfully and knowingly does or causes or suffers to be done any act, matter, or thing, in this chapter prohibited or declared to be unlawful, or who willfully and knowingly omits or fails to do any act, matter, or thing in this chapter required to be done, or willfully and knowingly causes or suffers such omission or failure, shall, upon conviction thereof, be punished for such offense, for which no penalty (other than a forfeiture) is provided herein, by a fine of not more than \$10,000 or by imprisonment for a term of not more than two years, or both.



## COMPANY REGULATIONS

*Toll Operating Practice—Secrecy of Telephonic Communications*

An essential part of telephone service is privacy . . . When two or more telephones are connected together and conversation starts, the connection is for the exclusive use of the customers involved.

When at the switchboard, you necessarily hear parts of conversations when you monitor as required by the Practice, but you must never monitor messages unnecessarily or longer than is required. Any conversation so heard or the nature of any message must never be revealed outside the office nor as a rule discussed within the office.

Not only should you never repeat any part of a conversation or the nature of any message, but the fact that there has been a call from one telephone to another should be regarded as confidential except as it is necessary to discuss a call in the regular course of the telephone business.

You must not use any information derived from a message which you have handled or have acquired in any other manner as an employee of the Company.

You must never permit any unauthorized person to listen to any telephone conversation.

You must not discuss communication arrangements made between the Company and its customers except as required for the proper handling thereof.

You must not give any unauthorized person any information regarding the location of equipment, trunks, circuits, cables, etc., or regarding ticket records of calls, etc.

Your attention is called to the fact that the law makes it an offense, punishable by a fine or imprisonment, to violate the secrecy of telephonic communications.

*Teletypewriter operating practice—Secrecy of teletypewriter communications*

Privacy is an essential part of teletypewriter service. After two or more teletypewriters have been connected and communication has started, the connection is for the exclusive use of the subscribers involved.

When monitoring as required by the practice, you will necessarily see parts of communications. You must never reveal any communication, or the nature of any communication so observed outside the office, nor discuss it within the office.

Not only should you never repeat any part of a communication or the nature of any communication, but you should consider as confidential the fact that there has been a call from one station to another, except as it is necessary to discuss a call in the regular course of the teletypewriter business. Safeguards should be provided against the unauthorized reading or removal of tape used in the handling of teletypewriter business. Also, used tape should be removed from receptacles at locally specified times and destroyed in accordance with local directions.

You must not use any information derived from a teletypewriter call which you have handled, or acquired in any other manner as an employee of the Company.

You must never permit any unauthorized person to see any part of a teletypewriter communication.

You must not discuss communication arrangement made between the Company and its subscribers except as required for the proper handling thereof.

You must not give any unauthorized person any information regarding the location of equipment, trunks, circuits, cables, etc., or regarding ticket records of calls.

Your attention is called to the fact that the law makes it an offense, punishable by a fine or imprisonment, to violate the secrecy of teletypewriter communications.

NOTE.—These regulations, although written primarily for traffic operating people, apply equally to all employees.

## TITLE 18—UNITED STATES CODE CRIMES AND CRIMINAL PROCEDURE

(Approved June 25, 1948; effective September 1, 1948)

## CHAPTER 37—ESPIONAGE AND CENSORSHIP

*Section 793: Gathering, transmitting or losing defense information*

Whoever, for the purpose of obtaining information respecting the national defense with intent or reason to believe that the information is to be used to the injury of the United States, or to the advantage of any foreign nation, goes upon,



enters, flies over, or otherwise obtains information concerning any vessel, aircraft, work of defense, navy yard, naval station, submarine base, fueling station, fort, battery, torpedo station, dockyard, canal, railroad, arsenal, camp, factory, mine, telegraph, telephone, wireless, or signal station, building, office, or other place connected with the national defense, owned or constructed, or in progress of construction by the United States or under the control of the United States, or of any of its officers, departments or agencies, or within the exclusive jurisdiction of the United States, or any place in which any vessel, aircraft, arms, munitions, or other materials or instruments for use in time of war are being made, prepared, repaired, or stored, under any contract or agreement with the United States, or any department or agency thereof, or with any person on behalf of the United States, or otherwise on behalf of the United States, or any other prohibited place so designated by the President by proclamation in time of war or in case of national emergency in which anything for the use of the Army or Navy is being prepared or constructed or stored, information as to which the President has determined would be prejudicial to the national defense; or

Whoever, for the purpose aforesaid, and with like intent or reason to believe, copies, takes, makes, or obtains, or attempts to copy, take, make or obtain, any sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, document, writing, or note of anything connected with the national defense; or

Whoever, for the purpose aforesaid, receives or obtains or agrees or attempts to receive or obtain from any person, or from any source whatever, any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, or note, of anything connected with the national defense, knowing or having reason to believe, at the time he receives or obtains, or agrees or attempts to receive or obtain it, that it has been or will be obtained, taken, made or disposed of by any person contrary to the provisions of this chapter; or

Whoever, lawfully or unlawfully having possession of, access to, control over, or being intrusted with any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, or note relating to the national defense, willfully communicates or transmits or attempts to communicate or transmit the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it on demand to the officer or employee of the United States entitled to receive it; or

Whoever, being intrusted with or having lawful possession or control of any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, note, or information relating to the national defense, through gross negligence permits the same to be removed from its proper place of custody or delivered to anyone in violation of his trust, or to be lost, stolen, abstracted or destroyed—  
Shall be fined not more than \$10,000 or imprisoned not more than ten years, or both.

*Section 794: Gathering or delivering defense information to aid foreign government*

(a) Whoever, with intent or reason to believe that it is to be used to the injury of the United States, or to the advantage of a foreign nation, communicates, delivers, or transmits, or attempts to communicate, deliver, or transmit, to any foreign government, or to any faction or party or military or naval force within a foreign country, whether recognized or unrecognized by the United States, or to any representative, officer, agent, employee, subject, or citizen thereof, either directly or indirectly, any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, note, instrument, appliance, or information relating to the national defense, shall be imprisoned not more than twenty years.

(b) Whoever violates subsection (a) in time of war shall be punished by death or by imprisonment for not more than thirty years.

(c) Whoever, in time of war, with intent that the same shall be communicated to the enemy, collects, records, publishes, or communicates, or attempts to elicit any information with respect to the movement, numbers, description, condition, or disposition of any of the armed forces, ships, air craft, or war materials of the United States, or with respect to the plans or conduct, or supposed plans or conduct of any naval or military operations, or with respect to any works or meas-



ures undertaken for or connected with, or intended for the fortification or defense of any place, or any other information relating to the public defense, which might be useful to the enemy, shall be punished by death or by imprisonment for not more than thirty years.

(d) If two or more persons conspire to violate this section, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be subject to the punishment provided for the offense which is the object of such conspiracy.

*Section 795: Photographing and sketching defense installations*

(a) Whenever, in the interests of national defense, the President defines certain vital military and naval installations or equipment as requiring protection against the general dissemination of information relative thereto, it shall be unlawful to make any photograph, sketch, picture, drawing, map or graphical representation of such vital military and naval installations or equipment without first obtaining permission of the commanding officer of the military or naval post, camp, or station, or naval vessels, military and naval aircraft, and any separate military or naval command concerned, or higher authority, and promptly submitting the product obtained to such commanding officer or higher authority for censorship or such other action as he may deem necessary.

(b) Whoever violates this section shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

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Mr. J. Edgar Hoover, Director, Federal Bureau of Investigation, recently stated:

"Be alert. The greatest defenders against sabotage are the loyal American workmen who are producing the materials and weapons for our defense. They can be the 'watch dog' of defense in every walk of life."

Each one of us is truly the watch dog of communications so vital to the production of the materials and weapons for our defense.

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Outward Toll  
Initial Training Guide

ORIENTATION—FIFTH DAY

1. *Enrollment Cards.*—Ask your students to return Blue Cross and Group Life enrollment cards. Forward the signed cards to your local Personnel Representative. The only card you have returned previously is the Major Medical.

2. *Jury Duty.*—(See PE 981.005).—(a) Explain if employee receives summons for jury duty he must bring it to you immediately so exemption may be initiated.

(b) In some cases, telephone employees are exempt from liability to act as jurors. (Exception: Federal and State jury duty exemption applies only when employee's presence on job is essential to service requirements.)

3. *Secrecy of Communications.*—(See AD 900.125).—(a) Review and stress the importance of Secrecy of Communications.

(b) Have the students read the letter on next page.

4. *Code of Ethics.*—Review material in packet with employee.

5. *Job Requirements.*—(a) Job description—Answer signals, establish connections and provide information and assistance through the operation of Toll, Information and Mobile boards.

An employee must continually serve subscribers in a pleasing, tactful and courteous manner.

(b) Wage schedule—minimum and maximum wage rates (see Agreement—Schedule 3).

(c) Importance of the job in department and Company operations.

(1) *Service.*—The traffic department is responsible for service; therefore, it is important the operator be courteous and accurate as well as maintain speed in the execution of her job duties to insure the highest quality of efficiency.

(a) Answer signals promptly.

(b) Good tone of service.

(c) Accuracy in recording customer orders.



## SECRECY OF COMMUNICATIONS

This bulletin is issued to remind you, and those who work with you, of one of the underlying principles of telephone service—privacy. It is something that our customers, and the public, rightfully expect and is something that we are pledged to respect. Privacy, or the Secrecy of Communications, is truly an essential feature of telephone service as each employee, in every department, should be fully aware.

Safeguarding the privacy of our service is the duty of the company and of every employee. In fact, *the secrecy of communications is protected by laws imposing punishment by fine and imprisonment for its violations*. So successfully have we lived up to this code of conduct that the people served by our company—residence customers, people in business, and the various governmental groups—have great confidence in us. This is as it should be.

The value of the service would be much less if customers felt their privacy intruded upon. They pay for the service and expect us to protect their interests in return. This means that unauthorized persons must not be permitted to listen to any telephone conversation, and that employees must not monitor any connection more than is necessary for its proper service supervision or maintenance. It also means that employees must not discuss calls or messages or the fact that they were made or sent. Records of customer communications are also considered private, and shall not only be carefully prepared but properly protected so that only authorized persons shall have access to them.

Protecting our service not only covers actual telephone and telegraph messages and associated records, but also includes the locations of equipment, trunks, circuits, cables, etc. Employees must not give any unauthorized person any information whatever regarding these locations.

Many customers hold important conversations over the telephone because of their confidence in the secrecy of service. Many important customer installations are accessible to our forces in the course of their regular jobs. Operators, accounting clerks, service representatives, installers, our construction forces and engineers, as well as employees engaged in the various staff activities are all involved in this matter of secrecy. We, as individual employees, safeguard the secrecy of communications by being careful not to reveal any information entrusted to us and by never permitting any person outside the company to have access to such information.

Senator LONG. So our record will be proper in continuity, without objection the answers that you filed to the questionnaire the committee has submitted to you will be placed in the record at this time.

(The document referred to follows:)

RESPONSE OF GENERAL TELEPHONE & ELECTRONICS CORP. TO QUESTIONS ATTACHED TO LETTER OF AUGUST 11, 1966 FROM THE SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE OF THE COMMITTEE ON THE JUDICIARY OF THE U.S. SENATE

The following written responses are submitted to the questions referred to above and will be amplified in the oral testimony to be presented by General Telephone & Electronics Corporation before the Subcommittee on Administrative Practice and Procedure.

For convenience, the questions are repeated before the answers.

*Question 1.*—What precautions has the Company taken to safeguard the privacy of communications?

*Answer.*—1. Each new employee, as a part of his orientation to the company and the job, receives a copy of a brochure, "Our Code of Business Ethics," which contains a summary of state and federal laws concerning privacy of communications.

2. Other employee orientation material also emphasizes the vital importance of safeguarding privacy of communications.

3. During orientation of new employees the vital importance of safeguarding privacy of communications is reviewed.

4. The vital importance of safeguarding privacy of communications is reviewed periodically with all levels of employees.

5. The importance of safeguarding privacy of communications is often brought to the attention of personnel through permanent posting of notices on bulletin



boards, periodic articles in company publications, and periodic distribution of napkins, coffee coasters and other similar items.

6. Access to telephone company central office buildings, equipment buildings and rooms, cable vaults, customer files and file storage rooms, and vaults containing other proprietary information and equipment, is restricted. These buildings, areas, rooms and vaults are locked when not in use. In some areas, uniformed guards are used.

7. Unscheduled and unannounced physical security checks are periodically made of telephone company facilities both during and after normal working hours.

8. Unrecognized switchmen, linemen and others are spot-checked and challenged for their identity and work assignments both during and after normal working hours.

9. All suspected breaches of privacy of communications are promptly investigated.

*Question II.*—In the company's estimate, how secure is the telephone system?

*Answer.*—The telephone system is not designed as a "secure" communication system as the term "secure" is used by the military. It does, however, provide the customer with a quality voice communication system having a high degree of privacy.

*Question III.*—"Service Observing":

(a) The extent, purposes and details of service observing in the following categories:

- (1) Observation of duties and performance of "clerical personnel" (including but not limited to "order takers" and "bill collectors and adjusters.");
- (2) Observation of duties and performance of "operating personnel" (including but not limited to "repair", "information", "test", "long distance", "special operator" personnel);
- (3) "Random" service observing for "quality control".

*Answer.*—For convenience, in these answers we will use the term "service observing" to mean the observation by telephone company employees of calls between other telephone company employees and a customer, and the term "monitoring" to mean any observation by a telephone company employee which permits overhearing any portion of a call between two customers.

In 1965, 46,000 out of 8,435,000 calls to General System business offices were subject to service observing. These calls involved employees of the telephone company commercial departments. None of these instances involved any monitoring.

The following table sets out the approximate number of calls which were service observed or monitored in connection with the operation of the traffic departments.

Category	Approximation of calls "Service observed" in 1965	Approximation of completed "Service observed" calls in 1965	Approximation of 1965 annual volumes of calls originated (or handled)	Percent of "Service observed" calls to total	Percent of completed "Service observed" calls to total
(a) Local dial.....	944,000	637,200	10,928,741,000	0.0087	0.0058
(b) DDD (outward).....	164,700	-----	188,709,000	.087	-----
(c) Outward toll.....	355,900	253,400	245,377,000	.145	.103
(d) Information.....	190,800	-----	170,348,000	.108	-----
(e) Intercept.....	12,900	-----	14,309,000	.090	-----
(f) PBX operators <sup>1</sup> .....	36,250	-----	117,000,000	.213	-----
(g) Total.....	1,704,550	-----	11,570,484,000	.0147	-----

<sup>1</sup> At customer request only.

Approximately 5,000 calls to repair service were also observed by the plant department.

No monitoring was involved in items d, e and f in the table, and monitoring occurred on items a, b and c only to the extent necessary to determine that the call had been completed to the number called.

In addition, monitoring may have occurred in instances where it was necessary for an employee to check a line to determine whether or not it was in use before commencing work on the line and in certain instances where customer



complaints had been made concerning transmission quality and testing equipment available did not indicate any equipment failure. In such unusual circumstances monitoring of the line under conditions of actual use may have been used to isolate the equipment difficulties.

All service observing or monitoring in categories a, b and c in the table above are done only on a random basis and only on outgoing trunklines. No individual subscriber lines are observed or monitored under this practice.

(b) Are there any categories of lines which are exempt from "service observing" and, if so, which categories?

*Answer.*—Since service observing or monitoring of calls in the categories a, b and c in the table above is performed only on trunks, no categories of lines are either specifically selected or exempted from this random process.

(c) Is "service observing" specifically approved by any federal or state authorities and, if so, when and by whom was such approval given?

*Answer.*—We are not aware of any order of any state or federal agency approving or disapproving the service-observing or monitoring practices outlined above.

(d) Does the Company "service observe" on pay telephones?

*Answer.*—Since the practices outlined above involve observation of calls made directly to telephone company offices or involve random selection of calls, pay telephones would be included in such observation.

(e) An approximation of the number of calls which were "service observed" by the Company in 1965?

*Answer.*—The answer to this question is set forth in the answer to III(a) above.

(f) How many employees of the Company were engaged in the process of "service observing" in 1965?

*Answer.*—During 1965, there were 28 employees in the commercial department and 229 employees in plant and traffic departments engaged in service observing, including employees engaged in computing and summarizing service observing data.

(g) Are such personnel subject to any security clearance?

*Answer.*—Personnel involved in service observing would not be subject to any security clearance since they would not have access to Government information requiring such clearance. The personnel are carefully selected in accordance with the company's normal employment practices.

(h) What instructions are given to service observers re interception of information which might indicate the commission of a crime?

*Answer.*—There is no policy on instructing service observers concerning interception of information which might indicate the commission of a crime, since service observers do not perform the function of listening to customer conversations.

(i) In connection with service observation, are any conversations recorded and, if so, under what circumstances and for what reasons? Is a beep tone always used?

*Answer.*—Recorders are used in observing the conversations between telephone company employees and customers in certain instances where this may be more economical than live service observing. No monitoring is involved in these instances. In connection with the checking of equipment functions, the first twelve seconds of conversations referred to in categories a, b and c in the table in the answer to question III(a) may be recorded in order to establish that the equipment has satisfactorily completed the call to the party. Beep tones are not used on this recording equipment.

(j) In May 1966 the Company changed its policy re service observation of the substance and content of some calls; what was the reason and result of this change? Did the Company consult with the FCC or other companies re this change?

*Answer.*—In May 1966 the General System issued a revision in the business office service observing practice to eliminate the recording by speed writing of conversations between the customer and the company employee and the use of a checklist instead. This change was made to save time and increase the effectiveness of the service observing. This was done without consultation with the FCC or other companies outside the General System.

(k) To what extent would the Company's efficiency be impaired by curbs on the various types of service observing?

*Answer.*—It is the opinion of management personnel responsible for the traffic, commercial and plant functions in the General System that the elimination



of service observing and monitoring to the extent it exists would substantially impair both the service rendered by employees to the customer as well as the quality of the communication service provided by the equipment of the telephone company.

*Question IV.*—Rental of service observing equipment to subscribers:

(a) What different types of equipment can subscribers lease to monitor their own lines?

*Answer.*—For purposes of answering Question IV, rental of service observing equipment will be deemed to involve equipment permitting a customer to observe conversations between the customer's employees and the public. The equipment could not be used for monitoring as we have defined it. A customer can subscribe for various types of standard telephone equipment which may be used for service observing in connection with business service. The particular installation is generally designed and assembled by the local telephone company.

(b) What limitations, if any, are there on the type of subscribers who can lease service observing equipment? (How about a hospital? A hotel? A bank? A public authority? An agency of the Federal Government?)

*Answer.*—Any telephone customer having business service can subscribe for equipment which may be used for service observing.

(c) An estimate of the number of the Company's subscribers who leased service observing equipment in 1965.

*Answer.*—There were 65 customers leasing service observing equipment from General System operating companies in 1965.

(d) Estimate the percentage of the Company's revenues derived from the lease of service observation equipment.

*Answer.*—It is estimated that less than five one thousandths of 1% of the operating revenue of the telephone companies was derived from the lease of service observing equipment in 1965.

(e) Does the Company require the imposition of any security measures on subscribers to whom service observation equipment is leased for the prevention of invasions of privacy and, if so, describe the security measures.

*Answer.*—The telephone company does not impose any security measures on its subscribers with respect to the use of any equipment provided, so long as the equipment is not used in violation of the law or the company's tariffs.

(f) Are subscribers' telephone instruments especially marked to show that they are subject to monitoring?

*Answer.*—Service observing equipment could only be used for observing calls between the customer subscribing to the equipment and third parties and not between two third parties. The subscriber's telephone instruments are not especially marked so far as we know.

(g) Does the Company do any monitoring for subscribers? Or does the Company teach subscribers' employees how to use the monitoring gear?

*Answer.*—The telephone companies do not perform service observing for their subscribers except for observing the performance of PBX operators at the customer's request. They will instruct their subscribers in the use of any equipment provided to them.

(h) Will the Company supply a list of current subscribers who have leased service observation equipment in two of the following states: Massachusetts, New York, Illinois, Missouri, Florida, Louisiana and California?

*Answer.*—At December 31, 1965 there were 53 customers subscribing to service observing equipment in California and 12 in Florida. The customers subscribing to such equipment were involved in the following businesses: transportation, magazine subscriptions, utility service, credit bureau and collection agency, university, answering service, automobile dealer, business machine company, catalog order business, realty business.

*Question V.*—What procedure or procedures does the Company follow when employees discover the presence of extraneous equipment which might be used either for wiretap or eavesdropping purposes? To whom is a report made? Is the subscriber told and, if so, under what circumstances?

*Answer.*—When an employee discovers a wiretap, procedure requires that the company's security department be notified, that the Federal Bureau of Investigation and the appropriate local law enforcement agency be notified and that the device be disconnected unless placed by a law enforcement agency pursuant to court order under applicable law. If a customer inquires concerning a wiretap which has been discovered, he will be directed to the law enforcement agency which has been informed.



*Question VI.*—Cooperation with law enforcement agencies:

(a) Under what circumstances, if any, are facilities made available by the Company to law enforcement personnel to monitor and /or record telephone communications?

*Answer.*—Under no circumstances are facilities for monitoring knowingly made available except pursuant to a court order. Facilities for recording are only made available pursuant to filed tariffs.

(b) Under what circumstances is toll information made available to law enforcement agencies?

*Answer.*—Toll records are made available to law enforcement agencies only upon receipt of a subpoena from an appropriate authority.

(c) Under what circumstances is Pen-register information made available to law enforcement agencies. What other uses are made of Pen registers? Approximately how many Pen registers are in the possession of the Company at this time?

*Answer.*—Information obtained from the use of a Pen register is made available to law enforcement agencies only upon receipt of a subpoena. Pen registers are used by the plant department of the telephone company to determine calling patterns so that adequate plant may be engineered to meet service requirements. They are used to instruct customers in the use of dial equipment. They may also be used by the security department of the telephone company to determine fraudulent use of telephone service. The telephone companies of the General System have 69 Pen registers.

(d) What position has the Company taken on the question of the constitutionality of State statutes which purport to legalize wiretapping for law enforcement purposes?

*Answer.*—The telephone company does not attempt to determine the constitutionality of State statutes but leaves this matter to the courts.

(e) Does the Company's commercial department report "over-busy" circuits to either the legal department or to law enforcement agencies? Is there monitoring of such circuits to determine possible law violations and, if so, who does the monitoring?

*Answer.*—The commercial department does not report "over-busy" circuits to either the company legal department or law enforcement agencies and there is no special monitoring of such circuits to determine possible law violations.

(f) When leased lines are made available to either law enforcement or non-law enforcement personnel, is any effort made to determine whether or not the line is to be used for eavesdropping purposes?

*Answer.*—Leased lines are provided in accordance with the applicable tariff provisions. Generally, the originating and terminating equipment must be provided by the telephone company. The telephone company does not, however, determine the specific use to be made of facilities provided by it.

*Question VII.*—What is the Company's present estimate of the efficacy of the FCC's "beep tone" regulations.

*Answer.*—It is believed that the "beep tone" regulations of the FCC are effective insofar as recording equipment electrically connected to the telephone system is concerned. There is substantial advertising of recording equipment which may be purchased to record telephone conversations using inductive or acoustical coupling and not employing a beep tone. The telephone company generally has no way of knowing the extent to which such equipment is used.

*Question VIII.*—What restrictions, if any, are placed on the leasing of lines to persons who operate answering services? How about a person with a long criminal record?

*Answer.*—The telephone company is required to provide leased line service to any persons operating telephone answering services in accordance with the filed tariff provisions. The telephone company makes no investigation to determine whether or not the individual has a criminal record, and generally such information would not be available to the telephone company.

*Question IX.*—How and to what extent does an increasing lack of privacy adversely affect the Company?

*Answer.*—The automation of the telephone service has substantially increased, rather than decreased, the privacy of communications. If, contrary to this trend, steps were taken which decreased the privacy of communications in such a way as to adversely affect the customers of the telephone company, the telephone company could lose revenue and would undoubtedly be subject to customer



complaints, which would be contrary to the best interest of the telephone company since it spends very substantial sums of money each year to improve service and customer relations.

*Question X.*—What suggestions can the Company make as to prospective federal legislation in the fields of wiretapping and eavesdropping?

*Answer.*—The General System believes that legislation providing greater protection against wiretapping would be desirable. While it is recognized that there may be a need for certain well-defined exceptions to satisfy the requirements of law enforcement and justice, we are not qualified to suggest the nature and extent of such exceptions. We do believe that any such legislation should be so drafted as to avoid impairing the service observing and monitoring practices of the telephone company to the extent such practices are necessary to provide adequate telephone service. Since the question of eavesdropping does not directly involve the provision of telephone service, we do not believe it is appropriate for the telephone company to comment on legislation in this field.

Mr. GAGE. But privacy of communications is relative—not absolute. The semaphore is more “private” than smoke signals. The party-line telephone is more “private” than either.

Senator LONG. I might note, Mr. Vice President, from the testimony yesterday, your competitor—the other large one—A.T. & T., seems to take great pride in the fact that they didn’t have party lines near as much as they used to. They have made a great stride toward doing away with wiretapping and bugging. It seems to me just to be a normal course of events and not any great effort on their part to provide privacy for the citizens.

Mr. GAGE. Technological developments in the telephone industry have tended—indeed, in many instances have been specifically directed—to improving privacy. Legend would have it that one of the founders of our telephone manufacturing subsidiary, Automatic Electric Co.—Mr. Strowger, an undertaker—was impelled to invent the dial telephone by the suspicion that calls to him were being diverted by the operator to a competitor. As shown on exhibit A, over 99 percent of General System telephone customers can now originate and receive local calls without requiring an operator to establish the connection. At the end of 1965, 57.4 percent of the main telephones served by the General Telephone System were equipped for outward direct-distance dialing—thereby permitting those subscribers to dial directly their station-to-station long-distance calls.

By the end of 1966, it is estimated that the percentage of telephones equipped for direct-distance dialing will approximate 65 percent.

Or take the matter of multiparty lines. At the end of 1956 the number of General System residence customers having multiparty service—and by “multiparty” service here I mean in excess of four parties on the line—exceeded the number having single-party service. The ratio by the end of 1965 has become more than 2 to 1 in favor of single-party service.

Along with these service improvements which improve customer convenience as well as privacy of communications there are others—required for customer convenience—that never had and probably never will improve privacy. The obvious example is the extension telephone—be it in the bedroom, den, or kitchen. Another is the loudspeaking telephone. Or the telephone-answering service. Or mobile telephone service—although here introduction of dial mobile service—improved mobile telephone service as it is called—may tend to make the service more secure.



In other words, customer demands for service convenience in many instances outweigh the customer's felt need for security of communications. Cost considerations, too, in many instances, preclude the offering of a totally secure service at a rate the subscriber is willing or able to afford. Thus good telephone service involves a blending of convenience and economy with the goal of security of communications.

Within the telephone company, efforts to strike this balance or blending include various quality control programs and other practices which—in our view—do not impair privacy of communications. At all times our system takes all possible steps to avoid any disclosure or misuse of information being transmitted between customers. The procedures are designed to assure good telephone service.

Discussion of our telephone company practices and procedures will be clearer if I may define two terms as I will use them:

- (1) Service observing; and
- (2) Monitoring

By "service observing" I mean the sample observation by telephone company employees of calls between other telephone company employees and a customer, for the purpose of observing and improving the service performance of telephone company employees.

By "monitoring" on the other hand, I mean an observation by a telephone company employee which permits overhearing any portion of a call between two customers for the purpose of assuring that optimum communications service is provided to those and other customers.

Service observing, as I have defined it, involves three departments of our telephone companies—the commercial department, the traffic department, and the plant department. Viewed from the standpoint of the customer these involve respectively, the three principal (if not sole) contacts the average customer has with the telephone company—the first—commercial—being the business office, where telephone company employees take orders from customers for items of service or equipment, are involved in the collection of customer bills, answer inquiries from customers concerning toll calls or other billing matters, handle customer complaints, prepare adjustment vouchers and advise other departments on customers questions and needs.

The second—traffic—is represented by the friendly, courteous, and efficient voice of the operator and, additionally, calls dialed directly by the customer.

The third—plant—involves customer contacts with repair service.

I have noted before the decline of operator assistance in the completion of local and long-distance (direct-distance dialing) calls. It might be said that as a corollary of this technological service development there has been an increase in the need for traffic service observing. Where, before, the presence of the operator assumed satisfactory calling—there is now the need for human observation on a random sampling basis.

But let us first discuss commercial department or business office, service observing.

To fully understand commercial department service observing we must first define the basic responsibility of the telephone company



business office—to serve as a liaison between the customer and other departments of the telephone company. The business office represents the customer to the company as well as representing the company to the customer. In this capacity, it must constantly keep before it the objective of furnishing high-quality service. There can never be any doubt that the business office exists to be of service.

Service observing is the means by which the quality of service rendered by the employees in the business office to the customer is appraised, directing attention to those areas where improvement can be made.

This service observing involves only a random sampling of business office calls that concern telephone company matters.

During 1965, 1,571 business office employees were included in the service-observing program which represented 55 percent of the total commercial employees in the 84 business offices observed.

In the same period we observed 46,000 customer calls out of a total of 8,435,000 calls received in the business offices. This sample, although appearing relatively small, is still of sufficient size to permit appraisal of the quality of service the business office employees are rendering to the customer. The sample is based on a random sampling of calls striving to obtain a representative distribution of calls—

- (1) Occurring on the various business days of the month.
- (2) Occurring during the various hours of the day.
- (3) Handled at each answering position.
- (4) Of each of the various types of calls, that is, order, billing, toll, and so forth.

This, then, does permit a random sampling of contacts for quality control.

Business office service observing is performed only on those lines classified as incoming business office lines and terminating at positions where employees are assigned to answer customer calls. A customer line is not observed until it is connected to an answering position. If a customer should place a call that terminates elsewhere in the business office it would not be subject to observation.

There are other lines in every business office which are not observed. Such lines are interoffice lines, supervisor's lines, and lines for use of groups whose work function does not call for them to have any contact with the customer. Such lines may be used for personal calls. Moreover, the companies provide lines in employee lounge areas for the placement of personal calls. These lines are not observed. Observing is not done on any calls over coin telephones within the business office. If a call is received in the business office from a customer calling from a coin telephone, this call could be observed in the same manner as any incoming customer call.

What specifically does service observing provide?

1. It is necessary for training.

Service observing is the only effective means we know for determining training needs. Observation of customer calls will indicate areas where the business office employees require additional training on company practices, policies, or procedures; where training material requires updating to meet changing conditions; where revision is needed on subjects taught in initial or continuation training; where coaching



by supervisors may be improved. Through pinpointing training needs, specific areas may be covered rather than preparing and presenting a program of a broad general nature which might not be warranted. This, of course, helps control costs. Business office training costs in 1965 amounted to \$1,316,000. Although this represents only a part of our direct business office wage expense of \$19,575,000, these dollars are of sufficient magnitude to merit careful control. Quality customer service certainly demands well-trained, knowledgeable employees.

2. It provides supervision.

Supervisory effectiveness is greatly improved through the use of service observing. Communications between supervisors and employees can be made more meaningful. It assists in force programming so that workloads may be properly distributed and an adequate force maintained to handle customer contacts. It further indicates where assistance is most needed. For example, rearrangements to improve availability of files, positions, et cetera, may be the solution to improving customer service. Supervisors are in a much better position to make such management decisions when they have service-observing information available.

3. It improves personnel relations.

A more satisfying work experience is enjoyed by employees if they can be assisted in their job performance. The pressures created by customer callbacks can be reduced if the contact can be handled effectively the first time. Employees gain confidence in themselves and in their work if they know that steps are being taken to help them.

During the year 1965 we had 28 commercial department employees engaged in the process of service observing. These are management employees functioning under the job title of "service observer."

None of the service observing performed by the commercial department involves any monitoring.

Conversations between customer and commercial department employees are sometimes recorded. From a training standpoint it is an excellent device for an employee who may be having difficulties in customer-contact work. She can listen to herself and usually recognize where she can improve the tone of service she is rendering.

For outlying offices, customer contacts can be recorded and then be forwarded to a central point where appraisal can be made of service quality. This permits cost savings and yet allows for determining areas requiring improvement.

Customer contacts may be recorded on a selected basis for individual training or for an entire business office for appraisal purposes. In none of these instances is a beep tone used.

Use of the "beep" tone would defeat the entire concept of service observing in that we want normal flow of communication between the customer and the employee. Service observing is designed to assist in the elimination of problems through better training, improved supervision, practice and policy revisions, and others. This cannot be done if we create an unnatural atmosphere such as a "beep" tone repeatedly breaking into the conversation.

All recordings of customer contacts are erased in the presence of the employee concerned or are erased by reusing at the time a new contact is recorded.



Senator LONG. Mr. Gage, let me interrupt you a moment. Is the failure to buzz the "beep" tone possibly because it is in violation of the FCC regulation?

Mr. GAGE. Sorry. I didn't understand.

Senator LONG. The failure to use the "beep" tone; is there a possibility that is a violation of the FCC regulations?

Mr. BROPHY. Senator Long, may I respond to that? I don't believe it is, since the provision of the "beep" tone is in the tariff requirements and the facilities provided by the telephone company for its own use are not provided under the filed tariff.

Senator LONG. It is your judgment, then, this is not.

Mr. BROPHY. That would be my judgment; yes.

Senator LONG. But isn't the reason for the "beep" tone to notify the person that there is someone else listening in on the conversation or that it is being recorded?

Mr. BROPHY. Yes; that is obviously the purpose.

Senator LONG. It looks like it might possibly apply or it should apply anyway, especially when the conversation is being recorded.

Mr. BROPHY. There is no regulation I know of at the moment that requires it.

Senator LONG. Even though it is being recorded?

Mr. BROPHY. Excuse me?

Senator LONG. Even though it is being recorded?

Mr. BROPHY. So far as I know there is no regulation that would require it under those circumstances.

Senator LONG. You may proceed.

Mr. GAGE. This, as all other aspects of service observing, is primarily a training tool. It is the means by which we find our service problems and then take the necessary steps to correct.

We have recently revised our business office service-observing practice. In the past, the entire conversation between the customer and the company employee was recorded either on tape or in speedwriting by the service observer. Obviously this was not the most efficient way to observe. Training time for new observers was considerably lengthened by having to learn speedwriting. It was, therefore, decided to use a checklist and eliminate speedwriting.

We were also able to combine several forms (customer comments, sales, and service) into one.

In addition, certain details in our original practice—observing face-to-face contacts in the public office—were found to be less important today. The greatest volume of customer contacts are now received over the telephone and here is where the greatest training needs exist.

These changes in service-observing practices have made service observing more efficient and the information derived therefrom more useful.

I shall now proceed to traffic department service observing which can be placed into two major categories. One is the practice of taking a random sample of calls placed with an operator or dialed directly by a customer in order to obtain a measurement of the overall quality of service rendered to the customer by the central office equipment or the overall level of service given by the operator office under supervision. No attempt is made by service-observing personnel in these cases to evaluate the performance of individual operators.



The other means of service observing can be likened to an appraisal of an individual operator's work so that proper training attention can be given. The person observing and appraising an individual operator for this purpose is almost always her regular supervisor.

The equipment used by the supervisor who observes the work of her own people permits her to listen to exactly what the particular operator hears in the latter's headset and also the operator's responses and questions directed to the customer she is serving at the time. The operator cannot hear that her supervisor is observing. These observations usually last for a half hour after which time the supervisor and the operator observed get together to discuss aspects of the calls handled which merit training attention.

The equipment used by the service observer to check overall service quality rendered by an office permits random sampling of all calls directed to operators or calls processed mechanically through the central office equipment. The persons taking service observations for this purpose are people assigned to the general office who have been carefully selected and specially trained to insure that service samples are properly obtained and recorded.

The services observed regularly in the general system include local dial, outward toll, information, intercepting, outward DDD, and customer PBX operators at customers' request.

One might think that we could tell without service observing whether or not our service is satisfactory. Unfortunately, such is not the case. Our own sampling by use is too limited to have any statistical meaning, and customer comments alone are not a sufficiently accurate or reliable test. Usually they are given reluctantly or not at all, unless service has become so poor that major corrective action is long overdue.

In our programs observations are taken by specially trained employees who are directly responsible to a supervisor of the telephone company's general traffic staff for evaluating the quality of the processing of a call with the customer's viewpoint in mind.

Some specific areas where continued improvements to service are sought or efforts are continued to maintain high levels of achievement are—

(a) Operator-handled long-distance and assistance calls:

(1) To work toward an objective and uniform speed of answer to customer signals. (Uniformity in answering calls from pay system telephones, flat-rate customers, tributary customers, and other operators.)

(2) To insure application of standard procedures for proper quotation of time and charges.

(3) To maintain the quality of service by appraising the overall impression created by the operator in manner, attitude, speech, and tone of voice.

(4) To assure that the basic techniques of toll ticket writing and timing are employed to produce legible, accurate billing information.

(5) To appraise specific features of coin telephone service such as the request of correct coin deposits.

(6) To provide a uniform technical quality of service by checking for other operator departures from established methods of operation.



(b) Operator-handled information and intercepting calls:

(1) To work toward an objective for uniform speed of answer to customers' signals and toward maximum efficiency in searching records and rendering reports.

(2) To provide a uniform technical quality of service by checking for other operator departures from established methods of operation.

(c) Local dial and direct-distance dialing calls: To maintain the quality of service by measuring those calls dialed by the customer which may be affected by equipment service failures, to analyze any of the irregularities for indications of patterns and trends.

There are no categories of lines which are exempt from service observing. Certain types of calls are, however, by their very nature, excluded. These would include: Dataphone; Ship to shore; mobile; conference; appointment; private-line services; sequence; overseas; and messenger.

Conversations are recorded in only two instances:

1. Local dial.

After observing the equipment functioning, 12 seconds of conversation are recorded before a local dial call is released when tape service-observing equipment is used. We record the first 12 seconds in order to determine if the correct number had been reached.

With this type of service-observing system, service observers are able to process 50 to 60 percent more calls than possible with previous portable service-observing sets. We are also able to observe in remote exchanges where it would not have been otherwise feasible.

2. Developmental training observations:

Tape recording of operators are or have been made in some of the companies in connection with operator developmental training to improve quality and tone of service.

A beep tone is not used in either of the above two conditions.

I turn now to "monitoring."

Monitoring occurs in General System companies in a very limited number of situations, where it has been determined that it is only through a practice including monitoring that the company can assure the level of service demanded by customers.

1. On person-to-person calls, the operator stays on until the calling party is speaking to the called party. We know of no other way to provide this service.

2. In certain cases of customer complaints about receiving busy signals, the operator will dial the apparently busy number and, if she also receives repeated busy signals, will cut in long enough to determine if the line is actually in use.

3. In emergency calls, such as calls to police or fire departments, the operator, as a public service, stays on the line to be sure the call is completed.

4. Observations of equipment performance are made on a random sample of local dial calls. These observations utilize recording equipment which records the dialing, ringing, pickup, and first 12 seconds of conversation.

Senator LONG. Mr. Gage, at no time do you listen to the entire conversation?



Mr. GAGE. No, sir.

Senator LONG. Well, how do you get your dial—your tone control and tone quality that I was told yesterday was so terribly important up until a few weeks ago?

Mr. GAGE. Insofar as observing the operators, Mr. Chairman, we observe the operator in the handling of the call from the time she received the indication from the customer until she has completed that call and when we mean completed, we mean until the customer has reached their calling party.

Senator LONG. That is about 12 seconds?

Mr. GAGE. Well, we observe the operator from the time she first receives the request to place a call from a customer and then our observation of that operator is completed, sir, when she releases that call so the two customers are talking together.

Senator LONG. But you have no system in your organization now nor have had that you have a room where the operators listen to the entire conversation up to, I believe, 10 minutes?

Mr. GAGE. We did—

Senator LONG. Customer to customer?

Mr. GAGE. Yes. We do have service-observing rooms that at one time did listen to conversations, 10 minutes. They don't now.

Senator LONG. Do you have those now?

Mr. GAGE. No, sir. We still have the rooms but we only observe on 12 seconds of the call.

Senator LONG. I see. When did you change? Did you have a system, though, that you observed the entire call up to 10 minutes?

Mr. GAGE. Yes, sir.

Senator LONG. When did you dispense with that?

Mr. GAGE. That was changed in August of 1966.

Senator LONG. Just a month ago?

Mr. GAGE. Yes, sir.

Senator LONG. And was that done on an emergency—

Mr. GAGE. No, sir.

Senator LONG (continuing). Order or basis?

Mr. GAGE. No, sir. It was not.

Senator LONG. What was the occasion for changing it?

Mr. GAGE. This came about as a result of a meeting that our traffic people participated in with the—let's see, I think I can get the history on this one for you.

Senator LONG. Did you get together with the Bell people on this?

Mr. GAGE. No, sir; we did not.

In June of 1966 the USITA Traffic Committee, a committee which we participate in.

Senator LONG. Is that of all the telephone companies?

Mr. GAGE. Yes, sir. They met in St. Louis and the items, subjects of service observing, was studied. And it was then reviewed by this committee and the committee, I believe, as a group agreed that some changes were obviously necessary because some of the techniques that we had been using were outdated and there was no reason to carry the thing as far as we had in the past. However, in our own company's case, our own system's case, our California company in May of 1965 had started a review of the same observation practices, and in July of this year, our General traffic director in New York notified



all of the General System companies that after reviewing the approach California was using and had been working with for over a year and the discussions that had been held with our USITA Committee people, we were changing our practices and would be effective August 1, 1966.

Senator LONG. Do you think that was just coincidence? Did that happen to be about the time our committee was starting investigations?

Mr. GAGE. Yes, sir; I believe it was.

Senator LONG. You think it was all just coincidence?

Mr. GAGE. Yes. In the General System we often use individual companies to review a practice before we adopt it as a system standard.

Senator LONG. Well, how did it happen that Bell did this at the same time? What was the occasion?

Mr. GAGE. I am not qualified to talk for Bell, sir.

Senator LONG. Just purely a coincidence that Bell got together, and they were going to close theirs out in an emergency rush order on June 1, and just coincidence that you closed yours on August 1, I guess it was just a coincidence that our committee investigators were checking into the matters about that time?

Mr. GAGE. Well, Mr. Chairman, as I mentioned, our system people knew that we were reviewing this over a year ago as a result of what was being done in California.

Senator LONG. You may proceed.

Mr. BROPHY. If I may interject, Mr. Chairman, we were surely aware that the Bell people had made the change. I believe this was discussed with the United States Independent Telephone Association Committee at its meeting, and as I mentioned in my statement earlier, we had brought the work of your committee to the attention of all of the presidents of our telephone companies and to what extent this may have influenced their decision to make a further review of their practices is a subjective matter. I think it is hard for us to comment on it.

Senator LONG. I can understand that. I appreciate your frankness in saying that that was brought to the attention of the committee and that you knew something about it. We didn't have that frankness from the A.T. & T. yesterday in their testimony.

You may proceed.

Mr. GAGE. Relating to item 4, Mr. Chairman, observations of the equipment and performance are made on a random sample of local dial calls. These observations utilize recording equipment which records the dialing, ringing, picking up, and the first 12 seconds of conversation to test the proper connection and transmission, and which the recorder automatically cuts off.

On a systemwide basis, only 0.0087 percent of the total local dial calls were so sampled in 1965, whether such calls were completed or not. Individual telephone lines are not sampled. The sampling is made at the trunk so that only the number being called is known.

Three to four hours of tests are recorded on one tape. Before being erased, the tape is played back by an observer who makes up a detail sheet on each call indicating any service irregularities which have been discovered. This type of observation serves several purposes. Since even uncompleted calls are recorded, those trunks which are overcrowded can be identified by the frequency of busy signals. Record-



ing of the initial 12 seconds of conversation allows the company to determine if there is noise on the lines, fading, and other interference.

The only alternative to monitoring would be to wait until these problems are brought to the attention of the company by customer complaints.

Another purpose served by recording the opening portion of the conversation is that it serves as a check on the proper functioning of the dial system. Since the pulses of the dialed number are recorded, the company is able to uncover those situations which a wrong number is reached by the calling party even though there was no error in dialing. Without such recording, situations of correct dialing followed by incorrect placement of the call would never be discovered, since there would be no certainty that the calling party had in fact dialed correctly.

5. Technically, monitoring may occur when telephone plant employees in the course of working on a line cut in on it in order to find out whether the line is in use. If work on a line were to be commenced without determining whether it is in use the result would be inconvenience and even physical discomfort to the persons on the line. General System procedures provide that an employee must first monitor a line on which he intends to work to determine whether it is in use. If he hears voices, he must get off the line immediately.

6. Monitoring may also occur when an attempt is being made to investigate repeated customer complaints regarding noise, crosstalk or fading on a circuit where exhaustive tests using electronic equipment and calls over that line by company employees have failed to reveal the noise, crosstalk, or other difficulty that is being complained of. Under such unusual circumstances a trained telephone plant man may monitor the line under actual use conditions to hear noise, crosstalk, or other difficulty and identify the cause so that the difficulty can be remedied.

Senator LONG. Mr. Gage, I am sure the American people are very conscious now about being wiretapped and bugged, et cetera. Can you tell whether you are getting more calls now or more complaints about noises on your lines? We have a great deal of correspondence, a great deal of calls to my staff and office, of people complaining that their lines are bugged because of some strange or unusual noise they have over them. You and I know, of course, there is no clear indication that there is bugging, but I am curious as to what reaction the company has had; what experience you have had with that?

Mr. GAGE. Again, Mr. Chairman, I don't have right at my fingertips any records which would show either an increase in the number of complaints we are getting. I would be very happy to find this out and get it for the committee.

Senator LONG. We would like to have it. If there has been a noticeable increase of them. Many people feel if they hear some noise on the line that it is an indication of wiretapping.

Mr. GAGE. We would certainly be very happy to check this.

Senator LONG. It may not be that at all, but they are apprehensive by it. I wonder what reaction the company has had?

(A letter received from Mr. Gage subsequent to the hearings follows:)



GENERAL TELEPHONE & ELECTRONICS CORP.,  
New York, N.Y., October 10, 1966.

HON. EDWARD V. LONG,  
Chairman, U.S. Senate, Subcommittee on Administrative Practice and Procedure,  
Washington, D.C.

DEAR SENATOR LONG: Pursuant to the request you made when I testified before your Subcommittee on September 15, 1966, I asked the Security Department of GT&E Service Corporation to determine whether there has been a noticeable increase in customer complaints of possible wiretapping.

Since System-wide figures are not immediately available and since you wish to have an early reply, I am providing you with the following statistics for General Telephone Company of California, which is by far the largest telephone operating company in the General System:

Year	Number of investigations conducted of suspected wiretaps	Number of wiretaps discovered as result of investigations
1962.....	98	5
1963.....	77	2
1964.....	64	6
1965.....	57	5
1966 (1st 6 months).....	82	

These figures indicate that during 1962-1965, there was actually a decrease in the number of complaints resulting in investigation, while 1966 has shown a substantial increase.

The statistics shown relate only to those customer complaints which bore reasonable and substantial indications of possible wiretaps and which were referred to the Security Department of the company. It is entirely possible that many customer complaints which were handled in a routine fashion may have been occasioned by customer suspicions of wiretapping. GT&E's operating subsidiaries keep no separate records of those customer calls in which a vague suspicion of wiretapping is voiced or, quite obviously, of those calls in which the customer suspects wiretapping but does not express the suspicion.

It may well be that an increased public awareness of wiretapping now plays a larger part in routine customer complaints of noises and interference. Unfortunately, there is just no way of determining how much.

Very truly yours,

GEORGE H. GAGE,  
Vice President, Telephone Operations Staff.

Mr. GAGE. Fine.

Senator LONG. You may proceed.

Mr. GAGE. These occasional instances of monitoring illustrate the attempt to strike a balance among cost, satisfactory service, customer convenience, and privacy of communications. As improved equipment and procedures are developed which will permit the further reduction of monitoring or perhaps lead to its elimination, we assure you that the General System telephone companies will adopt these techniques.

This subcommittee should bear in mind that in spite of our procedures and in spite of our policy against invasion of privacy, every plant man has the knowledge, and the opportunity to engage in improper monitoring if he chooses to do so—just as every mailman could illegally open a letter. The only feasible way to cope with such improper monitoring is screening of personnel, education, supervision and the threat of dismissal and prosecution for violations. This approach, I am pleased to say, has over the years proven most effective and we have utmost confidence in the reliability of our personnel as regards secrecy.



Let us turn now to the leasing of service-observing equipment to our customers.

Many businesses conduct a substantial amount of their customer transactions by telephone, so much so that most such firms have specially trained employees whose major function is to deal with the public on the telephone. Airline reservation clerks and catalog sales clerks are two examples that come readily to mind. These businesses have a great interest in seeing that the service provided by such employees is adequate.

Several of these businesses have leased service observing equipment from General System companies. In 1965 there were 65 customers leasing such equipment. Of these, 53 were located in California. Forty-six of these California customers have since discontinued leasing such equipment since the California Public Utilities Commission has ordered that a beep tone must be used when engaging in service observing or monitoring. These companies presumably felt that the goals of service observing are defeated by a beep tone.

Senator LONG. Is there a regulation, a law in California, that justifies such regulation?

Mr. BROPHY. Mr. Chairman, there was an order issued by the California Public Service Commission after hearings requiring that all services observing equipment provided under filed tariff include a beep tone or that the telephones be so marked that the parties on both ends would be aware that the phone was capable of being used for service observing.

Mr. FENSTERWALD. Mr. Gage, could I interrupt here just for one question? In the answer to the questions we submitted, you said your former customers that had leased this equipment included businesses in the fields of transportation, magazine subscriptions, utility service, credit bureaus, collection agencies, universities, answering services, automobile dealers, business machines, catalog order business, realty business.

This is a pretty broad range of businesses. Could you tell me what business a university would have with monitoring all the calls coming through its switchboards?

Mr. GAGE. Yes, sir. An example might be the University of California located in the West Side of Los Angeles, and they are received by the General Telephone Co.

Mr. FENSTERWALD. Did it have such equipment?

Mr. GAGE. I don't know whether it specifically had but an example of why a university would use it. They have a very large operator force and they want it for observations of their own operators, and the manner in which they are handling the calls coming into the university.

Mr. FENSTERWALD. Well, if this would be useful to a university it would be useful to almost any subscriber if you want to take monitoring that far. I can't see where there would be any cutoff as to the type of customer that would not be entitled to monitoring employees or people working at that place. In your view should it be cut off at any point at all?

Senator LONG. I think anybody who has a group of people who might be dealing with a customer would be interested in how those



employees are handling the company's business, would be interested in finding some method of observing them, sir.

Mr. FENSTERWALD. How do you feel about a hospital where calls between doctors and patients come through the switchboard?

Mr. GAGE. Well, I would think that there are certain kinds of conversations which would be considered proprietary as there are in any industry and certainly probably should not be monitored or some restrictions placed. I am really not qualified to answer that question.

Mr. FENSTERWALD. I am not trying to be critical in any sense. I am just trying to find out if there is any logical place where you can cut off the system where people are spied upon all day long. If this is valuable to a university, an automobile dealer, or machine business company, it seems to me that any customer would be able to make use of it. Yet, at the same time, the employees would feel that they are being spied on whenever they are at work. It just seems to me the general spread of this thing is the thing that is worrying the California Public Utilities Commission.

Mr. BROPHY. If I can suggest a comment on this, Mr. Fensterwald, it would seem to me that there are certain areas in industry where the primary job of the employee is dealing with the public over the telephone and that the employer has to have some way of training that employee and also observing his job performance, and I would think that the use of the equipment could very well be limited to those types of employees and restricted to the lines on which they operate.

Mr. FENSTERWALD. Would you think it would be wise to mark each phone that is capable of monitoring in such a way that anyone using that phone would know that it is being monitored?

Mr. GAGE. I think the difficulty is that it takes two phones to involve an observation and there surely would be no objection to marking the phone in the company office, although I think the employees in almost every instance would know that the type of job they have involves service observing.

Mr. FENSTERWALD. Well, I was thinking of a hospital, for example. If you mark all the phones in a hospital that it is possible that they were being monitored, would that not cut into the efficiency of the operation of the hospital?

Mr. BROPHY. I would surely think so, and I would not imagine that there would be instances, although I do not know, where conversations between doctors and patients would be monitored as such in a hospital. The operation of the operators, telephone operators, on the switchboard, if they had a large number of operators, might be observed to see that they were performing their function satisfactorily but I would think that the observations could terminate at that point.

Mr. FENSTERWALD. Well, normally you can observe telephone operators by use of a supervisor. It seems to me this type of thing is for observation where the employee does not know they are being observed; is that correct?

Mr. GAGE. I think the supervisor may supervise the operator when the operator is engaged in normal transactions, and I would suppose that normal transactions would involve the operator not knowing she was being observed at that time, but being aware of the fact that her job did involve observation from time to time.



Mr. FENSTERWALD. Thank you.

Senator LONG. Mr. Gage, Mr. Fensterwald, in that list of customers, was any Federal agency included as a customer? Any Federal agency or Federal development included?

Mr. GAGE. Not so far as I know. The list of kinds of customers that use this equipment came from our operating companies, and they did not include Government agencies.

Senator LONG. How about Internal Revenue Service in Los Angeles?

Mr. GAGE. Not to my knowledge.

Senator LONG. How about State and municipal agencies?

Mr. GAGE. No. They were not included, sir.

Senator LONG. Are you convinced that this is a complete list that you furnished us?

Mr. GAGE. Kinds of businesses? Yes, sir; I am.

Senator LONG. No general category of business, then, in which a Federal agency could be included?

Mr. GAGE. I do not think so.

Mr. BROPHY. No. Based on the information that was provided to us by the companies, no Federal agencies were included, Mr. Chairman.

Senator LONG. I think that gives us the information we want. You may proceed, Mr. Gage, with your statement.

Mr. GAGE. I now turn to the matter of cooperation with law-enforcement authorities.

It is the General System's policy that no facilities to monitor telephone communications are knowingly made available to law-enforcement agencies. It is possible that in a unique situation as, for example, saving the life of a kidnap victim, information or assistance in wiretapping might have been given to a law-enforcement agency, but I don't personally know of any such situations. The policy of the General System to refuse to cooperate with wiretapping has only one exception, which would be if a court in a State such as New York issued an order permitting wiretapping.

As you know, telephone companies either provide all of the terminal equipment on both ends of a leased line, or insist on knowing what terminal equipment the customer is going to use. The practical side of this requirement is for circuit protection, testing, channel conditioning, and so forth. In the States of Florida and Pennsylvania, a copy of the private wire contract stating the purpose of the circuit must be filed with the State regulatory commission. In Michigan the prosecuting attorneys of the counties in which the terminal points of the circuit are to be located must be notified.

Toll records are made available to law-enforcement agencies only when such records are subpoenaed.

In those cases in which an operating company of the General System is advised that a possible wiretap exists, the security department and plant department of the company conduct the joint investigation aimed at discovering whether a wiretap exists. If no wiretapping device is discovered, the subscriber is so notified. If a device is discovered, the company notifies the FBI and the appropriate local law enforcement agency and disables the device.

Senator LONG. Even if it is a Federal agency that is doing the tapping?



Mr. GAGE. Yes. It is our policy, sir, that we will notify the Federal agency and the local agency and then disable the device.

Senator LONG. But you disengage the device.

Mr. GAGE. Yes, sir; we do.

Senator LONG. Do you tell the subscriber that it is discontinued?

Mr. GAGE. No, sir; we do not. We refer the subscriber to the local law enforcement agency.

Senator LONG. That is even if there is a court order on it?

Mr. GAGE. Well, we only know of one State, which would be a State like New York.

Senator LONG. How about Maryland?

Mr. GAGE. We do not operate in Maryland, sir.

Senator LONG. Well, you have a little different philosophy on this, I understand, than what A.T. & T. testified yesterday. If it is a Federal agency that they discover the tap on, they leave it in. You may proceed.

Mr. GAGE. Section 744 of the New York penal law requires the telephone company to report to local law enforcement agencies any violations of the New York eavesdropping statute—section 738 of the penal law. General Order No. 107 of the California Public Utilities requires telephone companies to make an annual report to that commission of discovered wiretaps.

In the 8 major operating companies of the General System, there were 84 investigations during 1965, 7 of which resulted in the location of wiretaps. In the first 6 months of 1966, 105 investigations resulted in the location of 8 wiretaps.

Senator LONG. I understand you notify the FBI of those wiretaps.

Mr. GAGE. Yes, sir.

Senator LONG. That is the Justice Department. Now, do you know of any prosecution that the Justice Department has ever instituted that would be in violation of section 705?

Mr. GAGE. No.

Senator LONG. None of your men have ever been subpoenaed as witnesses?

Mr. GAGE. No. Not to my knowledge.

Senator LONG. That is easy to understand. I do not think in all the reports that have been made to the Justice Department of violations of 705 that they have ever prosecuted a wiretap violation. If they have, they have been very nominal. I do not think they have ever prosecuted.

You may proceed.

Mr. GAGE. In conclusion let me state our belief that the telephone system has achieved a remarkable record in protecting the secrecy of its customers' communications and it is in the interest of our telephone companies to improve this record in any way practicable and provide the most secure service economically possible. We of the General System intend to continue to cooperate fully in accomplishing these ends.

Thank you.

Senator LONG. Mr. Gage, let me thank you and Mr. Brophy both for a very detailed and a very forthright statement. The Chair is impressed with the forthrightness of your statement, the apparent



willingness to cooperate with the committee, and I commend you, both of you for the statements and tell you we appreciate it.

I might suggest that this attitude and this type of statement would be well emulated by other large telephone companies.

Mr. GAGE. Thank you, sir.

Senator LONG. A little different philosophy and apparently your company has a much greater desire to cooperate with the committee than has been indicated by other companies.

Any questions, Mr. Fensterwald?

Mr. FENSTERWALD. No. I believe Mr. Homme has a couple.

Mr. HOMME. I wanted to know in connection with your subsidiaries, is there a physical connection similar to A.T. & T.'s long-lines division?

Mr. GAGE. No; there is not.

Mr. BROPHY. I might add it is very similar. It is the A.T. & T. long-lines division.

Mr. HOMME. So, your subsidiaries that range from Florida to California, to the extent that you are in the long distance taps service business you are using A.T. & T.?

Mr. BROPHY. We do have some instances where companies connect across a State line, but by and large our long-distance service would be provided—

Mr. GAGE. Right. Some of our companies do have some toll routes over their territory but we do not have a national network such as A.T. & T.

Mr. HOMME. When you are monitoring a call that is in direct dialing long distance, in evaluating your service, you would also be evaluating the quality of the service of your competitor, A.T. & T.

Mr. GAGE. To the extent that we would monitor the start of a call which would be conceivably in the A.T. & T. territory; yes. We would be monitoring to that extent.

Mr. HOMME. You say you maintain service-observing rooms as A.T. & T. has told us they do. Is not the service-observing room part of a greater facility, the service-observing facility? The room is only one part of the facility; is it not?

Mr. GAGE. Well, yes. There is a location usually away and apart from the traffic operating room where we have this equipment; yes.

Mr. HOMME. The room is really then the monitoring station which is part of an overall service or monitoring facility?

Mr. BROPHY. I think that it might be helpful to explain that our resources have not been as great in this area as some other companies, and we have used portable equipment and other methods rather than establishing large centers.

Mr. GAGE. I have a picture of the equipment that we do use if you would be interested in it.

Mr. HOMME. Well, usually those pictures are pictures of the test-stands or switchboard.

Mr. GAGE. Right.

Mr. HOMME. But that is not all of the facility. There is integrated into your main frames and the other facilities in your plant circuits that avail themselves or are made available to the service-monitoring room; is that not true?

Mr. GAGE. Yes. In the general system operating companies, of course, we do not observe on individual customers lines except as I



said in the case of a customer request. If the company asked us to observe there—

Mr. HOMME. But that is a matter of policy and not capability.

Mr. GAGE. Oh, yes, sir; you are absolutely right.

Mr. HOMME. That is what I wanted to ascertain. The service-observing facility has the capability of monitoring all telephones within the exchange.

Mr. GAGE. No.

Mr. HOMME. Or the metropolitan—

Mr. GAGE. No. Only those lines which are—in the case of the central office service-observing unit which is a tape unit that we are using or in a case where we put a girl in there, an employee in there to listen to the last 12 seconds and usually use a pen register, we are at a trunk-line finder on a trunk group or we are at a ticketer and she can only observe on those trunks and there are usually 25 trunks. We cannot dial anything other than that, observe anything other than that.

Mr. HOMME. You do not then, as some of the Bell affiliates do, put or route individual subscriber telephones through your service monitoring facility?

Mr. GAGE. No, sir. Only at a customer's request. If, for instance, a business, as an example, or a personal customer, an individual customer suspected there was something wrong with his line and asked us to do it, that is the only way we would do it.

Mr. HOMME. This goes back, then, that the facility has the capability?

Mr. GAGE. Yes. I guess you could say the facility, meaning the entire entity in the central office, has the capability of observing any line; yes, sir.

Mr. HOMME. So what line you do observe is then a matter of policy or procedure at any given time?

Mr. BROPHY. I think what Mr. Gage has in mind, these special situations where a customer might ask us to observe his line could not be handled with the normal service-observing equipment. We would have to go into the main frame and make the connection.

Mr. GAGE. It would actually have to be wired so it would have the capability of monitoring the line. In other words, the service-observing equipment, sir, does not have the capability of just dialing up and monitoring anybody's line.

Mr. HOMME. I understand that, but the investigations made by our staff and the advice that we get from consultants who are experts in this field, we are told that the service-observing facility itself has the capability of observing the service on all telephones within the central exchange or within a metropolitan area.

Mr. GAGE. It does. Any line that is wired so that service-observing equipment can have access to that line; yes, it does have.

Mr. HOMME. And any phone can be so wired?

Mr. GAGE. Yes, sir.

Mr. HOMME. So the capability is to monitor systemwide if the policy were such?

Mr. GAGE. If the policy were such; yes, you could.

Mr. HOMME. So the degree to which you monitor is a matter of policy within your organization?

Mr. BROPHY. I think it would require a substantial rearrangement of our equipment. Mr. Gage is saying that the capability exists with



the engineering know-how to do it but without rearranging equipment, we could not do it.

Mr. HOMME. Well, now, in the testimony we had from telephone companies yesterday, it was a matter of once every week or a matter of once every 2 weeks that they just changed shoes on the main frame at random and ran these calls through. What do you do when you random monitor?

Mr. GAGE. That is one major difference in our two operating procedures. We do not monitor on individual customer lines. We monitor at a trunk group so that we do not know which customer has ceased that trunk or line finder or ticketer on our toll network. So any customer in the exchange who dials a call eventually hits a line finder and it is at that point, you see, that we monitor, but we only get the calls.

Mr. HOMME. So that is truly random.

Mr. GAGE. Yes, sir.

Mr. HOMME. That is truly random. Now, one other question. Your answer as regards to your security—in two instances, one, in your answers and again in your statement—that you endeavor to provide the most secure service economically possible, I want to just ask you one question. In the light of the  $x$  miles or million miles of wire and  $x$  billion terminal boxes, et cetera, is there not some practical limitation where you cannot make the system absolute?

Mr. GAGE. Yes, sir.

Mr. HOMME. Is that really the problem in security?

Mr. GAGE. That is the problem. You could have complete redundancy but I think that would be impractical and uneconomical.

Mr. HOMME. No further questions.

Senator LONG. Mr. Bernard Waters is with us this morning. He is the counsel of the minority. Happy to have you here this morning. Do you have any questions?

Mr. WATERS. No questions. Thank you, Mr. Chairman.

Senator LONG. We thank both you gentlemen. We appreciate your testimony. You have been very helpful to the committee. We are grateful for your being here.

Mr. BROPHY. Thank you, Mr. Chairman.

Mr. GAGE. Thank you.

Senator LONG. Our next witness is Commissioner Loevinger, Commissioner of the Federal Communications Commission. Mr. Commissioner, will you come forward, please?

**TESTIMONY OF LEE LOEVINGER, COMMISSIONER, FEDERAL COMMUNICATIONS COMMISSION; ACCOMPANIED BY JOHN HARDY, OFFICE OF GENERAL COUNSEL, FEDERAL COMMUNICATIONS COMMISSION; KELLEY GRIFFITH, CHIEF, DOMESTIC RATES DIVISION, COMMON CARRIER BUREAU; AND LOUIS MANNING, OFFICE OF CHIEF ENGINEER**

Senator LONG. Mr. Commissioner, will you raise your hand, please, and be sworn? Do you solemnly swear the testimony you are about to give to this committee is the truth, the whole truth, and nothing but the truth, so help you God?



Commissioner LOEVINGER. I do.

Senator LONG. Your name is Lee Loevinger and you are a Commissioner of the Federal Communications Commission?

Commissioner LOEVINGER. Yes, sir. That is correct, sir.

Senator LONG. And you live in Washington. Would you introduce to us the gentlemen on your right and left?

Commissioner LOEVINGER. Yes. On my right is Mr. John Hardy, from the Office of General Counsel of the Federal Communications Commission; on my left is Mr. Kelley Griffith, Chief of the Domestic Rates Division of our Common Carrier Bureau. There is also Mr. Louis Manning, from our Office of Chief Engineer, in case any questions arise.

Senator LONG. I understand you have a prepared statement, which the committee would be obliged to hear now.

Commissioner LOEVINGER. The right to privacy in private communications is a principle which is fully recognized by the FCC. The principle is embodied in section 605 of the Communications Act which makes it a criminal offense to intercept and divulge or use wire or radio communications without authority or to commit various other specified similar acts. Also, article 15 of the International Telecommunications Convention, to which the United States is a party, provides that members shall take all possible measures to insure the secrecy of international communications. The Commission has taken various steps through the years in recognition of this principle.

For example, in 1947 the Commission issued a report and series of orders which prescribed the substance of tariff provisions to govern the use of telephone recording devices and to require the "beep tone." A detailed account of this subject was made part of the hearings before this subcommittee in connection with my testimony before it on May 5, 1965, and appears at pages 853 to 884 of the 1965 hearings.

Since my last appearance before you, the Commission has adopted rules prohibiting the use of radio devices for eavesdropping. I have a copy of the report and order, and with the permission of the chairman, will offer it for the record.

Senator LONG. Without objection, it will be included in the record at this point.

(The report and order referred to follows:)

[Before the Federal Communications Commission, Washington, D.C.]

IN THE MATTER OF AMENDMENT OF PARTS 2 AND 15 OF COMMISSION'S RULES TO  
ADD REGULATIONS PROHIBITING THE USE OF RADIO DEVICES FOR EAVESDROPPING  
PURPOSES

(Docket No. 15262)

REPORT AND ORDER

(By the Commission: Commissioner Wadsworth absent.)

1. On January 17, 1964, the Commission released a Notice of Proposed Rule Making (FCC 64-27, 29 F.R. 577) looking towards the adoption of rules prohibiting the use of radio devices for eavesdropping. The Notice invited interested parties to file comments on or before March 16, 1964, and reply comments on or before April 16, 1964.

2. Comments were received from the following parties:

Columbia Broadcasting System (CBS)  
Glenn A. Zimmerman, New Brunswick, N.J.  
City of San Diego, California  
Association of the Bar of the City of New York  
Farbo Company, San Francisco, California



No reply comments were received. It is noteworthy that the comments filed by the Association of the Bar of the City of New York were prepared by its Special Committee on Science and Law which has conducted a study of the effect which recent scientific and technological advances are having on privacy in the United States. The Fargo Company manufactures miniature radio transmitters for sale to law enforcement agencies.

3. At the outset, it should again be noted that the rules discussed herein do not pertain to the unauthorized interception of communications by wire or radio. That practice is prohibited by the provisions of Section 605 of the Communications Act of 1934, as amended, 47 U.S.C. § 605.<sup>1</sup> The rules with which we are concerned apply solely to the use of radio devices to transmit private conversations which have been overheard by one means or another.

4. Advances in the miniaturization of radio transmitters have fostered an apparent increase in the use of such devices for eavesdropping. Virtually every radio eavesdropping device known to be used today is essentially a wireless microphone, i.e., a unit having the combined capabilities of a sensitive microphone and a radio transmitter. Though wireless microphones are often used by entertainers, lecturers and others for innocuous and useful purposes (provision is made for the use of these devices in certain licensed services and under Part 15 of the rules), most of those devices are readily adaptable to an eavesdropping use. Wireless microphones which are constructed specifically for eavesdropping are designed either to permit easy concealment or to resemble some commonplace item, e.g., a pack of cigarettes, or the now-famous martini olive.<sup>2</sup>

5. Each of the parties who filed comments commended the Commission for its recognition of the problems raised by the increased use of radio eavesdropping devices, and the City of San Diego and the Fargo Company recommended adoption of the rules as proposed. The other parties raised questions concerning the proposal which we shall discuss in the following paragraphs.

6. The Association of the Bar of the City of New York (Association) urged initially that public hearings be held (preferably before a Congressional Committee, but under Commission auspices if necessary) to review the whole subject of eavesdropping, its effect upon society, the state of the existing law in this area, the need, if any, for additional laws or regulations, etc. The Association believes that without such a hearing the Commission risks changing the vital balance of society without an adequate understanding either of what is involved or the consequences of its actions. They feel the Commission will affect the public consensus as to where the line should be drawn between encroachments on privacy which are permissible and those which are not.

7. Senate hearings encompassing the question of eavesdropping were held on May 9-12, 1961, before the Subcommittee on Constitutional Rights of the Committee on the Judiciary in connection with four bills dealing with wiretapping and eavesdropping which were introduced in the 87th Congress, 1st Session. On February 18, 1965, Senate hearings on electronic eavesdropping were initiated by the Subcommittee on Administrative Practices and Procedure of the Committee on the Judiciary. Testimony regarding this Commission's role in the matter of radio eavesdropping was submitted by the Commission on May 5, 1965. The information developed during both these hearings has been of benefit to the Commission in formulating this Report and Order.

8. The Commission's decision to take action with respect to the matter of radio eavesdropping is consistent with its public interest responsibilities under the Communications Act. Eavesdropping, by any means, has traditionally been regarded as contrary to the public interest. Blackstone (4 Commentaries, ch. 13 § 5(6)) defined the practice as a common nuisance punishable before the court. Section 605 of the Communications Act of 1934, as amended, though enacted to prohibit the unauthorized interception of communications by wire or radio, reflects the intent of Congress to preserve the privacy of communications in those areas where the Federal government has unquestioned jurisdiction to act. This concern for the privacy of communications has been stressed by President John-

<sup>1</sup> A common violation of Section 605 involves the unauthorized interception of telephone communications. This practice is popularly known as wiretapping and is normally accomplished either by making direct contact with the telephone wire or by placing an induction coil within the magnetic field surrounding the wire. (The words "unauthorized interception" when used with respect to Section 605 in this document include the divulging or beneficial use of the intercepted communications.)

<sup>2</sup> See Senate hearings on electronic eavesdropping before the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary, February 18, 1965.



son.<sup>3</sup> Eavesdropping by means of a listening device has been held to be an actionable violation of one's right of privacy.<sup>4</sup> Moreover, seven states have seen fit to adopt statutes prohibiting electronic eavesdropping.<sup>5</sup> Thus, the Commission's action is calculated to insure that the authority to operate radio devices, whether under a license granted by the Commission or pursuant to Part 15 of the Commission's rules, cannot be claimed to permit the use of those devices for eavesdropping purposes.

9. Objection was made by the Association to that provision of the proposed rules which would make the prohibition against eavesdropping inapplicable where the use of the device is authorized by one or more of the parties engaging in the conversation. It was contended that this approach fails to recognize a distinction between the risk that a party to a conversation may divulge what he remembers from the conversation and may be believed by others, and the risk that a party to a conversation will use a radio device to overhear and record the conversation verbatim, or authorize another to so overhear or record it. Doubt was expressed as to whether most persons assume, or should assume, the risk that their conversations are being overheard or recorded by the use of such devices. The Association also expressed the view that the real significance of this provision of the proposed rules would be to enlarge the area of permitted eavesdropping beyond that likely to be condoned by the public or by the courts.

10. Our proposal was based upon the tentative view, set forth in paragraph 6 of the Notice of Proposed Rule Making, that anyone who engages in conversation with others must assume the risk that anything he says may be divulged without his knowledge by any other party to the conversation. However, upon further consideration, we have decided that the objections to this view are well founded and that we should not sanction the unannounced use of listening or recording devices merely because one party to any otherwise private conversation is aware that the conversation is in fact no longer private.

11. The right of privacy is precious, and should not be sacrificed to the eavesdropper's needs without compelling reason. We cannot find such reason here, subject to the single exception made in paragraph 13, *infra*, for law enforcement officers operating under lawful authority. We agree that the ordinary risk of being overheard is converted into another risk entirely when the electronic device is made the instrument of the intruder. Coupled to a recording device, this new eavesdropping tool puts upon the speaker a risk he has not deliberately assumed, and goes far toward making private conversation impossible. We do not believe the assumption of such a risk should be made the basis of our rules. We are commanded by the Communications Act to "encourage the larger and more effective use of radio in the public interest," Section 303(g). Upon reflection, we do not believe it to be consistent with the public interest to permit this new product of man's ingenuity to destroy our traditional right to privacy.

12. As stated in the Notice, there are precedents in this or analogous fields which lend support to the adoption of the rule as proposed, i.e., with an exemption where one party consents to the radio eavesdropping.<sup>6</sup> But the matter is one of policy and, for the reasons just stated, it is our judgment that the appropriate policy balance should be struck in favor of protecting the traditional right of privacy. The position we take here on this question is the same one we took in requiring that telephone recording devices be equipped with an automatic tone warning device, so that all parties to the conversation may be on notice where any party is making a recording of a telephone conversation. See *Use of Recording Devices*, 11 F.C.C. 1033 (1947).

13. The proposed rules would except the operations of law enforcement officers conducted under lawful authority. The Association and Mr. Zimmerman commented that the phrase "under lawful authority" does not describe precisely what authority would be required to permit law enforcement officers to conduct such operations.

<sup>3</sup> See the *New York Times*, July 16, 1965.

<sup>4</sup> See *McDaniel v. Atlanta Coca-Cola Bottling Co.*, 2 S.E. 2d 810 (Ga. 1939); *Roach v. Harper*, 105 S.E. 2d 564 (W. Va. 1958); and *Hamberger v. Eastman*, 206 A. 2d 239 (N.H. 1964).

<sup>5</sup> See Cal. Ann. Codes, Penal Code § 653j (West 1956); Ill. Ann. Stat., ch. 38, § 14-1 (Smith-Hurd 1941); Md. Code Ann., Art. 27 & 125(A) (Michie 1957); Mass. Ann. Laws, ch. 272, § 99 (Michie 1956); Nev. Rev. Stat., ch. 200.650 (1957); N.Y. Consol. Laws Ann., Penal Law Art. 73, § 738 (McKinney 1944); and Ore. Rev. Stat. § 165.540 (1) (c).

<sup>6</sup> For example, the statutes of California, Illinois, Massachusetts, Nevada, and New York do not apply if any party to the conversation has consented to the eavesdropping. The statutes of Maryland and Oregon apply unless all parties to the conversation have consented.



14. The problem of providing an exception to the rules for the operations of law enforcement officers has been closely analyzed. Because of the complex and varying structure of law enforcement authority existing in the various States and their political subdivisions, it is extremely difficult to specify a source or type of authority which is common to all jurisdictions. Initially, it may be assumed that law enforcement official conduct their activities within the framework of existing law and authority. Should these officials intend to engage in radio eavesdropping, it would be incumbent on them first to determine the validity of such practice under applicable local law. This being so, the burden of establishing that radio eavesdropping activities are being carried on under lawful authority rests with the law enforcement agency. In view of the diverse sources of possible authority, we believe that this is the best approach to follow in establishing a standard under which law enforcement officers would be exempted from the Commission's radio eavesdropping rules. However, if inadequacy of this standard should be revealed or other developments of a more basic nature occur, further exploration of this question will be undertaken and appropriate revision of the rules will be made.

15. It is important that law enforcement officers understand that this exception is by no means intended to waive the Part 15 rules governing the use of nonlicensed low power communication devices (e.g., operation within specified frequency bands, power and radiation limitations, etc.); to authorize the use of unlicensed transmitters for eavesdropping; or to authorize the use of licensed transmitters in such a manner that other Commission rules are violated (e.g., abandonment of control, transmission of unauthorized communications, etc.).

16. CBS opposed adoption of the proposed rules on the grounds that they would hamper and impede broadcast activities heretofore generally accepted. As examples of situations which CBS feels would be prohibited by the rules, they cited (1) the CBS Reports broadcast entitled *Biography of a Bookie Joint* and (2) coverage of newsworthy events in public and semi-public places or any other place where persons may reasonably expect that their conversations may be overheard. The Association also questioned the effect of the rules on the radio or television coverage of public interest events, as well as the effect upon the protective or beneficial monitoring of conversations, e.g., of apartment elevators for the protection of young ladies, of assembly lines for efficiency and economy of production, and of public places for the safety, security and comfort of those who frequent them.

17. The fears expressed by CBS and the Association with respect to the coverage of news events are believed to be unwarranted. The rules adopted herein should not impede broadcast programming any more than the prohibitions against wiretapping in Section 605 have impeded programming in the past. The proposed rules specifically refer to "private conversations." The interpretations applied to that phrase by the courts indicate that the phrase does not embrace conversations carried on within earshot of others not engaged in the conversation.<sup>7</sup> Thus, conversations in public and semi-public places or in any other place where persons may reasonably expect their conversations to be overheard would not be protected by the rules. With respect to the instances of protective or beneficial monitoring mentioned by the Association, the public, in those instances, should be given adequate notice of the fact that the area is being monitored. Thus, persons engaged in conversation in such an area would have consented by implication to the monitoring. The absence of adequate notice could well result in an invasion of privacy since the monitoring would then be conducted without the consent of those being monitored.

18. We are amending the rules by adding a new subpart, as set forth in the Appendix hereto, to Part 2 of the rules as a general prohibition against the use for eavesdropping of any device required to be licensed by Section 301 of the Communications Act of 1934, as amended. (Specific reference to this prohibition will be added to those parts of the rules where it is deemed appropriate.) Additionally, we are adding a similar prohibition to Subpart A of Part 15 of the rules. A reference to the latter prohibition is being made in Subpart B governing the operation of low power communication devices, the Part 15 devices most susceptible to use by eavesdroppers.

<sup>7</sup> It has been held that a conversation between a husband and wife in a railroad station waiting room with people coming and going is not a private conversation, *Linnell v. Linnell*, 143 N.E. 813 (Mass. 1924). In *Freeman v. Freeman*, 130 N.E. 220 (Mass. 1921), the court found that a conversation between husband and wife in a public street was private because "none of the passers-by or persons in the vicinity paid any attention to them, or even could hear the words." [Emphasis supplied.]



19. The reference in the rules to both direct and indirect use has been included to encompass any radio operation in connection with an eavesdropping arrangement. For example, the amendment will prohibit the use of a Part 15 wireless microphone to relay a conversation which is picked up initially by some form of non-radio eavesdropping device.<sup>8</sup> Thus, irrespective of the combination of devices employed by the eavesdropper to accomplish his objective, the proposed rules will apply if any one of the combination is a radio device.

20. The rules reflect Commission policy. Their violation could result in loss of license where that remedy is appropriate (see Sections 307(d) and 312(a) of the Communications Act), or the imposition of fines under Section 502. What constitutes a crime under State law reflecting State policy applicable to radio eavesdropping is, of course, unaffected by our rules.

21. A question was raised as to the basis for the Commission's authority to establish rules prohibiting radio eavesdropping. The Commission, of course, has broad licensing authority over radio devices in Section 301 of the Communications Act and exercised that authority in the rules promulgated by it as to both specific licensing and the Part 15 facet of its functions. Under Section 303 of the Communications Act, the Commission is empowered by Congress, as the public convenience, interest and necessity requires, to prescribe the nature of the service to be rendered by radio stations and to make such rules and regulations as may be necessary to carry out that function. Thus, the establishment of rules prohibiting radio eavesdropping is consistent with the authority of the Commission to prescribe the nature of the service rendered by radio devices.

22. In view of the foregoing, and pursuant to authority contained in Sections 4(i), 301, 303(b) and 303(r) of the Communications Act of 1934, as amended, IT IS ORDERED, That effective April 8, 1966, Part 2 and Part 15 of the Commission's Rules ARE AMENDED as set forth in the attached Appendix, and the proceedings in Docket No. 15262 are terminated.

FEDERAL COMMUNICATIONS COMMISSION,  
BEN F. WAPLE, *Secretary*.

Attachment: Appendix.

Adopted: February 25, 1966.

Released: February 28, 1966.

NOTE.—Rules changes herein will be covered by T.S. II(64)—10.

#### APPENDIX

1. Part 2 is amended by adding a new Subpart H to read as follows:

##### "SUBPART H—PROHIBITION AGAINST EAVESDROPPING

"§ 2.701 Prohibition against use of a radio device for eavesdropping.

"(a) No person shall use, either directly or indirectly, a device required to be licensed by Section 301 of the Communications Act of 1934, as amended, for the purpose of overhearing or recording the private conversations of others unless such use is authorized by all of the parties engaging in the conversation.

"(b) Paragraph (a) of this section shall not apply to operations of any law enforcement officers conducted under lawful authority."

2. Part 15 is amended by adding a new section to Subpart A to read as follows:

"§ 15.11 Prohibition against eavesdropping.

"(a) No person shall use, either directly or indirectly, a device operated

<sup>8</sup> There are numerous other eavesdropping devices which, though not operated on radio principles, could employ a radio transmitter for purposes of relaying a conversation picked up initially by the nonradio device. These may include miniature wired microphones concealed in the room where the conversation is to take place and connected to a radio transmitter by means of wire or transparent conductive paint. A radio transmitter could also be used in conjunction with a contact or "spike" microphone which is operated by attaching the microphone to a spike which has been driven into a stud common to both the room in which the eavesdropping equipment is located and the room in which the conversation is to take place. A parabolic microphone may also conceivably be used for eavesdropping in conjunction with a radio transmitter. This is an audio device which uses an acoustically solid reflector to focus sound waves to a point where a small microphone magnifies the sound received. Such devices are used innocuously at sports events and conventions to pick up the voices of persons out of normal earshot. (See Senate hearings on electronic eavesdropping before the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary, February 18, 1965.)



pursuant to the provisions of this part for the purpose of overhearing or recording the private conversations of others unless such use is authorized by all of the parties engaged in the conversation.

"(b) Paragraph (a) of this section shall not apply to operations of any law enforcement officers conducted under lawful authority."

3. Subpart E of Part 15 is amended by adding a new section to read as follows:

"§ 15.20 Eavesdropping prohibited.

"As provided in § 15.11, the use of a low power communication device for eavesdropping is prohibited."

Commissioner LOEVINGER. Would you like copies for the persons on the bench, sir?

Senator LONG. Yes. We would like to have copies. This covers the use of these bugs. Is that what is actually those radio transmitters?

Commissioner LOEVINGER. Yes, sir.

Senator LONG. Any bug or eavesdropping device which utilizes radio emanations or radio transmission in any way is covered. It does not cover devices which do not use radio transmission.

Commissioner LOEVINGER. These rules provide a general prohibition against the use for eavesdropping of any radio device required to be licensed under section 301 of the Communications Act and of any other radio emitting device which is not required to be licensed under section 301, but is subject to part 15 of the Commission's rules. Incidentally, the entire text of part 15 prior to the amendment by this order appears at pages 911 to 921 of the 1965 hearings.

Senator LONG. You are referring to the hearings before this committee?

Commissioner LOEVINGER. Yes, sir. "Hearings on the Invasions of Privacy, Part 2," pursuant to Senate Resolution 39, which contained my testimony of May 5, 1965.

The use—directly or indirectly—of any of these devices to overhear the private conversation of others makes the user liable to a fine of \$500 a day for each day such offense occurs, as well as loss of license or civil forfeiture where appropriate. Excepted from this general prohibition are the radio eavesdropping operations of law enforcement officers conducted under lawful authority, with the burden upon such officers to establish the lawfulness of their actions.

We recognize that these rules do not solve the eavesdropping problem. They are inapplicable to eavesdropping arrangements which do not make use of radio devices, and even where radio is employed, there are very difficult enforcement problems. Since adoption of these rules, the Commission has not had notice of any violations. This is not to say that there have been none, but it is extremely difficult to discover the activities of eavesdroppers operating radio devices because they appear to operate with minimal power and to shun congested areas of the frequency spectrum, both to avoid interference and to minimize the risk of detection. Usually they avoid the use of frequency bands which may be scanned by readily available receivers such as AM, FM, amateur, or citizen band.

Incidentally, in the famous Mayflower eavesdropping case, which you are familiar with, the great mistake of the eavesdroppers there was to use the wrong frequency. If they used other frequencies they might well have escaped detection and prosecution.

The risk of detection is slightly greater where eavesdropping is accomplished by means of a licensed device or a device operated pur-



suant to part 15 of our rules. In either event, however, any monitoring program by the Commission's limited field staff to detect eavesdropping operations would amount to a search for a raindrop in the ocean. As a result, the Commission is limited to acting upon specific complaints and, as mentioned, none have been received.

The Commission has proposed legislation which would give it authority to prescribe regulations for the manufacture, import, sale, shipment, or use of devices which cause harmful interference to radio reception. This proposal is contained in S. 1015 which has passed the Senate and is pending before the House Interstate and Foreign Commerce Committee. While this proposal is not primarily aimed at the eavesdropping problem, it would give the Commission authority under which it might prohibit the manufacture and distribution of electronic devices which can be neither licensed nor certified as authorized for use without license under part 15 of our rules. We believe that this would have some effect upon the sale of radio eavesdropping devices to the general public, although it would be at best a partial and limited response to this problem. The opinion of the FCC General Counsel as to the scope of this proposed legislation with respect to radio eavesdropping devices has been submitted to this subcommittee and appears at pages 842-843 of the 1965 hearings. My testimony on this subject appears on pages 932-933.

Wiretapping is covered by section 605 of the Communications Act. There have been many proposals for amendment of section 605, most of which have contained provisions to permit wiretapping in certain circumstances by law enforcement authorities. S. 2189, introduced by Senator McClellan and now pending before Congress, is the most recent of such bills that has come to our attention. The Commission favors the provisions of this bill which prohibit wiretapping and provide protection for the privacy of communications by telephone and radio. The provisions of this bill providing authorization for certain interception of wire communications relate to law enforcement problems in which the Commission has no experience or expertise, and, consequently, we express no views and defer to the Department of Justice with respect to them.

Such legislative proposals must be carefully drafted in order to avoid prohibiting the monitoring which the Commission does with respect to radio transmissions in order to insure that radio stations are operated on assigned frequencies, with authorized power, for authorized purposes and otherwise in accordance with the requirements of the Communications Act and FCC regulations. In addition, it is necessary that radio licensees operating on shared frequencies be permitted to monitor so as to know when the channel is clear for their own transmissions.

Because section 605 is a criminal statute and the FCC has no field staff either trained or adequate to make general criminal investigations, the Commission found itself unable adequately to investigate complaints of violation of section 605. The Commission made an agreement with the Department of Justice in 1953 whereby exclusive responsibility for investigating and prosecuting violation of section 605 was assumed by the Department of Justice. Investigation is done by the FBI with technical assistance furnished by the FCC when requested.



The letters comprising this agreement have been furnished to this subcommittee and appear in full at hearings pages 841-842.

Senator LONG. Mr. Commissioner, under the terms of this agreement with the Department of Justice, which has been in effect about 13 years, do you feel that it should remain in effect or should it be renegotiated or abandoned entirely?

Commissioner LOEVINGER. In present circumstances, Senator, I am afraid we have no choice. Our appropriations and manpower are such that in relation to the urgent tasks now confronting the Commission, we simply could not assume any greater enforcement role in connection with this without specific authorization from Congress in the form of manpower and appropriations.

Senator LONG. Well, you could not do much worse than the Justice Department has done about enforcement, could you?

Commissioner LOEVINGER. Well, in all fairness, let me say this. We are not quite sure how efficient they have been. We have over a 10-year period referred roughly 126 complaints to them. Of these, about 30 percent are wiretapping, about 65 percent are radio interception. We know, or at least we believe, from our own examination of the material that we have transmitted, that a substantial proportion of these are essentially without a great deal of substance. There are a good many things that I think you could in fairness call kind of screwball complaints and others which upon investigation proved not to have real substance to them. Consequently, we are really not in a position to say how efficient—

Senator LONG. Do you know how many cases of violations of 605 the Department of Justice has prosecuted during this 13-year period?

Commissioner LOEVINGER. I understand two or three.

Senator LONG. Two or three?

Commissioner LOEVINGER. Yes, sir.

Senator LONG. You naturally assume there has been more violations, more wiretapping and more violations of 605 occurred than two or three during that 13 years; do you not?

Commissioner LOEVINGER. Yes, I assume so. If I recollect the FBI uniform crime statistics, in every category of criminal offense there have been substantially more violations than prosecutions or convictions.

Senator LONG. And I think our committee has had sworn testimony from people who either committed the violation themselves or knew of many more times than that. Pittsburgh, Pa., many places, Florida. Yes, they even had some in Missouri, the counsel reminds us.

You may proceed, Mr. Commissioner.

Commissioner LOEVINGER. Since 1953 the Commission field offices have had standing instructions to refer all wiretapping complaints directly to the FBI field office nearest the place where the violation was alleged to have occurred. Complaints received in Washington are referred directly to the Criminal Division of the Department of Justice. FCC field offices are also instructed to furnish the FBI with any information coming to their attention concerning possible violations of section 605 regardless of whether a complaint has been made.

In concluding my statement for the Commission I should like to assure you again that the Commission, including all of its members



and its staff, is fully in sympathy with the purpose of preserving and maintaining the privacy of communications by electronic means. The Commission will cooperate fully with this subcommittee in securing information and in considering the sensitive and important problems with which this investigation is concerned.

I submitted this statement to the full Commission yesterday afternoon and the only criticism that was made of it in this connection was by one member who thought my assurances were not strong enough and urged that I be even more emphatic in telling this committee that the members of the Commission personally were strongly dedicated to this principle and would do whatever they could to cooperate. However, I think it is only candid to point out that the Commission's numerous other tasks and problems, many of an urgent nature and central to the basic mission of the Commission, and the limited resources and manpower of the Commission simply do not permit an extensive effort in this field at this time.

I will be happy to answer any questions that you might have and to offer further comment on any of these problems, although any statement that I make beyond the scope of this prepared statement will, unless otherwise specifically noted, necessarily represent only my own personal opinion rather than the official position of the Commission.

Senator LONG. Mr. Commissioner, thank you for your statement. You and your Commission have always been very cooperative with our committee and members of the staff, and we appreciate it very much.

I am interested in this regulation that you have put in the record a while ago regarding eavesdropping by radio devices and regulations and rules that the Commission has issued. I am curious to know now whether, since you have issued that type order, involving radio devices, would it be possible for you also to issue similar rules regarding wire-tapping?

Commissioner LOEVINGER. I do not know of anything that would prevent the Commission from issuing similar rules within the scope of its jurisdiction.

Senator LONG. Has your Commission given any thought to issuing such rules?

Commissioner LOEVINGER. I believe not.

Senator LONG. 605 is sort of hit and miss, as we both understand and appreciate. I do not know whether rules would help or not but there is a possibility they would help straighten out, give us a more firm base to go on, would it not?

Commissioner LOEVINGER. I suppose there is, sir. I think that rules by the Commission might be useful, although, of course, they would not be nearly as useful nor effective as a statute on this subject.

We are, of course, mindful of the difficult problems existing here and I take it that the reason that Congress has not acted is because the problems, particularly those concerned with the scope of exemption for law enforcement, are so difficult that the congressional committees concerned with this simply have not been able to come to a satisfactory resolution.

Senator LONG. You mentioned about exceptions to law enforcement. There are no exceptions for law enforcement in 605, are there?

Commissioner LOEVINGER. No, sir; the exceptions are in the proposed statutes.



Senator LONG. I see.

Commissioner LOEVINGER. I believe this is what has prevented their enactment.

Senator LONG. Some of the Federal agencies have the fine-spun legal theory that under the law there must be the tap and the divulgence; and they take the legal theory that if one agent makes the tap and he divulges that information to the other agent, that is not divulging and is not a violation of 605.

Commissioner LOEVINGER. I understand this is the argument.

Senator LONG. Would it be possible that regulations by your Commission would make it clear that such is a violation of the 605 and any rules you might issue?

Commissioner LOEVINGER. Again let me say, and I am speaking purely for myself—and this is more conjecture than anything else—I believe that the FCC in any regulations would be very reluctant and probably unwilling to make regulations which would undertake to restrict or control the activities of other Federal agencies. As I noted in the eavesdropping regulations that were issued, an exception was made for law-enforcement officials acting under lawful authority.

Now, we believe that the burden is on the law-enforcement officials to establish that their authority is legal. But the Commission was not then willing to forbid law-enforcement agents to use these means and I am fairly sure that it would not be willing to go any further with respect to wiretapping.

Senator LONG. Our committee hopes to propose rather restrictive legislation to the Congress the first of the year in regard to these issues.

Let me ask you one or two more questions in regard to telephone monitoring systems that we have heard some testimony about yesterday and again this morning. Should these phone companies be allowed to sell this monitoring service to their subscribers, especially in view of the fact, I believe, that California has now ruled against it and maybe some other States are considering it? I am curious to know whether you have had any hearings concerning it, or whether there has been any discussion in the Commission.

Commissioner LOEVINGER. We have had no hearing and it has not specifically come to the attention of the Commission as distinguished from the Commission's staff for consideration. Again I might give you a word of explanation about this if you would permit me a moment, sir.

I think that is something of a historical accident, if you like. It has been said, and I believe it to be true, that the Commission as a Government agency has known of these activities. The Commission, as a body of seven Commissioners has, I think, largely been unaware of them until this subcommittee began its investigations. Since you began your investigations into invasions of privacy last year we have done a good deal more investigating ourselves and have become conscious of many of the things you have brought to light.

Senator LONG. You did not adopt an emergency rule, though, as one of the companies did, to get your regulations in shape as fast as you could.

Commissioner LOEVINGER. We adopted no emergency rules, sir, but you will have to remember that the telephone was invented in 1876,



about 90 years ago. Incidentally, and as a matter of curiosity, two men, Elisha Gray and Alexander Graham Bell filed patents on the same day in the Patent Office and it was only after years of litigation that Graham Bell got credit for it. Otherwise we might have the Gray System instead of the Bell System.

In any event, the phone companies that subsequently became A.T. & T. began to spring up and, for many years telephone conversations were sort of smalltown affairs in which you talked to the operators and there were different companies in the same town and nobody thought of privacy in connection with telephones really at all.

The first Federal assertion of regulation was when Congress became concerned about rates and gave jurisdiction to the ICC. The ICC at that time was almost wholly concerned with railroads. Its expansion of jurisdiction came many years later. And they were concerned only with rates.

In 1934 Congress passed the Communications Act which established the FCC. At that time they transferred jurisdiction over the telephones to the FCC but the FCC was the continuation of the old Federal Radio Commission that had been established primarily to regulate radio broadcasting and its primary concern for many years was with broadcasting.

Now, over the years it is true that the Commission has more and more turned its attention to other types of communication. We have the vast growth in safety and special services. We now have satellite communications. Telephone communications have become more and more important. However, the original impetus was for economic regulations and over the years the concern of the FCC with telephones had been largely with rate regulation and that has been a very large job for a pretty limited staff.

In the course of our conversations with A.T. & T. and the other phone companies, a great body of data has been accumulated in the staff. We have vast files of regulations and of tariff regulations and other documents filed by A.T. & T. and consequently a good deal of information is in our files. However, the Commission by and large has given attention to those things which seem to be crucial at the moment, rate regulation, the assigning of radio station licenses, and that sort of thing.

The problem—again, this has been paralled by a kind of technological development by which the telephone operator has gradually faded out. We have had automatic phone connections. The telephone has become more and more an everyday affairs. Greater and greater reliance has come to be placed upon the privacy of telephone communications and we find ourselves now at a state of development in which we can look to the telephone with some expectations of privacy but at the same time this has more or less sneaked up on us and we really have not paid a great deal of attention as a regulatory agency to this phase of the matter.

I think this is really what has happened. It has just kind of developed without our being fully aware of all the implications.

Senator LONG. Let me ask you this. This may be a question you will not be in a position to answer, and if it is, I certainly understand. But do you know whether the FCC contemplates any hearings as to



whether or not telephone companies should be allowed to sell their snooping systems to its subscribers or monitoring systems to its subscribers?

Commissioner LOEVINGER. At the moment, sir, our Common Carrier Bureau is strained to the utmost to handle the A.T. & T. rate cases. And until those have been disposed of, I do not think we are contemplating—

Senator LONG. You are hearing A.T. & T. rate cases at the present time. Would not the field of company practice, the field of monitoring—actually snooping is a little better word—could it not be considered by the full Commission at this time? That as part of the problem on rates, et cetera, could be considered, could it not?

Commissioner LOEVINGER. Well, it really involves separate considerations, Senator. Rates are concerned with the economic justification for particular price or rate levels. They are concerned with the money market, with how much money costs, with what return the investors are entitled to, with what the charges to the customer should be. The revenue derived from these observing or snooping arrangements is so insignificant it has no real effect on the issues in the rate case. Consequently, the issues are quite different and I think it would divert attention from the matters that are really under consideration in the rate case.

Senator LONG. Could there be some possibility, then, that it could be done later after you have completed this hearing?

Commissioner LOEVINGER. Yes, sir; yes, sir.

Senator LONG. Mr. Fensterwald?

Mr. FENSTERWALD. I just have one rather technical question. A Federal judge in Detroit recently ruled that use of a pen register was an unauthorized interception and violation of section 605. I wonder if this had come to the attention of the FCC and whether you had any opinion on the correctness of that judge's decision.

Commissioner LOEVINGER. This has not come to my attention. My offhand opinion is that it depends upon how and by whom it is used.

Mr. FENSTERWALD. Well, in this particular case it was used by a Federal law enforcement agency but I think it again points up the difficulties that we have with the state of the law with respect to section 605. I wondered if we could take advantage of your volunteering to give us your own personal views on matters not contained in your statement, particularly with respect to legislation that we would hope to introduce early in the next Congress. Have you got any specific suggestions for the subcommittee?

Mr. LOEVINGER. I think that a statute of the type that was offered by Senator McClellan, S. 2189, would be very helpful insofar as both the prohibitions against wiretapping are more explicit and, therefore, likely to be more effective, and the exceptions, if any, that will be contained therein will also be explicit and, therefore, clear and we will be able to apply them.

I think that with such a statute it would be much easier to get effective wiretapping enforcement.

So far as the general subject of eavesdropping is concerned, I am persuaded that the only conceivable approach that any agency could consider or that Congress should consider should be through the con-



trol of the manufacture, distribution, sale of the devices rather than through an attempt to control the practice itself. As I say, the practice itself is of such a nature and is likely to be so diffused and widespread in geographical area and time of occurrence that it would take an army of investigators far beyond anything Congress would authorize or that I think Congress should authorize for any agency to approach it.

On the other hand, I believe that an approach analogous to that which has been adopted for gambling devices and which appears in title 15, United States Code, sections 1171 to 1177, might well be an effective approach to the general eavesdropping problem.

It seems to me that those statutes with considerable modification could be adapted to this problem and that this would provide both a sound constitutional basis and a possibly practical approach to the objectives that I believe this committee is trying to secure.

Mr. FENSTERWALD. It has also been suggested in this connection that we incorporate some type of licensing system for certain types of devices. That would either involve the FCC in additional work or it would have to be given to some other agency. Have you any views on that subject?

Commissioner LOEVINGER. I suspect that if you adopted the approach of regulating the manufacture and distribution of devices, and it would have to be regulation rather than absolute prohibition because many of these devices have legitimate uses, that you would find it necessary to authorize some agency to issue regulations. That is, you have to distinguish between the ordinary office dictating device which is a perfectly legitimate and widespread, widely used thing, and a device which is used to hear and record telephone or other conversations.

Now, these distinctions are things that are going to have to be drafted rather technically. I believe that the FCC is probably the only agency that has the technical expertise to draft such regulations and therefore I believe at least some of the burden of enforcement would probably fall upon the FCC. I think this would be a difficult matter of draftsmanship and I have no drafted statute or proposal to make.

Mr. FENSTERWALD. To what extent do you think that your new regulations or radio devices can be incorporated into statute, particularly if they are applicable to law enforcement?

Commissioner LOEVINGER. I believe that the rules now contained in the FCC regulations on radio eavesdropping devices would be made matters of law by statute.

Mr. FENSTERWALD. Well, if we did that, we would have to wrestle with the question of law enforcement as well as non-law-enforcement, whereas in your regulations you have simply exempted all law enforcement from application of the regulations.

Commissioner LOEVINGER. If you did not wish an exemption as broad as the one the FCC has adopted, yes, you would have to wrestle with defining the scope of the exemption.

Mr. FENSTERWALD. Those are all the question.

Senator LONG. Mr. Homme?

Mr. HOMME. No questions.



Senator LONG. Mr. Waters?

Mr. WATERS. Mr. Commissioner, I wonder, if by reason of the expertise your office and staff have, if you contemplate that a study will be made in connection with the regulations you may suggest would be appropriate for the manufacture and sale and utilization of such devices that you described.

Commissioner LOEVINGER. No, sir. Not unless Congress asks us to do it. If we are requested by Congress to make such a study and report, of course, we will. However, we will not initiate such a study and volunteer it to Congress.

Mr. WATERS. Thank you. Thank you, Mr. Chairman.

Senator LONG. What type of request is necessary to get that study made? As chairman of this committee we will make that request now.

Commissioner LOEVINGER. I really did not mean to invite this, Senator Long.

Senator LONG. Well, it would be very helpful to this committee and we are very anxious to have it. I do not know to what extent, what type or form of request would be necessary or required, but whatever it is we would be happy to arrange to try to have it.

Commissioner LOEVINGER. Senator Long, quite genuinely, and this is not just the usual anguished cry of the wounded Government bureaucrat, we are quite genuinely facing a crisis now due to the fact that Congress has given us 18 less man-years than even the Budget Bureau approved, at a time when our problems and our responsibilities are increasing dramatically.

One of the dramatic increases and problems we are facing is this question of fitting satellite communications into the overall communications system and there are a great many extremely difficult problems involved in that. By and large this burden falls on our Common Carrier Bureau which is also the one that is involved to a large degree with this other thing.

Consequently, I would very much appreciate, sir, if you want any additional help from the Commission, if you would make an official request to the Chairman so that it will not fall on my shoulders to put on these poor overburdened Government officials any additional work.

Senator LONG. Thank you, Mr. Commissioner. We certainly do not desire to place you in an embarrassing position. We will give some thought to discussing it with the Chairman.

Any other questions?

Mr. Commissioner, we are very grateful to you for being here this morning. As usual you have been very helpful to us, very cooperative, and we are very grateful to you. We appreciate you other gentlemen being here flanking the Commissioner on the right and left.

Senator LONG. Our last witness this morning is Mr. Robert B. Conrad, Acting Commissioner, Transportation and Communication Service, General Services Administration.

Will you stand, please, and be sworn?

Do you solemnly swear that the testimony you are about to give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. CONRAD. I do, sir.



TESTIMONY OF ROBERT B. CONRAD, ACTING COMMISSIONER,  
TRANSPORTATION AND COMMUNICATION SERVICE; ACCOMPANIED BY ROBERT T. DAVIS, DIRECTOR OF LEGISLATION; AND  
EMANUEL R. NOEL, ELECTRONICS ENGINEER, OF THE GENERAL  
SERVICES ADMINISTRATION

Senator LONG. You may proceed. We will be happy for you to introduce to the committee the two gentlemen that are flanking you.

Commissioner CONRAD. With me this morning, Senator Long, are Mr. Davis and Mr. Noel of our staff.

Senator LONG. Delighted to have them. I understand, too, I have a copy here of your prepared statement which we will be happy to hear at this time.

We should recess at 12 o'clock. If you could expedite your statement—

Commissioner CONRAD. Very well, sir.

Mr. Chairman and members of the subcommittee, I am pleased to appear before you today, in response to your letter of August 24, 1966, and in connection with your subcommittee's hearings on wiretapping and eavesdropping, for the purpose of discussing the Federal Telecommunications System which the General Services Administration operates for and in behalf of the civil agencies of the Federal Government. Also, to discuss, in accordance with your letter and recent conversations with the chief counsel of your subcommittee, Mr. Bernard Fensterwald, Jr., several related matters pertaining to "service observing" which is performed on the Federal Telecommunications System for the purpose of ascertaining the quality of communications service being provided the users of the system.

THE FEDERAL TELECOMMUNICATIONS SYSTEM

The Federal Telecommunications System (FTS), Mr. Chairman, through which GSA discharges its responsibility of providing the Federal civil agencies with efficient and economical telecommunications service, is a unified system of day-to-day and emergency communications. The System is designed to include all forms of communications services which Federal civil agencies may require in the conduct of the Government's business. However, in discussing the Federal Telecommunications System on this occasion, I shall confine my remarks to that portion of the FTS in which your subcommittee is primarily interested in connection with these hearings—namely, the voice, or telephone system.

Briefly, the voice or telephone portion of the FTS is a Government-wide system of circuits and facilities leased from the American Telephone & Telegraph Co. and its associated companies, as well as from various independent telephone companies. It is used by all agencies of all the Government and includes features to insure continuity of service during an emergency. Also, it is compatible with systems of the Department of Defense.

Prior to the implementation of the FTS, the many communications facilities then in use by the Government were duplicative, many overlapped, and many were not suitable for interagency communications



because of the variety of equipment, circuitry, operational, and procedural techniques which they employed.

Following extensive study, the Administrator of General Services was directed on January 17, 1961, to proceed with the establishment of a unified and integrated Federal civil agencies communications system. In so doing, the Administrator enlisted the cooperation of the Bell System to provide this new voice communications network which would consolidate all existing systems and take advantage of the latest scientific advances and multiuse economies.

Because of its size, the FTS was implemented in two phases. Phase I was placed in service February 15, 1963, and linked 250,000 Federal agencies' telephones in 43 cities across the Nation. Phase II was activated July 6, 1964, and the network was expanded to 406 cities. Today, there are 455 metropolitan areas on the System and long-distance telephone service is being provided to some 500,000 telephones in Federal offices throughout the country.

#### "SERVICE OBSERVING"

The FTS is the largest private line leased system in the world today. As such, with its almost 3 million miles of circuits and its vast complex of switching facilities, switchboards, operating positions, and related equipment, together with frequently changing service requirements, it is a system which needs constant attention in order to insure that all parts of the System are performing at the ultimate level of capability.

Thus, in order to (1) minimize congestion on the network; (2) identify areas of poor service which are in need of additional facilities or changes in operating procedures; (3) anticipate changing requirements and to prepare for them; and (4) obtain for the Government the utmost in value (from the standpoint of service) for the taxpayer's dollars being spent for this System, GSA receives from the Bell System a regular "quality assurance" report which is based on results obtained from the technique known as service observing.

This service observing technique employed to produce these quality assurance reports in no way constitutes the monitoring of telephone calls. We regard these quality assurance reports which we acquire from the Bell System as a useful and necessary management tool in our operation of the Federal Telecommunications System. However, if, in order to obtain quality assurance reports, we, or those who provide such reports for us, could only do so by monitoring or recording voice conversations, we would find other means of ascertaining the quality of communications service being provided the users of the FTS.

While the General Services Administration, Mr. Chairman, is very much in the business of telecommunications, it is not, in any way or for any purpose, in the business of eavesdropping. GSA does not and shall not engage in the practice of monitoring or recording voice conversations of its employees, or the employees of any other agency of the Government, who may have occasion to use the FTS in the performance of their official duties. In this connection, GSA on March 27, 1959, published the following directive in its administrative manual:



The use of telephone recording devices is prohibited.

On March 29, 1961, this directive was revised to read:

The recording of telephone conversations by the use of mechanical devices in GSA is prohibited.

This has been, and is today, the firm policy of GSA with respect to the monitoring of telephone calls of its employees. Accordingly, no service observing equipment is leased by GSA from any carrier or from any contractual source for the purpose of monitoring telephone calls.

Also, copies of those provisions of the Federal Communications Act of 1934 relating to the secrecy of communications are prominently posted at GSA switchboard locations. GSA's instructions to all those personnel who might have an opportunity, by virtue of their positions as switchboard operators, to overhear telephone conversations explicitly admonish such personnel that "Exact secrecy of communications is protected by law and must be maintained. Federal law subjects any offender to fine and imprisonment."

This internal instruction further refers to these pertinent provisions of the 1934 act stresses the particular applicability of these provisions to switchboard operators, and advises the operators of the criminal penalties which prevail for unlawful disclosure of information flowing through their position. It should be added that the workload on GSA switchboard positions is so great that an individual operator would have little opportunity to monitor a telephone conversation even if the operator were inclined to do so.

Further, the switchboard supervisors maintain constant supervision over the various operating positions and would be able to detect any practice which indicated that an operator was listening to a telephone conversation for a length of time other than that necessary to insure that a call had been established.

Again, Mr. Chairman, for the sake of emphasizing the fact, I wish to state for the record that there are no devices leased by GSA which are capable of recording voice conversations for the purpose of monitoring telephone calls of its employees or those of any employees of the Federal Government. GSA does, however, lease commonly used answering devices in some locations to permit a calling party to leave a service call or message but these answering devices are neither monitoring nor service observing equipment in the communications context presently under study by this subcommittee.

Turning now from the area of policy to the area of practical application insofar as service observing is concerned, I wish to briefly describe the actual service observing technique used by the Bell System to obtain the data necessary to provide GSA with "quality assurance" reports.

Since the FTS was first placed in service in 1963, the A.T. & T. Co. has been performing service-observing work on FTS access lines and trunks. The observations are used to develop traffic quality assurance results which show the performance of the switching machines and reveal any trends in customer dialing irregularities. Each month GSA receives quality assurance reports based on about 6,200 observations from 22 locations. Major areas of interest shown on the traffic quality assurance reports are—



The percentage of call attempts completed ;  
The percentage of call attempts encountering busy signals ;  
The percentage of call attempts which were not answered and/or the calling party did not wait ;

The percentage of call attempts which reached a distant operator correctly in those situations where her service is required to complete the call ;

The percentage of call attempts which were ineffective due to equipment problems, lack of facilities or circuits, or customer dialing irregularities ; and

The percentage of call attempts to a distant PBX operator for call completions off the network.

In general, the observations are taken by the telephone company from a centralized service observing position. Through circuitry, the position is connected to the FTS access lines and trunks. Access lines and trunks are selected for observation on a random basis and are coded so that the operator at the service-observing position cannot identify the agency or party originating the call.

Senator LONG. Mr. Commissioner, let me ask you this. Is this the entire conversation they monitor ?

Commissioner CONRAD. No, sir.

Senator LONG. You do not have any system where they listen to the entire conversation ?

Commissioner CONRAD. No, sir.

Senator LONG. How about prior to June 1 ?

Commissioner CONRAD. No, sir. To my knowledge they did not nor do I—and I am positive that they did not monitor any entire conversations at our request, Senator.

Senator LONG. Do you know whether they did it or not, whether at your request or not ?

Commissioner CONRAD. I do not know this.

Senator LONG. You had no trouble with tone calls ; that this is what they claim they were doing ?

Commissioner CONRAD. We do have problems of this type of clipping on the lines, cutoffs, cross talk, things of this sort, but we correct these on the basis of first testing the circuit prior to the time that it is placed in service, and secondly, we rely upon customer complaints to apprise us of this type of problem.

As a matter of interest, the position used for FTS service observing is also used for observing on the commercial network when FTS observations are not being conducted.

Senator LONG. Does that mean on other lines other than yours ?

Commissioner CONRAD. I beg your pardon ?

Senator LONG. Does that mean on other lines other than yours ?

Commissioner CONRAD. No. What I am saying is there is nothing unique at all about the service-observing position for the FTS, and it is the type of equipment which after it has concluded the service observing for us, it is then capable of being used on the direct-distance-dialing network.

Senator LONG. Used on the other lines.

Commissioner CONRAD. It can be used on the other lines.

Mr. FENSTERWALD. Did you get the same type of service observing that A.T. & T. used for observing its own service ?



Commissioner CONRAD. I believe this is substantially the same type of equipment.

Mr. FENSTERWALD. It seems to me prior to June 1, 1966, calls going over your network were listened to up to 10 minutes.

Commissioner CONRAD. If they were, they were not done to our knowledge nor at our request and we received absolutely nothing in connection with the substantive portion of the conversations.

Mr. FENSTERWALD. Would you have requested A.T. & T. not to listen to the substance of calls had you known?

Commissioner CONRAD. Yes, sir.

Mr. FENSTERWALD. But you did not know and you did not so request?

Commissioner CONRAD. That is correct.

Mr. FENSTERWALD. Thank you.

Senator LONG. Over your lines go very highly confidential communications certainly between Government agencies, Government offices, and Government officials; do they not?

Commissioner CONRAD. It is used for the transaction of public business.

Senator LONG. Not necessarily classified.

Commissioner CONRAD. No, sir.

Senator LONG. You may proceed.

Commissioner CONRAD. During the observation week, a visual signal appears on the service-observing position when an FTS subscriber selects an FTS access line. By observing on an illuminated panel and noting the advance of the call as it proceeds from line selection to call completion, the service-observing operator does the following:

(1) Times the interval between initial signal and receipt of dial tone.

(2) Determines the called number through pen register indications on paper tape or through a visual display on the observing desk. This indication discloses customer dialing errors such as insufficient digits, extra digits, no area code, and so forth.

(3) Times the interval between the end of dialing and the start of station ring or station busy. During this interval, the observer also listens for indications that the switching equipment is busy or for a "no circuit" condition.

(4) Remains on the call until certain that the correct number has been reached. If a wrong number has been reached, the observer can also determine from comments between the called and calling party whether—

(a) The number dialed was the number reached;

(b) The number recorded or displayed was not the number reached, thereby indicating trouble on the network;

(c) The calling party dialed the wrong number.

(5) Disconnects from the call and begins observing another call.

Senator LONG. Let me ask you this. CIA uses your lines; do they not?

Commissioner CONRAD. To a certain extent.

Senator LONG. State Department uses it?

Commissioner CONRAD. Yes, sir; to a certain extent, for continental U.S. traffic.

Senator LONG. Treasury Department uses them?



Commissioner CONRAD. Yes, sir.

Senator LONG. FBI uses them?

Commissioner CONRAD. Yes, sir.

Senator LONG. Justice Department?

Commissioner CONRAD. Yes, sir.

Senator LONG. Now, if the A.T. & T. were monitoring those calls, those lines, for conversations up to 10 minutes, those operators would be listening in on some very highly confidential conversations—very important conversations of the Government, would they not?

Commissioner CONRAD. I would expect, sir, it is possible.

Senator LONG. You may proceed.

Commissioner CONRAD. After this "service observing" information is obtained, the data is generally taken to another office of the telephone company where it is collated and converted into a format acceptable for automatic data processing. A computer run then produces the quality assurance report which we receive.

With further respect to step (4) listed above, I wish to point out that the FTS is a "communications machine" which is manipulated and used by people. As such, it is subject to the errors which can be made by the person using the machinery or, in other words, the person placing the call. Hence, the "service observing" operator remains on the call until certain that the correct number has been reached in order that the operator may tabulate what, if any, technical or human error was responsible for the wrong number.

Senator LONG. Let me interrupt you again. Mr. Homme just suggested a situation to me. FCC also uses these calls, do they not?

Commissioner CONRAD. Yes, sir.

Senator LONG. And if the A.T. & T. were listening in on them, they could hear conversations dealing with their rate cases and the matters that they could possibly be discussing with other officials in the Government, would they not?

Commissioner CONRAD. Their employees would have this possibility, but I would like to add, if I may, Senator, that these employees are under the same provisions of the Federal Communications Act of 1934 as is every other individual.

Senator LONG. I understand that, and I can also understand perhaps the reluctance of the A.T. & T. in not wanting us to talk to these girls who have listened in on some of these conversations.

Commissioner CONRAD. I am not aware of this.

Senator LONG. I know. You were not here to hear this testimony. I am not being critical of you. I am just trying to develop the facts, and it is very interesting, very interesting to this committee, that the FCC uses this type equipment, your type lines, and the A.T. & T. would have access to those lines and conversations dealing with matters involving them that are bound to be discussed by employees and the A.T. & T. would be listening in on them. It is a very interesting field that has opened up in this.

You may proceed with your statement.

Commissioner CONRAD. If it is an error of the "machine," that trouble can be identified and corrected; if it is a human error, the type of mistake is a signal to us that additional customer training in the use of the FTS could be indicated. Customer dialing irregularities are a source of concern to us for we know that, if they were minimized,



substantial service improvement would result without additional expenditures for facilities. This is the reason for our interest in this type of information.

Since our communications system is financed under a revolving fund type of arrangement, reimbursement for costs incurred must be obtained from using agencies. The extent to which an agency uses the FTS is determined by GSA toll tickets for low volume users, by automatic message accounting equipment in some locations, and also on the basis of statistical sampling.

In the statistical sampling, we do employ equipments which are installed on circuits selected on a random basis. When such a selected circuit is activated by a call attempt, and after the distant telephone answers, a recording is heard by the called party which advises him to please stand by for a long-distance call. Simultaneously, the switchboard operator will speak to the originating party and ask him for his agency identification number or such other information as may be obtained at that time. As quickly as the operator has obtained the information from the calling party, she disconnects the jack, the call is established, and there is no way in which the operator can then reenter the conversation or hear any portion of the conversation. No voice conversation is recorded other than the prerecording described. I mention this only for the purpose of fully apprising your subcommittee of the mechanical techniques and the mechanical safeguards employed in the statistical sampling procedure used by GSA to compute agency telephone usage. This is not, however, "service observing" equipment.

GSA does not prescribe policy for other Federal agencies with respect to the use by them of "service observing" equipment. We have no knowledge of the installation of "service observing" equipment, of the type which I herein described, in other Federal agencies nor is such equipment installed for other agencies at GSA switchboard locations.

This concludes my prepared statement, Mr. Chairman. However, if you or the members of your subcommittee have any questions you may wish to ask, I shall be pleased to answer them at this time or furnish the desired information for the record.

Senator LONG. Mr. Commissioner, let me compliment you on this statement and compliment you and your department on the very obvious efforts that you make to preserve the privacy of these calls. It is interesting to this subcommittee that with the great volume that you handle, at the same time you make every effort, apparently a successful way of not listening in on these calls yourselves, but still providing a very fine service for various important agencies of the Federal Government.

Mr. Fensterwald, do you have any questions?

Mr. FENSTERWALD. I have one question and one request. The question has to do with leased lines.

Does GSA handle the leasing of lines for other agencies?

Commissioner CONRAD. Yes, sir.

Mr. FENSTERWALD. And do you have at any one time a list of lines which are being billed through GSA for other agencies?

Commissioner CONRAD. Yes, sir.



Mr. FENSTERWALD. How much of a problem would it be to furnish such a list to this committee as, say, of this date or a date 6 months ago or —

Commissioner CONRAD. Mr. Fensterwald, this would be a substantial problem if I may so. We have about 3 million miles of circuitry and in order to comply with your request, we would have to break out of this entire package of circuitry, including a separation by circuit from each individual telepak in which these circuits are presently resting and presently tarified, and this would require a substantial effort, sir, and the information is presently at our facility out at Scott Field, Ill., where all of the circuitry is procured.

It would represent a substantial effort.

Mr. HOMME. Let me ask you, I understand that you are the primary agency for the purposes of purchasing and supplying communications to all other Federal agencies with the exception of the Department of Defense.

Commissioner CONRAD. Yes, sir.

Mr. HOMME. And if an agency maintaining a regional office in a midwest city had an increase for local service or a requirement for an increase in local service, would this come under your jurisdiction?

Commissioner CONRAD. Ordinarily it would, sir. There are a few instances where it would not but, by and large, that request would come to us.

Mr. HOMME. Now, I am referring, then, instead of talking about leased lines in a telepak situation, which are integrated into your system, but leased lines in a local community, would those come through you?

Commissioner CONRAD. They would be part of our common local plant, sir.

Mr. HOMME. Now, would that present as large a problem of providing us a tabulation of leased lines on a local basis?

Commissioner CONRAD. The only information that we have there, sir, would be the list of extensions which are served by that PBX. As far as the circuitry is concerned, if you are talking about those local-access lines, we would have that information in a given locality.

Mr. HOMME. And it would normally be your responsibility in a city like San Francisco, if a Federal agency wanted to increase its local service by way of leased line, and so forth, that you would be the contracting or the handling agency for this service?

Commissioner CONRAD. Ordinarily the agency would come to us with its requirement and we would attempt to blend it into the consolidated switchboard which we have there for the use of the Federal agencies.

Mr. HOMME. That would be—when you say “ordinarily,” that would be the normally prescribed procedure.

Commissioner CONRAD. Yes, sir.

Mr. HOMME. If we specified it by city would that be difficult?

Commissioner CONRAD. We are here talking, sir, about 455 locations with about 190,000 subscribers for local service off of the GSA switchboards. So that if you were asking for subscribers in a particular city, we could probably provide that information without a great deal of difficulty; but if you are asking for the 455 metropolitan areas and the 190,000 local-service subscribers, you can appreciate that this would be a substantial task.



Mr. HOMME. Would it be an irregularity, in your opinion, to find that, say, some governmental agency had leased lines independent of your system? Would that be an unusual situation?

Commissioner CONRAD. No. This would not be irregular nor would it be unusual. There are many instances in which an agency is taking certain service directly from the local plant of the telephone company under the regular business line arrangement and is not being served as far as that particular line is concerned by a consolidated switchboard. So that this would not be a unusual situation.

Mr. FENSTERWALD. Could we make a request at this time to get your current leased lines in three metropolitan areas, specifically, Boston, Chicago, and San Francisco?

Commissioner CONRAD. You want the subscribers who have access lines to our consolidated PBX's in Boston, Chicago, and San Francisco?

Mr. FENSTERWALD. Yes, sir. And, if possible, I would like to know where the line begins and where it terminates. This would be independent of the telepak system. I am not trying to get us involved in that.

Commissioner CONRAD. Yes. As far as the names of the subscribers or the extensions, and it is confined to those that are used, that are serviced directly by our switchboard, we can provide that information. We would appreciate it if the committee would allow us a reasonable amount of time in order to compile it.

Mr. FENSTERWALD. Yes, sir.

Senator LONG. It is the understanding, then, of the Chair that you will furnish that information to our committee within a reasonable time.

Commissioner CONRAD. Fine; yes, sir.

Senator LONG. We would like to have it, of course, as soon as reasonable.

Commissioner CONRAD. We understand, and we will bend every effort to obtain it.

(See appendix for material furnished by General Services Administration.)

Senator LONG. Any further questions?

Mr. FENSTERWALD. I just want to ask one more. You say you have no knowledge of the installing of service-observing equipment by other Federal agencies. This is not to say that other Federal agencies do not use them.

Commissioner CONRAD. No, sir. We have no knowledge of the type of service-observing equipment that I am talking about being used by any other agencies at any place.

Mr. FENSTERWALD. Would you have any way of getting this confirmation if we desired it?

Commissioner CONRAD. This information is information that would rest primarily with the agency which had requested it and with the carrier. I would say that these would represent the best sources of this information.

Mr. FENSTERWALD. Would the request come through you?

Commissioner CONRAD. No, sir.

Senator LONG. Any other questions? Mr. Homme?

Mr. HOMME. No questions.



Senator LONG. Mr. Waters.

Mr. WATERS. No questions.

Senator LONG. Thank you, Mr. Commissioner. We thank both the gentlemen with you. You have been very helpful to us.

We had another witness that was to be here this morning, Dr. Fry, who sent us a telegram:

Deeply regret trip east impossible right now. Please advise if written statement and/or later appearance possible.

Sincerely,

C. B. FRY, M. D.

LOS ANGELES, CALIF.

So that is all the witnesses we have. The committee will stand in recess at this time subject to the call of the Chair.

(Whereupon, at 12:15 o'clock p.m., the hearing was recessed subject to call of the Chair.)



## APPENDIX

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AMERICAN TELEPHONE & TELEGRAPH CO.,  
*New York, N.Y., October 11, 1966.*

HON. EDWARD V. LONG,  
*U.S. Senate,  
Washington, D.C.*

DEAR SENATOR LONG: When I appeared before your Committee on September 14, you asked (Page 1828-B of the transcript) to be advised whether or not the change in service observing was made in Boston by June 1.

The New England Telephone and Telegraph Company did put into effect on June 1, 1966 in Boston, as well as elsewhere throughout its operating territory, the service observing change on operator-handled long distance calls to follow observations only to the start of satisfactory conversation, similarly as had long been the practice on directly dialed calls.

With this change in New England and in all other Bell System Companies, the last remaining vestige of observing the conversation interval on customer-customer calls was eliminated.

Very truly yours,

H. L. KERTZ,  
*Vice President.*

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SENATE SUBCOMMITTEE ON ADMINISTRATIVE  
PRACTICES AND PROCEDURES,  
NEW SENATE OFFICE BUILDING,  
*Washington, D.C., October 3, 1966.*

MR. RONALD J. FOULIS,  
*American Telephone & Telegraph Co.,  
Washington, D.C.*

DEAR RON: The attached is from the current Miami Yellow Pages.

Would you be kind enough to check and see what policy AT&T and operating companies have re advertising of "bugging" devices.

Kind regards.

Sincerely,

EDWARD V. LONG,  
*Chairman.*  
2729



**INVESTIGATIONS**  
ALL TYPES OF  
**Electronic Bugging**  
AND  
**De-Bugging Equipment**  
FOR  
**SALE OR RENT**  
TO LAW ENFORCEMENT AGENCIES  
DETECTIVE AGENCIES & RESPONSIBLE  
PERSONS  
VISIT OUR DISPLAY OF THE  
LATEST ELECTRONIC DEVICES  
AT 1497 N. W. 7 ST  
Our Experience & Equipment  
Better Enable Us To  
Handle Your Problems  
At (Large or Small) Reasonable Rates  
**DOMESTIC — INDUSTRIAL — SECURITY**  
DIAL NOW  
 **373-4855**  
**STATE INVESTIGATIONS**  
LICENSED — INSURED — RADIO DISPATCHED



AMERICAN TELEPHONE & TELEGRAPH Co.,  
Washington, D.C., October 14, 1966.

Hon. EDWARD V. LONG,  
U.S. Senate,  
New Senate Office Building,  
Washington, D.C.

DEAR SENATOR LONG: This is in reply to your letter of October 3, 1966, inquiring as to the policy of the Bell System regarding advertising of "bugging" devices in our Yellow Page directories.

I can report to you that our policy is not to accept advertising that states or implies that wiretapping is employed. This policy, which has been in effect for a number of years and which since 1962 has been explicitly stated in our published "Standards for Advertising and Copy Content," reads as follows:

"Advertising copy stating or implying that wiretapping is employed should not be accepted."

While the particular ad you had reference to does not specifically refer to wiretapping, we would have to agree that there is an implication that the "bugging" equipment so advertised could be used for wiretapping purposes. Thus it is our intention to study how best to clarify or expand our statement of policy in con-



nection with this subject matter so as to make advertising copy for "bugging" or other electronic "listening" devices non-acceptable.

We have verbally advised our directory people in the operating companies of this matter and will reissue our "Standards for Advertising and Copy Content" to incorporate the contemplated change.

Thank you for bringing this matter to our attention.

Sincerely yours,

RONALD J. FOULIS, *Attorney.*

SENATE SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE,  
NEW SENATE OFFICE BUILDING,  
*Washington, D.C., October 3, 1966.*

Mr. RONALD J. FOULIS,  
*American Telephone & Telegraph Co.,  
Washington, D.C.*

DEAR RON: An employee of the C&P Telephone Company has alleged to us that monitoring in that company is by no means private. In fact, he alleges various managers and assistant managers sit in a room together and have conversations piped in for group discussion. Is this possible now or in the past?

He also alleges that managers can monitor the service observers by use of a telephone on their desk. How about this?

Kind regards.

Sincerely,

EDWARD V. LONG, *Chairman.*

AMERICAN TELEPHONE & TELEGRAPH CO.,  
*Washington, D.C., October 14, 1966.*

Hon. EDWARD V. LONG,  
*U.S. Senate,  
New Senate Office Building,  
Washington, D.C.*

DEAR SENATOR LONG: This is in reply to your letter of October 3, 1966 in which you raised some questions concerning observing practices in the C & P Telephone Company.

Their management people do make service observations on repair service calls in the Plant Department and on Business Office calls in the Commercial Department in order to sample the quality of treatment the customer receives when talking to the Telephone Company. Generally these observations are made by individual supervisors, but there may be times when more than one supervisor is involved in order to evaluate acceptance of Company policies by customers and to determine training needs of their employees.

It is also true that supervisors at some locations can observe the service observers from their desks to appraise the job they are doing.

If the Subcommittee is concerned about supervisors listening to personal calls of employees—the employees are provided telephones not subject to observing by their supervisors which they are instructed to use for their personal calls.

I have spent some time with Mr. Fensterwald discussing the reasons for these activities and, of course, we would be pleased to discuss them further with you at your convenience.

Sincerely,

RONALD J. FOULIS.

SHERATON-DAYTON HOTEL,  
*San Francisco, Calif., September 20, 1966.*

Senator EDWARD V. LONG,  
*Washington, D.C.*

DEAR SENATOR: I have just finished reading about Ma B.E.L.L. in TIME, and I want to say "Thank you"!

When I was employed by Pacific Tel & Tel I was amazed to find that many calls must have been monitored and taped, because when a controversy arose, good ole Ma presented a transcript of the call in question (with the payroll department) which included "Oh's", "Ah's", "Uh's", and grunts and groans. She is a Bad Girl.

Respectfully,

WILLIAM ANTHONY TAYLOR.



GENERAL SERVICES ADMINISTRATION,  
Washington, D.C., September 28, 1966.

HON. EDWARD V. LONG,  
Chairman, Subcommittee on Administrative Practice and Procedure, Committee  
on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR LONG: In accordance with your letter of September 16, 1966, there is herewith returned to you the transcript of our testimony before your Subcommittee.

Also included is the material requested by the Subcommittee during the course of the hearings.

The Subcommittee requested that, if possible, it would like to know where the local access lines, that is those lines between our PBXs and the customer agencies, originate and terminate. In San Francisco, these lines originate at the office of Pacific Telephone and Telegraph Company at #1 McCoppin Street in that city and terminate at the street addresses of the agencies listed in that city. Similarly, the originating office of the circuitry in Chicago is in the office of the Illinois Bell Telephone Company at 536 South Clark Street, and, in Boston, the originating point is in the office of New England Telephone and Telegraph Company at 6 Bowdoin Square in that city. In each instance, the terminating points are the street addresses of the agencies listed.

If we may be of further service in this matter, please call upon us.

Sincerely yours,

ROBERT B. CONRAD,

Acting Commissioner, Transportation and Communications Service.

Federal agencies served by GSA consolidated switchboard as of Aug. 15, 1966

SAN FRANCISCO, CALIF.

Agency	Main stations	Extension stations
Agriculture, Department of:		
CMS Resident Work Group.....	1	1
CMS DD Insp. & Grad Br.....	2	
CMS PD Dairy & Poultry Mkt. News.....	3	0
CMS Consumer Food Programs.....	13	14
CMS F&VD Fresh Prod. Stand & Insp. Br.....	2	2
CMS F&VD Mkt. News Br.....	3	7
CMS F&VD Proc. Prod. Stand & Insp. Br.....	4	4
CMS Livestock Div. Meat Grad. Mkt. News Br.....	4	5
CMS Market Information Division.....	3	3
Insp. General Western Region.....	10	19
CMS PD Grad. Br. Area Office.....	2	0
CMS PD San Francisco Field Office.....	2	0
CMS PD Inspection Br.....	4	4
CMS Leased Wire Office.....	1	0
ARS Animal Insp. & Quarantine Div.....	7	9
CMS Meat Ins. Laboratory.....	1	2
ARS Pesticides Reg. Div.....	2	3
Forest Service.....	182	90
Office of General Counsel.....	7	2
USDA West Federal Credit Union.....	1	0
CMS F&VD Marketing Field Office.....	3	2
FAS Office of General Sales Manager.....	2	0
CMS West Area Adm. Div.....	2	1
CMS Meat Inspection Service.....	2	4
CMS Grain Division Market News Branch.....	1	0
Sacramento Smana Air Material Area SmbL.....	1	0
Air Force, Department of:		
OSI 19th Dist Det 1907.....	2	4
Recruiting Station.....	2	1
Army, Department of:		
Office of Civilian Personnel.....	2	5
TPO Materiel Command Western Br.....	2	0
Headquarters U.S. Army Military Mail Terminal San Francisco tolls only:		
115th Intelligence Corps Group.....	4	0
Corps of Engineers of San Francisco District.....	149	61
Corps of Engineers Division Engineer South Pacific Division.....	75	54
Recruiting Main Station.....	2	0
Civil Service Commission.....	78	25
Commerce, Department of:		
Bureau of Census.....	4	0
Bureau of Public Roads.....	53	31
Maritime Administration.....	50	16
Office of Field Services.....	12	6



*Federal agencies served by GSA consolidated switchboard  
as of Aug. 15, 1966—Continued*

SAN FRANCISCO, CALIF.—Continued

Agency	Main stations	Extension stations
Commerce, Department of—Continued		
ESSACGS SF District Office	3	6
ESSA Weather Bureau Marine Section	2	2
Economic Development Administration	2	0
Weather Bureau State climatologist	1	0
Coast & Geodetic Advanced Seismic Experiment Group	4	10
Coast and Geod ESSA Seismological Filed Service	3	5
ESSA Weather Bureau Airport Station	1	4
Maritime Administration Warehouse	2	1
Federal Maritime Commission	6	2
Federal Communications Commission	1	1
Bureau of Field Engineering District Office	3	4
Federal Mediation and Conciliation Service	9	11
Federal Power Commission	16	8
Federal Trade Commission	4	12
GAO Comptroller General of the United States	7	13
Government Printing Office	2	2
Department of Health, Education, and Welfare:		
Food and Drug Administration	27	2
Office of the Regional Director Region 9	15	10
SSA Communications Control Center	2	0
PHS U. S. Quarantine Station	2	3
SSA Bureau of Hearings and Appeals	4	10
SSA Reg. Hearings Repr.	3	2
SSA District Office CC	62	1
SSA District Office M	26	2
SSA Payment Center	150	69
HEW Public Health Service	48	59
Water Supply and Pollution Control	6	18
Surplus Property Utilization	3	4
General Counsel	3	5
Federal Credit Union	3	5
Social Security Administration	31	32
Office of Education	10	15
Office of Education, Manpower Development	2	3
Bureau of Family Services	12	24
Office of the Aging	3	1
Childrens Bureau	3	10
Vocational Rehabilitation Administration	3	3
Office of Audit	2	4
Civil Rights	3	1
PHS Office of Equal Health Opportunity	2	0
Housing and Urban Development:		
Federal Housing Administration	86	30
FHA Multifamily Housing Office	8	7
Public Housing Administration	42	19
Regional Office VI	112	139
Interior, Department of:		
Bureau of Indian Affairs	3	0
Mines Mineral Resource Office	10	7
Mines Petroleum Research Laboratory	2	6
Bureau Outdoor Recreation	10	14
Geological Survey Public Inquir Office	2	5
National Park Service	65	41
NPS SF Planning and Ser. Center	96	358
Office of Solicitor	1	1
Bureau of Commercial Fisheries	2	2
Bureau of Mines Marine Mineral Tech. Center	2	6
Treasury, Department of:		
Golden Gate Federal Credit Union IRS	2	1
Reg. Compt. Curr. 14th Natl. Bank Reg	2	0
BA Regional Disbursing Office	21	2
BC District Director	72	12
BC Director of Field Audit	4	0
BC Customs Agent in Charge	13	1
SF Customs Federal Credit Union	1	0
U. S. Customs Court	1	0
BM U. S. Assay Office	36	13
Bureau of Narcotics	6	8
IRS Office of the Regional Inspector	15	4
IRS district director	377	130
Coast Guard	113	90
Savings Bond Division	4	1
Secret Service	10	2
IRS office of regional commissioner	183	124
IRS office of regional counsel	35	25
Regional commissioner	41	10
Interstate Commerce Commission	6	14



*Federal agencies served by GSA consolidated switchboard  
as of Aug. 15, 1966—Continued*

SAN FRANCISCO, CALIF.—Continued

Agency	Main stations	Extension stations
Justice, Department of:		
Admiralty and Shipping.....	8	5
Antitrust Division.....	18	2
U.S. attorney.....	36	13
Immigration and Naturalization Service.....	58	14
U.S. marshal.....	8	5
Community Relations Service.....	2	0
Labor, Department of:		
Regional Administration Office.....	73	
Apprenticeship and Training Regional Office.....	3	5
Apprenticeship and Training State Office.....	2	3
Bureau of Employees Compensation.....	22	13
Bureau of Employment Security.....	34	18
Management and Welfare Pension Reports Area Office.....	4	5
Management and Welfare Pension Reports Regional Office.....	4	1
Bureau of Labor Standards Office of Occupational Safety.....	5	7
Bureau of Labor Standards State Service Division.....	2	0
Bureau of Labor Statistics.....	16	11
Office of Solicitor.....	9	2
Bureau of Veterans Reemployment Right.....	2	2
Wage and Hour and Public Contracts.....	12	9
Women's Bureau.....	2	0
Neighborhood Youth Corps.....	9	6
Manpower Administration.....	2	1
National Labor Relations Board 20th Region.....	60	10
National Labor Relations Board Division of Trial Examiner.....	22	1
Post Office, Department of:		
7th and Mission Streets.....	270	54
Postal inspector in charge.....	34	11
Regional office.....	101	75
Railroad Retirement Board District Office.....	4	7
Railroad Retirement Board Regional Office.....	4	4
Securities and Exchange Commission.....	24	1
Selective Service System Coast Area Headquarters.....	2	3
Regional Field Office Region 6.....	2	1
San Francisco local boards.....	3	2
Small Business Administration San Francisco Regional Office.....	46	28
Pacific Coastal Area Office.....	24	8
State, Department of:		
Dispatch Agency.....	3	3
Office of Security.....	9	1
Passport Agency.....	4	2
Reception Center.....	6	2
General Services Division.....	1	0
U.S. Courts:		
Circuit Judge Stanley N. Barnes.....	1	1
Circuit Judge Homer T. Bone.....	1	1
Circuit Judge James E. Browning.....	2	1
Circuit Judge Richard H. Chambers.....	2	1
Circuit Judge Ben Duniway.....	2	1
Circuit Judge Frederick G. Hamley.....	2	1
Circuit Judge Oviver D. Hamlin.....	2	1
Circuit Judge M. Oliver Koelsch.....	2	2
Circuit Judge Charles M. Errill.....	1	1
Clerk for visiting judges.....	1	1
Circuit Judge W. L. Pope.....	2	2
Circuit Judge J. Warren Madden.....	1	1
Clerk court of appeals.....	5	2
Clerk U.S. district court.....	7	2
Librarian court of appeals.....	1	0
U.S. District Chief Judge George B. Harris.....	3	2
District Judge Lloyd Burke.....	3	2
District Judge Oliver Carter.....	3	1
District Judge W. T. Sweigert.....	3	1
District Judge Stanley A. Weigel.....	2	1
District Judge Albert C. Wollenberg.....	3	0
District Judge Alfonso J. Zirpoli.....	3	0
Official court reporter.....	1	0
Referee in bankruptcy.....	3	5
Probation officer.....	14	2
Circuit Judge Ely.....	1	2
U.S. district court visiting judges SV.....	9	3
Circuit Judge Gilbert Jertber.....	1	2
U.S. Commissioner.....	2	0
Joint Publication Research Service.....	2	5
Veterans' Administration regional office.....	118	60
Varo San Francisco Federal Credit Union.....	1	0
Federal Home Loan Bank Board.....	3	



*Federal agencies served by GSA consolidated switchboard  
as of Aug. 15, 1966—Continued*

SAN FRANCISCO, CALIF.—Continued

Agency	Main stations	Extension stations
General Services Administration:		
Defense Materials Service.....	3	4
Federal Supply Service.....	177	72
National Archives and Record Service.....	10	7
Public Buildings Service.....	141	103
Staff.....	86	47
Regional office TCS.....	32	11
Utilization and Disposal Service.....	29	15
FSS data.....	3	0
National Commission on Food Marketing.....	2	0
Legal Aid Society of San Francisco Federal Criminal Defense Office.....	3	1
Office of Economic Opportunity.....	126	146
Defense Contract Audit Agency, San Francisco region.....	18	30
Equal Employment Opportunity Commission.....	8	0
Peace Corps recruiting.....	2	0

CHICAGO, ILL.

Hon. F. Annunzio, Congress.....	2	1
Hon. J. C. Kluczynski, Congress.....	2	1
Hon. William T. Murphy, Congress.....	2	1
Hon. D. J. Ronan, Congress.....	2	1
Hon. S. R. Yates, Congress.....	3	2
Hon. E. M. Dirksen, Congress.....	2	1
Hon. P. H. Douglas, Congress.....	3	2
GAO, Chicago regional office.....	8	6
U.S. Courts Probation Office.....	1	0
U.S. Customs Court, New York.....	0	0
OEO, Chicago.....	94	24
U.S. Commission on Civil Rights.....	3	
Agriculture, Department of:		
AMS Market Information Division.....	3	3
AMS Market News Branch.....	8	5
Market Service Administration Service Division.....	10	7
AMS Processed Produce Branch.....	4	5
AMS Dairy Inspection and Grading.....	4	3
AMS Grain Marketing News.....	2	0
AMS Grain Division.....	4	5
AMS Grain Division area office.....	2	0
AMS Fruit and Vegetable Division.....	4	5
AMS Fruit and Vegetable Regulation Branch.....	2	5
AMS Poultry Division Market.....		
News Branch.....	4	3
AMS Poultry Division Inspection.....	2	2
AMS Poultry Grading.....	5	3
Food Distribution.....	16	9
AMS Plant Quarantine.....	2	1
Pesticide Division.....	1	2
Livestock Division.....	2	1
Agriculture, Department of:		
CMS Warehouse Service Branch.....	1	0
ARS Market Quality Research Division.....	1	2
Commodity Exchange Authority.....	4	17
Office of General Counsel.....	8	1
Commerce, Department of:		
Commerce, Bureau of the Census.....	14	4
Commerce.....	18	8
Interior, Department of:		
Bureau of Indian Affairs.....	3	2
Do.....	8	13
Bureau of Commercial Fisheries.....	2	1
Do.....	3	3
Do.....	2	0
Justice, Department of:		
Antitrust Division.....	47	1
Immigration and Naturalization.....	51	19
Office of U.S. Attorney.....	71	12
Office of U.S. Marshal.....	9	3
Community Relations Service.....	1	1
Labor, Department of:		
Apprenticeship and Training.....	4	8
Office of Federal Contract Compliance.....	1	
Bureau of Employment Compensation.....	16	6
Information and Reports.....	2	2
Employment Security.....	23	10
Management Reports.....	10	11
Bureau of Labor Standards.....	3	3
Division of State and Youth Service Employment.....	2	0



*Federal agencies served by GSA consolidated switchboard  
as of Aug. 15, 1966—Continued*

CHICAGO, ILL.—Continued

Agency	Main stations	Extension stations
Labor Department of—Continued		
Bureau of Labor Statistics.....	22	10
Regional Administrative Service.....	7	4
Office of Solicitor.....	13	5
Veterans' Reemployment Rights.....	2	2
Wage and Hour Public Contract Division.....	13	6
Womens Bureau.....	2	0
NYC.....	5	8
Navy, Department of:		
Navy Recruiting.....	18	11
Do.....	1	0
Naval Public Affairs Office.....	5	5
Navy, Office of Naval Research.....	20	9
U.S. post office postmaster.....	1	0
State, Department of:		
State Passport office.....	4	5
Treasury, Department of:		
Division of Disbursement.....	49	17
Regional Comptroller of Currency.....	3	6
Customs, Supervisor of Customs.....	5	4
Customs collector.....	16	4
Customs Comptroller.....	4	0
Customs Laboratory.....	2	1
Customs, appraiser of merchandise.....	16	5
Revenue Service.....	24	30
IRS regional inspector.....	16	2
IRS Factory Management Branch.....	175	100
IRS Office of District Director.....	424	161
Bureau of Narcotics.....	17	9
Bureau of Public Debt.....	134	43
Coast Guard.....	5	5
Savings Bond Division.....	14	3
Do.....	9	1
Secret Service.....	6	13
Army, Department of:		
Recruiting, main.....	21	9
Recruiting.....	1	0
AFES.....	3	0
Inspector general.....	2	1
Headquarters, Northern Illinois sector.....	2	1
Engineers Ned.....	57	40
Engineers, Chicago district.....	205	65
Engineers soil laboratory.....	3	1
Tax Court of United States.....	1	1
U.S. Civil Service Commission.....	1	0
Federal Power Commission.....	6	2
Federal Communications Commission.....	3	5
Federal Trade Commission.....	24	5
Interstate Commerce Commission.....	18	18
General Services Administration:		
DMS, Kansas City, Mo.....	6	6
FSS, Kansas City, Mo.....	54	22
National Archives Records Service.....	2	4
PBS Buildings Management Division, Kansas City.....	66	52
PBS design and construction, Kansas City.....	11	35
PBS space management and staff, Kansas City.....	20	34
Regional office staff, Kansas City.....	49	32
TCS, Kansas City.....	26	13
UDS, Kansas City.....	25	23
PBS regional director, Kansas City.....	2	3
FDIC Chicago.....	3	5
Air Force, Department of:		
Recruiting.....	1	0
Recruiting Det 501.....	9	9
MIPR management office.....	3	1
Office of Secretary.....	4	4
Liaison office.....	1	1
OSI 24th District.....	4	7
RRB.....	8	11
NLRB.....	74	2
SBA.....	58	34
Health, Education, and Welfare, Department of:		
Office of Education.....	11	16
FDA.....	4	14
Public Health.....	50	55
Air pollution, Cincinnati.....	1	1
Children's health.....	7	4
Children's welfare.....	2	1



*Federal agencies served by GSA consolidated switchboard  
as of Aug. 15, 1966—Continued*

CHICAGO, ILL.—Continued

Agency	Main stations	Extension stations
Health, Education and Welfare, Department of—Continued		
General Counsel.....	2	5
Regional director.....	15	15
Surplus property.....	3	4
Auditor grant-in-aid.....	3	3
Civil defense.....	1	1
Water pollution.....	7	18
State merit.....	2	2
Hearings and appeals.....	9	9
Federal credit union.....	3	6
Social Security Administration.....	16	22
Vocational Rehabilitation.....	3	3
Aging.....	2	0
Bureau of Family Service.....	9	12
Federal Home Loan Bank Board.....	3	6
Federal Housing Administration.....	4	10
Do.....	58	13
Federal National Mortgage.....	30	18
Department of Housing and Urban Development.....	77	34
HHFA, DHUD.....	98	114
Selective Service System draft.....	3	0
Selective Service System.....	2	2
Federal Mediation Conciliation.....	20	1
Defense Personnel Support Center.....	128	41
Defense Contract Audit Agency.....	19	12
U.S. post office, office of Postmaster.....	17	10
Securities and Exchange Commission.....	50	11
Hon. R. C. Pucinski, Congress.....	2	1
Department of Commerce Weather Bureau.....	2	0
U.S. Army Audit, Chicago area office.....	2	1
U.S. Navy Equal Employment Opportunity office.....	2	3
Department of State D G BEX.....	1	0
Bureau of Prisons prerelease guidance.....	2	3
Equal Employment Opportunity Commission.....	8	4
Regional commissioner of customs.....	73	36
Department of the Navy area audit office.....	0	0
Defense Contract Audit Agency.....	11	5
DHEW FDA drug abuse.....	7	6
USDA CMS meat inspection district office.....	4	2
USDA CMS field operations branch.....	21	18
Interagency Board, U.S. Civil service examiners.....	6	2
DHEW Program Coordination for Civil Rights.....	0	0
Clerk, U.S. Court of Claims, Washington, D.C.....	0	0
DHEW Social Security Payment Center.....	163	39
USDA CMS compl. evaluation staff.....	0	0

BOSTON, MASS.

Agriculture, Department of:		
USDA ENG Sciences Lab Harvard.....	0	0
USDA Statistical Reptg Service.....	3	4
USDA Meat Inspection.....	3	6
USDA ARS Animal Health Division.....	3	9
USDA Meat Inspection.....	1	0
USDA Livestock-Meat Grading.....	1	0
USDA F. & V. Insp.....	2	3
USDA Livestock wool Market.....	1	1
USDA F. & V. Market News.....	2	2
USDA Poultry Insp. Grading.....	2	0
USDA Food Dist Program.....	2	0
USDA Plant Quar Port Insp.....	3	1
USDA Meat Insp Division Cms.....	1	0
Air Force, Department of: Recruiting station.....	4	2
Army, Department of: Recruiting station.....	3	1
Commerce, Department of:		
Bureau of Census.....	9	21
Bureau of Public Roads.....	14	13
Area Dev. Admin.....	3	1
Weather Bureau.....	1	0
Weather Bureau State Climatologist.....	1	0
Regional Administration of Commerce.....	2	0
Field Service.....	13	4
Federal Communications Commission.....	3	4
General Services Administration:		
General Services Administration.....	193	183
Regional Office TCS.....	0	0



*Federal agencies served by GSA consolidated switchboard  
as of Aug. 15, 1966—Continued*

BOSTON, MASS.—Continued

Agency	Main stations	Extension stations
Department of Health, Education, and Welfare:		
Food and Drug Administration	11	10
Bureau of Federal Credit Union	3	3
Diabetes and Arthritis Bureau	4	6
Quarantine Station	1	1
Regional Director	24	20
Bureau of Hearings and Appeals	41	38
Public Health Service	1	0
Vocational Rehabilitation Administration	4	5
Public Health Service FWPC	6	12
Office of Education	9	10
Social Security Administration	20	12
Public Health Service	32	47
Drug Abuse Control Bureau	1	0
Justice, Department of:		
Immigration and Naturalization Service	30	14
Antitrust Division	4	0
U.S. marshal	3	5
State, Department of:		
Passport Agency	4	8
Security Division	3	1
Small Business Administration EDA Staff	4	3
Post Office, Department of	293	108
Employees Credit Union	2	2
Motor Vehicle Division	14	5
Navy, Department of:		
Navy recruiting	17	10
Navy recruiting station 2	2	2
Selective Service System	1	0
Railroad Retirement Board	3	4
U.S. courts:		
Referees in Bankruptcy	8	1
Clerk, U.S. district court	8	11
Clerk, U.S. court appeals	4	0
Official court reporter	1	1
Judges, U.S. district court	10	8
Probation officer	4	4
C. Duffey, court reporter	1	0
F. Hunt, court reporter	1	0
Treasury, Department of:		
Savings Bond Division	2	3
Secret Service	4	4
Customs supervisory agents	3	2
Collector customs	70	8
Comptroller customs	0	0
Intl Revenue Service regl counsel	10	16
Intl Revenue Service Appellate Div	35	43
Customs Office of Appraiser	23	28
Office of Chief Chemist	5	2
Custom Enforcement Unit	2	0
Customs Barge Office	1	0
Regional Comptroller Currency	1	0
Internal Revenue Service regional commr	191	124
Coast Guard	1	0
Bureau of Narcotics	2	3
Interior, Department of:		
National Park Service	1	1
FWS Loans and Grants Division	2	0
FWS Safety Division	1	0
FWS Education Market Devl	2	1
Civil Service Commission	26	19
Federal Trade Commission	3	1
Securities and Exchange Commission	4	8
Selective Service System:		
Selective Service System Headquarters	17	1
Selective Service System Appeal Board	1	0
Housing and Home Finance Agency: Federal Housing Administration	32	13
Federal Aviation Agency:		
Federal Aviation Agency Win	1	1
Federal Aviation Agency	3	12
Federal Aviation Agency Area Ofc Burl	14	1
Federal Aviation Agency FIDO	2	0
Federal Aviation Agency Burl	20	0
Federal Deposit Insurance Corporation	4	4
Federal Home Loan Bank Board	2	4
Office of Defense	2	2



*Federal agencies served by GSA consolidated switchboard  
as of Aug. 15, 1966—Continued*

BOSTON, MASS.—Continued

Agency	Main stations	Extension stations
Labor, Department of:		
Regional Administration Office .....	84	43
Office of Information .....	2	0
Veterans Employment Service .....	2	1
Veterans' Administration:		
Regional Office .....	116	29
Outpatient Clinic .....	102	57
National Security Agency .....	3	7
General Accounting Office .....	4	15
Executive Office of the President: Emergency Planning .....	1	0
Congress:		
Senator E. M. Kennedy .....	3	3
Senator L. Saltonstall .....	3	1
Speaker McCormack .....	3	4
Hon. T. Macdonald .....	2	3
Hon. T. P. O'Neill .....	3	2
Hon. F. Bradford Morse .....	1	1
General Accounting Office .....	4	15
Geological Survey Wrd .....	4	4
Interstate Commerce Commission .....	4	15
Marine Liaison A FIES .....	1	0
Marine Recruit Selection Office .....	2	3
Marine recruit station .....	4	6
Smithsonian Astro Observatory .....	2	0
Railway Mail Employees Credit Union .....	1	1
Federal Mediation and Cong .....	4	6
USCSC Investigators .....	6	3
Housing and Urban Development:		
Housing and Urban Development UR .....	2	5
Housing and Urban Development Commission FAC .....	2	1
National Labor Relations Board .....	61	1
Fish and Wildlife Service .....	33	46
Regional Post Office Department .....	91	59
Small Business Administration .....	82	35

G. T. & E. SERVICE CORP.,  
New York, N.Y., July 27, 1966.

To: All traffic directors and director of commercial and traffic services—British Columbia.

Subject: Service Observing—Practices.

GENTLEMEN: In the earlier days of telephony, toll calls frequently required a succession of several operators to "build" the connection. At that stage of the art, the many opportunities for encountering cutoffs and transmission problems made it advisable for service observers to monitor conversations and record such occurrences. In addition, response to recall signals could be observed and ticket timing comparisons obtained.

With technological progress came the expansion of operator toll dialing and improvement of toll facilities and the amount and significance of observed cutoffs and transmission problems began to wane. In recognition of the greatly diminished value of conversation observations, therefore, Bulletin T-13, Part IV, Traffic Service Observing Practices, Outward Toll-Trunk, has been revised. Effective August 1, 1966, the observer will cutout of the connection immediately following the satisfactory start of conversation with the desired station or party.

At service observing locations equipped with supervisory signals, the observer will remain cutout of the connection during the conversation period until receipt of a cord signal condition such as described under 2.14.3 of the attached revisions. At these locations, a device should be provided to permit the operator's headset to be switched off during conversation periods. Observations will be followed for a maximum of five minutes, rather than ten. There will be a minor savings in observer time as a result of this change.

At locations not equipped with supervisory signals (those using the AEC portable observing unit, for example) the observation will be discontinued immediately with the satisfactory start of conversation. Please keep in mind that although observations are dropped immediately upon satisfactory start of con-



versation, examination by the observer of the associated operator prepared tickets should be continued for the determination of recording precision. Information regarding an alternate method of obtaining ticket timing comparisons will be furnished in the near future.

The attached revised pages should be filed in your Service Observing Practices binders and the superseded material destroyed. In addition, please delete Item (16) under Part IV, 3., *Recording Outward Toll Service Observations*.

Anne Kerylow at 212-551-1225 would be happy to discuss any questions that may arise regarding these practice changes.

Very truly yours,

LEO A. BIRCH,  
Traffic Director.

JULY 27, 1966.

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[Bulletin T-13, pt. IV; effective August 1966; supersedes issue: September 1963]

G.T. & E. Service Corp.

Subject: Traffic service observing practices.

Part IV: Outward Toll-Trunk.

1. General

1.1 This part of Bulletin T-13 describes practices and forms recommended for use in taking and summarizing service observations of outward toll traffic originated over toll recording trunks.

1.2 First choice noncoin and coin toll recording trunks should be selected for observation. Where the type of observing facilities permit, trunks from CDO's and sub-offices remote from the toll center office should be included for observation. The number of trunks of each class may be selected on the basis of the percentage that the number of trunks in each class is of the total number of trunks in service.

1.3 Observations should be obtained in all hours of the official observing day (7 a.m.-10 p.m.) during the observing period (one, two, or three months). In those offices where early morning traffic is so light that observer time would



not be productive, observations should be scheduled for as soon after 7 a.m. as the traffic will permit effective use of the observer's time. Observations should be scheduled on at least one Saturday and one Sunday during the observing period.

1.4 Observation of toll line releases and answers to cord signals have been included in the practice for use where observing facilities will permit observation of these items.

1.5 In addition to the regularly included and summarized service components, provision has been made to accumulate other miscellaneous data that may be summarized for use as required, i.e., % Foreign Area Calls placed by NPA Code, identification of calls by long haul and short haul, etc.

## 2. Outward Toll Service Observing Practice

2.1 All observations covering originating requests for service (new calls, reports or orders relative to calls already filed, and requests for rate or charge information) shall be started the instant the signal appears on a recording or recording-completing trunk or toll terminal and shall be carried through to the event which, in accordance with subsequent instructions, is considered as terminating the observation. In the case of tributary trunks which terminate on the same board as the regular recording trunks, observing will be started with the appearance of the tributary trunk signal. Where tributary requests for "Long Distance" are transferred from the inward to the outward board, observing will be started with the appearance of the interposition or transfer signal.

2.2 The detail record of the observation shall be recorded on Detail Record of Outward Toll Service Observations-Trunk Form S 8044, Exhibit 1.

2.3 Space is provided at the top of the sheet for entering the name of the observed city and chief operator unit, observer's initials, the date, sheet number, and total sheets for the day. The sheets for each chief operator unit shall be numbered consecutively, beginning each day with No. 1. The total number of sheets for each chief operator unit for the day shall be entered on the first sheet.

2.14.1 Observations covering calls on which the calling party requests that the first attempt to complete be delayed for a specified time or until he advises that he is ready to have the call tried shall be discontinued with the receipt of the customer's order. Observations covering unusual calls, such as sequence, official, etc. shall be discontinued as soon as the observer learns the nature of the call. Official calls may not be recognized as such until the call has progressed beyond the recording stage. In such cases, any events recorded before the observation is discontinued shall be included in the routine summary of observations. Observations covering calls which are referred to the Supervisor or Chief Operator because of some difficulty that is being encountered shall be continued in the regular manner. Such requests are not considered as of an official nature.

2.14.2 In instances where the calling party specified an alternate telephone, party or called place when the call is filed or subsequently, and where the alternate order is not considered as a new call in accordance with the provisions of the operating practice, observing shall be continued as long as the operator is working on the call actively, that is, until it has been completed or until the customer is given and accepts a report of delay which either permanently or for the time being renders the ticket inactive. If the alternate order constitutes a new call, observing shall be discontinued at the time the original circuit is released or used for the new call, or at the time the operator acknowledges a change in ticket directions in case the original circuit is not being held.

2.14.3 On all calls completed on the observed attempt the observer will cutout of the connection or discontinue the observation *immediately* following the satisfactory start of conversation with the desired station or party.

*At service observing locations equipped with supervisory signals*, the observation on all calls computed on the observed attempt, shall be followed to termination or for a period of five minutes whichever occurs first. The observer will cutout of the connection *immediately* following the satisfactory start of conversation and will remain cutout of the conversation period until occurrence of—

- (1) Receipt of disconnect signal from the calling or called station, or both.
- (2) Receipt of flashing signal from either the calling or called station, or both.
- (3) Any signal condition received on front or rear cords.

In instances where the observer cuts back into the connection upon receipt of a cord signal condition and the events indicate that the conversation has not



terminated satisfactorily, or a customer is attempting to recall the operator, she shall remain cut in on the connection until conversation has resumed satisfactorily, the recall signal has cleared up, or the call under observation has been terminated.

*At service observing locations not equipped with supervisory signals*, the observation will be discontinued immediately with the satisfactory start of conversation.

2.14.4 Observing shall necessarily be discontinued when the customer is released making it impossible to observe any further action that may be taken on the call by the same or another operator.

*Exception:* On coin box calls where a deposit error is observed, an observation that ordinarily would be discontinued with the satisfactory start of conversation or at the end of 5 minutes shall be observed to the normal terminating event following the end of conversation.

2.15 *AG Requests and Cut-Off Reports.*—Observations covering AG requests and observations on which a cut-off is reported on an outward call shall ordinarily be continued through until the final event terminating the operator's attempt to take action on the request has occurred, i.e., to one of the events previously specified in connection with observations covering new calls.

*Exception:* The provisions in regard to terminating observations when certain types of calls or conditions are encountered as outlined under "New Calls" also apply to AG requests and cut-off reports.

2.16 *Rate and Charge Requests.*—Observations covering requests for rate or charge information shall be followed until the desired information is supplied, either by the operator answering or by a rate and charge operator, or until the request is otherwise disposed of.

2.16.1 In the case of requests which are transferred to an auxiliary operator for handling, observing shall be continued as long as someone is waiting on the recording side of the connection.

2.16.2 If a call is placed following information given in connection with rate requests, observing shall be continued in the regular way.

2.17 *Miscellaneous Requests and Conditions.*—Observations covering requests for the telephone number at a distant place and observations on which a cancellation order or a "Hold for AG" order is received on a call previously filed shall be discontinued with the receipt of the customer's order. Other miscellaneous reports, such as "I'm expecting a call from ———", shall be discontinued as soon as the nature of the report or request is determined.

2.17.1 In case an operator plugs out a recording signal and then disconnects without answering, or disconnects after answering but before the party or operator connected has an opportunity to respond, observing shall be continued as long as someone is waiting on the trunk. A plug interval shall be considered to exist if the operator plugs into a trunk and fails to answer within two seconds. (An operating irregularity is chargeable for plug outs.)

2.17.2 In the event either side of the connection is improperly released before the normal terminating event, observing shall be continued in all cases where the observer, by being in on the side of the connection which has not been disturbed is able to follow the call through to the final terminating event; in any instance where this is not possible, observing shall be discontinued at the end of two minutes from the time the improper release occurred if no action to re-establish the connection has been observed within this interval.

2.17.3 If the operator uses a trunk to an auxiliary desk for the purpose of securing rate, route or directory information, observing shall be continued, in the event this trunk is improperly disconnected, to observe any subsequent action taken on the same or another trunk.

2.17.4 In the case of straightforward or intertoll dialing operation where either the calling party's directions or the report obtained requires the operator to release and again take up a toll circuit, the observer shall discontinue the observation at the end of two minutes from the time of the original release if she has not located the second circuit or tandem trunk within this interval and is not in on the calling side of the connection or the operator's position.

2.17.5 If neither the first nor the alternate route is available at the time the operator has received sufficient details for advancing the customer's order, or, in case a trunk is used for the purpose of securing the called number or routing directions, at the time the directory or other operator supplies the information requested or passes a final report in regard to same, a notation on the NC condi-



tion shall be made in "Remarks." This practice does not apply in cases where it is obvious that no immediate effort will be made to advance the order received.

2.17.6 On calls to toll points which the customer can reach direct by dialing, observing shall be continued long enough to determine the disposition of the request. If the operator merely instructs the customer, the call will not be tallied as an observation. However, if the operator accepts and advances the call for the customer the observation will be recorded in the regular way. If the operator connects the customer with an information operator at a distant point, observing will be discontinued and the call will not be classified as an observation.

2.17.7 If for any reason the observer is not in on both sides of the connection, the time entries corresponding to the events observed from either side of the connection shall be entered in the proper spaces on the detail sheet.

2.17.8 Any observation on which objectionable language is used shall be discontinued at once.

*Note:* In instances where observing is discontinued in accordance with the foregoing instructions, the reason for and the cumulative time of such discontinuance shall be shown in "Remarks" whenever it is not obvious from the detail sheet.

### 3. Recording Outward Toll Service Observations

3.1 Instructions for recording Outward Toll Observations on Form S8044, Exhibit 1.

#### *Item No. 1—Line Number*

Each line is given a number for the purpose of ready identification.

#### *Item No. 2—Observation Tally*

Enter a tally mark on the line on which the observation starts. Encircle this entry in the event an observation, as defined below, does not develop.

Originating requests for service covering the following types of orders shall be considered as observations:

(1) New outward calls, including observations which are discontinued during or with the receipt of the customer's order or at the time the customer is released.

(2) AG requests and cut-off reports including observations which are discontinued during or with the receipt of the customer's order or at the time the customer is released.

(3) Rate and charge requests which are not associated with an outward call under observation.

(4) Miscellaneous toll requests which are discontinued during or with the receipt of the customer's order.

(5) Instances of ineffective answers to recording signals which are not followed by an effective answer on the same trunk.

(6) Observations which are started with the taking of the toll line or at the time an operator starts work on a toll line attempt.

Assistance calls, local revenue calls, calls reaching the toll board in error, and calls for direct distance dialing points on which the customer is connected with information or after instruction agrees to dial and hangs up, will not be tallied as observations.

#### *Item No. 3—Time*

Usually this is the time of day when the signal appears on the trunk over which the call, report, order or other request is received. In those cases where the observation is started when the toll line is taken, this is the time when the busy visual appears on the toll line.

#### *Item No. 4—Answer*

Enter the cumulative time to the beginning of the operator's effective answer to a recording signal. In the event the operator's answer is not an effective answer, a plus (+) mark shall be entered in case the signal condition is terminated after more than 10 seconds have elapsed from the first appearance of the signal. A plus mark (+) shall likewise be entered if the "A" operator or a dial customer disconnects after more than 10 seconds have elapsed without the signal being answered by the operator. If the "A" operator or a dial customer disconnects within 10 seconds from the appearance of the signal without an answer having been received from the operator, the signal shall be considered to be accidental and shall not be recorded. All plus entries shall be explained by entering in Item 5 tributary station. In case the report or request is passed to



the tributary operator and the tributary station is then connected and the report or request repeated, the time of this latter event shall be entered on the next line below.

If the report or request is repeated because of failure of the calling station to understand it or because of an LF condition, the entry to be made in this space is the cumulative time the report or request is finally understood or actually received.

In any case where the report, directions, or request received are not passed to the calling party who is holding the line, either because such action is not required by the operating practice or because he immediately gives directions or the requested information, the time entry recorded in Item 19 shall be duplicated in this item.

If a report of station delay or WH is given the calling station which the observer knows is not in regard to the correct number, as would be the case, for example, where the observed office operator passes a wrong number in advancing the call, the entry in this item shall be encircled. This entry, likewise, shall be encircled if the calling station is given a report of party delay in regard to a wrong party, and also in cases where it becomes evident that the report has been given to the wrong calling station.

*Note:* Because of the high percentage of calls handled while the calling party holds the line, observed occurrences of "calling station rung" and "calling station answers" are infrequently encountered—accordingly, spaces for recording these two steps have not been provided. Such occurrences as are observed shall be entered in "Remarks" in accordance with the following instructions.

**Calling Station Rung:** The cumulative time of the start of each ring given by the observed office operator on the recording-completing trunk, toll terminal, switching trunk or manual line, or in the case of calls originating at ringdown tributary offices, on the tributary trunk.

**Calling Station Answers:** The cumulative time when any one at the calling station or at a ringdown tributary office answers in response to a ring.

#### *Item No. 21—Conversation Begins*

Enter the cumulative time to the start of chargeable time as defined in the Operating Practice. Encircle this entry if it develops that a wrong station or party was connected.

The cumulative time entry in this item is a duplication of the entry in Item No. 17, "Called Station Answer," for station calls which are not announced or on which the called number is not verified.

At service observing locations equipped with supervisory signals, observations on which a cutoff or interruption occurs shall be followed for a maximum of five minutes of elapsed conversations if the connection is re-established on the observed attempt. The cumulative time to the occurrence of a cutoff or interruption during the conversation and the cumulative time to the resumption of conversation, if observed, shall be recorded in "Remarks."

*Note:* On calls completed on the observed attempt the observer will cutout of the connection immediately following the satisfactory start of conversation with the desired station in accordance with instructions outlined in Item 2.14.3.

Enter the clock hour and minute to the start of conversation directly above the cumulative seconds entry. The cumulative time to start of conversation is entered first, as the clock hour and minute can be obtained by computation, if necessary.

If the observation involves the re-establishment of a cut-off, the cumulative time that conversation starts on the attempt under observation shall be shown in this item. If, however, a cut-off occurs on the conversation under observation, the cumulative time that conversation is resumed, if observed, shall be entered in "Remarks".

#### *Item No. 22—Conversation Ends*

Enter the letter "S" if the observation is discontinued with the satisfactory start of conversation with the desired station or party, a plus mark (+) if the observation is discontinued after conversation has been in progress for 5 minutes, and the reference letter "E" if the observation is discontinued during conversation for any other reason.

If a cut-off occurs on the conversation under observation, the time of occurrence of the cut-off shall be entered in "Remarks" and not in this item.



*Item No. 23—Cord Signals—Signal*

Enter the cumulative time to the beginning of any occurrence which normally produces a change in cord signal condition on either the front or back cord at the observed office. In the application of these instructions, it is intended that supervisory signals located in the multiple will be treated as cord signals. For the purposes of this practice, a change in cord signal condition is considered to exist whenever (1) an extinguished signal is lighted, (2) a lighted signal is extinguished, or (3) a flashing signal requiring an answer is received. Occurrences producing a change in cord signal condition and requiring entry in this item include the following:

(1) Calling station (switchhook supervision at the OTC) disconnects or flashes either at the end of conversation or during the progress of the call. The disconnect may either be voluntary or in connection with a report or other communication by the operator.

(2) Called station (switchhook supervision at the OTC) disconnects (voluntarily or otherwise) or flashes.

(3) Customer whose line is being held removes receiver other than in response to a ring.

(4) Distant operator rings on the toll line.

(5) Some other operator flashes the observed office operator.

*Note:* At service observing locations equipped with supervisory signals the observer will cutback into the connection immediately, upon receipt of a recall signal in accordance with instructions in Item 2.14.3.

A flashing signal is a signal condition covering a complete cycle of change, i.e., from extinguished to lighted and back to extinguished, initiated by a customer or operator for the purpose of recalling the observed office operator, and produced by the intentional movement of the switchhook or by the use of other means, such as a ring given by a distant operator to recall the OTC. Such signals shall be identified by associating the letter "F" with the time entry in this item. If more than one flash is given before the operator answers, the cumulative time to the beginning of each additional flash shall be shown in "Remarks" and the entries separated by dashes. Flashes succeeding one another at the rate of two or three a second shall be considered as a single continuous flash in making these entries. If the observer is in doubt as to whether the signal condition is a flash or a disconnect, she shall follow the general rule of considering the signal condition a disconnect when the lighted state exists for more than two seconds.

On calls originating at PBX's not equipped for giving the toll operator through supervision from the extension station, it should be kept in mind that a change in cord signal will result only from action taken by the PBX attendant—such action usually being a disconnect or flash.

No entry shall be made in this item in those cases where a flashing signal is received after the observed office operator has been advised by the party at the calling station that he is trying to reach the PBX attendant.

On built-up connections, the time a distant operator starts to ring will be entered in this item whenever the operator who rang is at the next office; also in cases where the operator who rang is not at the next office, provide it is evident from subsequent events that the signal carried through to the observed office.

Each change in cord signal as previously defined which involves either the front or back cord shall be entered on a separate line. As an exception applying to calls on which switchhook supervision is received from both the calling and called stations, a change in cord signal on both cords will require only one entry under the following circumstances:

(1) Where both stations disconnect simultaneously, the entry in this case being the cumulative time when such action is taken.

(2) Where a disconnect signal from one station is immediately followed by a disconnect signal from the other station, the entry in such a case being a cumulative time of the first disconnect.

In connection with (2) above, the cumulative time each station disconnects shall be shown in the regular manner if the interval between the single disconnect and double disconnect is of sufficient duration to make it practicable for the observer to time these two events separately. Identify the calling and called station disconnects with the codes "CLG" and "CLD" respectively.

Disconnect or flashing signals from the calling or called station or both after the end of conversation, and disconnect signals from the calling station following a report or other communication by the operator, require no further explanation. The nature of all other cord signal conditions shall be explained in "Remarks".



The cumulative time to the beginning of any occurrence initiated by a customer or operator for the purpose of producing a change in cord signal at the observed office shall be entered in accordance with the preceding instruction provided the observer's lamp signal indicates that a change in cord signal condition has occurred at the observed office.

Occurrences which should but fail to produce a change in cord signals shall be noted in "Remarks". If the occurrence is a ring, the time the ring is given, also the length of the ring whenever it appears that this may be a factor contributing to the failure, should be noted.

*Item No. 24—Cord Signal, Answer, Cumulative*

Enter the cumulative time to the beginning of the effective answer or challenge by the observed office operator to a recall signal, the occurrence of which is recorded in Item 23. A recall signal is defined as any type of cord or supervisory signal following which an answer or a challenge is required. If the operator answers while a ring is occurring, this answer shall be disregarded and the time the operator first answers after the termination of the ring shall be entered in this item. The time of the attempted answer with an explanation of the occurrence shall be shown in "Remarks".

If the operator in attempting to answer a recall signal on both cords without splitting the connection subsequently cuts out from one side in order to take action on the request received on the other cord, the time of the original answer shall be considered as the effective answer to both signals.

*Item No. 31—Conversation Time, Observer*

Enter the elapsed seconds of conversation by subtracting the cumulative time to the start of chargeable time, as recorded in Item No. 21, from the cumulative time to the following events:

The time a disconnect or recall signal (entered in Item 23) is received at the end of conversation, if disconnect signals are received from both stations and each is timed and entered separately, the interval will be computed to the time of the first disconnect.

Encircle the elapsed time entry to indicate that a time comparison is not made under the following conditions:

(a) A cutoff or interruption (whether or not chargeable as an operating fault) occurs during conversation, and connection is re-established on the observed attempt. Total all periods of elapsed conversation recorded and enter the sum, encircled, in this space.

(b) A cutoff or interruption (whether or not chargeable as an operating fault) occurs during conversation, and connection is not re-established on the observed attempt. Enter and encircle the elapsed seconds of conversation observed.

(c) A wrong station or party is connected and a transfer is made to the correct station or party without the observed office operator's assistance or knowledge. Enter and encircle the elapsed seconds of chargeable conversation observed.

(d) The observation is discontinued after five minutes of conversation. Enter 300, encircled, in this space.

(e) The observation is discontinued during conversation for some other reason, but before five minutes have elapsed. Enter and encircle the elapsed seconds of conversation observed.

*Item No. 32—Conversation Time, Operator*

Enter the elapsed seconds of conversation shown on the operator's ticket; determine this interval by reading the calculagraph stamp (using a stamp straightener, if required) or other timing device as outlined in operating procedures.

Total the conversation intervals and enter the sum in this space in instances where more than one elapsed time interval is recorded.

Record any notation authorizing an adjustment in chargeable time in "Remarks," and enter in this space the elapsed seconds of conversation recorded by timing device and not the adjusted time. The time comparison is based on the elapsed time entry regardless of the adjustment made.

Enter on "O" whenever a message has not been timed, or when timing entries are such that you are unable to compute the operator's record of elapsed seconds of conversation. Included are cases of illegible entries; dim, crooked or double stamps which are not readable; incomplete or superfluous timing entries which have not been cancelled according to correct operating procedures.

Enter the code "CF" (Can't Find) if a ticket covering a call on which conversation was observed is not found.



*Item No. 33—Conversation Time, Difference*

Compute the difference in seconds from the observer's record of conversation as follows:

- (a) Enter the code "OK" when the operator and observer timings are identical.
- (b) Enter a plus (+) mark followed by the difference in seconds whenever the operator's timing is greater than the observer's.
- (c) Enter a minus (—) symbol followed by the difference in seconds whenever the operator's timing is less than the observer's. This includes instances where an "O" has been recorded in Item 32.

Do not make any entry in this space in instances where the elapsed seconds of conversation have been encircled in Item 32.

Do not make any entry in this space in instances where the elapsed seconds of and the operator's ticket shows fewer than 300 seconds of elapsed conversation. Determine the timing difference from the 300 or more seconds recorded by the observer to the elapsed seconds of conversation on the operator's ticket.

AMERICAN TELEPHONE & TELEGRAPH Co.,  
Washington, D.C., November 8, 1966.

BERNARD FENSTERWALD, Jr.,  
Chief Counsel, Subcommittee on Administrative Practice and Procedure, Committee on Judiciary, New Senate Office Building, Washington, D.C.

DEAR BUD: Attached is the memorandum of the American Telephone and Telegraph Company furnished in response to the request of Senator Edward V. Long to Mr. Charles Ryan at the hearing of the Subcommittee on Administrative Practice and Procedure September 14, 1966 (pp. 1865-68 of the Report of Proceedings—Hearings on Invasion of Privacy).

Sincerely,

RONALD J. FOULIS, Attorney.

#### MEMORANDUM

#### INTRODUCTION

At a hearing held in Washington on September 14, 1966, by the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary of the United States Senate, the Chairman of the Subcommittee, Senator Edward V. Long, requested that a memorandum be submitted as to the validity under § 605 of the Federal Communications Act of the furnishing by New York Telephone Company, upon demand of New York law enforcement agencies which have obtained court orders authorizing the interception of telephone communications, of information from its plant records (Rept. of Proceedings, Vol. 15, pp. 1865-68). This memorandum has been prepared in response to Senator Long's request.

#### THE LAW

Section 605 of the Federal Communications Act (47 U.S.C. § 605), which was enacted in 1934, provides in pertinent part: "\* \* \* and no person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person \* \* \*"

Criminal penalties for violation of § 605 are provided by § 501 of the Act (47 U.S.C. § 501).

Four years after the enactment of § 605, the New York Constitutional Convention of 1938 adopted extensive amendments to the State Constitution which were approved by referendum on November 8, 1938. Among the new provisions added by the amendments was § 12 of Article I (the "Bill of Rights") which has remained the same since its adoption and states as follows:

#### “§ 12. Security against unreasonable searches, seizures and interceptions

“The right of the people to be secure in their persons, houses, papers and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

“The right of the people to be secure against unreasonable interception of telephone and telegraph communications shall not be violated, and ex parte orders or



warrants shall issue only upon oath or affirmation that there is reasonable ground to believe that evidence of crime may be thus obtained, and identifying the particular means of communication, and particularly describing the person or persons whose communications are to be intercepted and the purpose thereof."

The first paragraph of § 12 contains exactly the same language as the Fourth Amendment to the United States Constitution. However, the second paragraph is new and was apparently designed to afford a constitutional protection against "unreasonable interception of telephone and telegraph communications" which the United States Constitution does not provide. *Olmstead v. United States*, 277 U.S. 438 (1928). Like the federal and state proscriptions of unreasonable searches and seizures, the second paragraph of § 12 prohibits only "unreasonable" interception of communications and sets forth a standard for the granting of orders or warrants permitting interception.

In 1942 the State Legislature implemented this constitutional provision by enacting § 813-a of the New York Code of Criminal Procedure (L. 1942, Ch. 924). This section has been amended twice in minor respects (L. 1957, Ch. 879, § 1; L. 1958, Ch. 676) and presently provides as follows:

**"§ 813-a. Ex parte order for eavesdropping**

"An ex parte order for eavesdropping as defined in subdivisions one and two of section seven hundred thirty-eight of the penal law may be issued by any justice of the supreme court or judge of a county court or of the court of general sessions of the county of New York upon oath or affirmation of a district attorney, or of the attorney-general or of an officer above the rank of sergeant of any police department of the state or of any political subdivision thereof, that there is reasonable ground to believe that evidence of crime may be thus obtained, and particularly describing the person or persons whose communications, conversations or discussions are to be overheard or recorded and the purpose thereof, and, in the case of a telegraphic or telephonic communication, identifying the particular telephone number or telegraph line involved. In connection with the issuance of such an order the justice or judge may examine on oath the applicant and any other witness he may produce and shall satisfy himself of the existence of reasonable grounds for the granting of such application. Any such order shall be effective for the time specified therein but not for a period of more than two months unless extended or renewed by the justice or judge who signed and issued the original order upon satisfying himself that such extension or renewal is in the public interest. Any such order together with the papers upon which the application was based, shall be delivered to and retained by the applicant as authority for the eavesdropping authorized therein. A true copy of such order shall at all times be retained in his possession by the judge or justice issuing the same, and, in the event of the denial of an application for such an order, a true copy of the papers upon which the application was based shall in like manner be retained by the judge or justice denying the same."

The highest court of the State of New York has upheld as late as 1966 the admissibility of wiretap evidence obtained in accordance with the provisions of this section. *People v. Dinan*, 11 N.Y. 2d 350; 183 N.E. 2d 689 (1962), *remittitur amended*, 11 N.Y. 2d 1057; 184 N.E. 2d 184 (1962), *cert. denied*, 371 U.S. 877 (1962); *People v. McCall*, 17 N.Y. 2d 152 (1966).

**WHAT THE TELEPHONE COMPANY DOES**

When, in accordance with the New York Constitution and statute, a court issues to a law enforcement officer an order authorizing the interception of telephone communications, the Telephone Company is not a party to the proceeding and, in fact, has no knowledge of the existence of such proceeding. The law enforcement officer to whom the order has been issued may then proceed to intercept communications over the telephone line covered by the order. There is no requirement that the Telephone Company be advised. However, the law enforcement officer may elect to ask the Telephone Company for "cable and pair information," that is, the numbers of the cable and pair associated with the telephone line covered by the court order. This information is provided when requested by a law enforcement officer to whom a court order has been issued.

The furnishing of cable and pair information under the above-described circumstances is the sole relationship the Telephone Company has with court-authorized interception of telephone communications. Nothing else is done.

The practice of the Telephone Company to provide law enforcement officers with pair and cable information of the telephone line covered by a court order



was adopted shortly after the 1938 amendment to the State Constitution authorizing the issuance of ex parte orders for the interception of telephone communications. At that time, some subpoenas were served on the Telephone Company which required the production of its basic cable records for inspection to obtain cable and pair information, and such records were produced pursuant to subpoenas. The production of these vital records deprived the Telephone Company of their use for indefinite periods of time and threatened to interfere substantially with the normal operations of the Company. Thereafter, other subpoenas for cable records were satisfied by furnishing pair and cable information for a particular telephone number without producing the cable records. Under the present practice, law enforcement officers receive only the same information which could in any event be obtained by subpoenaing the Telephone Company's records.

## DISCUSSION

The question discussed herein is whether the Telephone Company violates § 605 of the Federal Communications Act by furnishing cable and pair information to state law enforcement agents who hold court orders issued pursuant to New York State constitutional and statutory provisions.

It is clear that under the language of § 605, "intercept \* \* \* and divulge or publish," both interception and divulgence are required for a violation. See *People v. Broady*, 5 N.Y. 2d 500 (1959), cert. denied and appeal dismissed, 361 U.S. 8 (1959); *Massicot v. United States*, 254 F. 2d 58 (5th Cir. 1958), cert. denied, 358 U.S. 816 (1958); *United States v. Gruber*, 123 F. 2d 307 (2d Cir. 1941); *United States v. Copton*, 91 F. Supp. 867 (D.D.C. 1950); *Pugach v. Klein*, 193 F. Supp. 630 (S.D.N.Y. 1961).

From the facts, it is also clear that the Telephone Company does not either intercept or divulge. Any intercepting and divulging, if any occur, are performed by the law enforcement officers and other duly authorized representatives of the People of the State of New York. And the mere compliance by the Telephone Company with a request from a law enforcement officer for pair and cable information for a telephone line covered by a court order does not constitute aiding and abetting a violation of § 605.

The only known case which decided the precise question here discussed is *Craska v. New York Telephone Company*, 239 F. Supp. 932 (N.D.N.Y. 1965), where the plaintiff sought a judgment for damages against the Company on grounds which included a claim that the Company had aided and abetted a violation of §§ 501 and 605 of the Federal Communications Act. Plaintiff Helen Craska had been convicted of keeping a disorderly house and was given a suspended sentence of one year. Later she was called before a special grand jury investigating alleged corruption in her county. The Assistant Attorney General assigned to present evidence to the grand jury cited her to the sentencing judge for an order to revoke the suspension of her jail sentence on the ground that she had been evasive and untruthful before the grand jury. At a hearing before the sentencing judge, the State introduced a recording of a telephone conversation in which Helen Craska stated her intent to be uncooperative before the grand jury. The judge revoked the suspension of her sentence and, after a series of unsuccessful appeals, Helen Craska served ten months in jail.

The recording of the plaintiff's telephone conversation had been made by state agents under a court order. The Company had not participated in the interception and divulgence of the telephone communication. In accordance with the Company's normal practice, the Company furnished cable and pair information to the state agents on their demand.

On plaintiff's motion for partial summary judgment, the Court granted summary judgment for the defendant Company and dismissed the complaint in its entirety. In its opinion, the Court indicated that the most important factor underlying its decision was "the common sense analysis that must be made of the undisputed minor part the defendant company played in this situation." (239 F. Supp. at 936.) After reviewing the principles of aiding and abetting and of statutory construction, the Court concluded that "under the undisputed portions of the record there is no showing of sufficient involvement in interception or divulgence to support the first claim for relief." (239 F. Supp. at 936.)

The *Craska* case is, of course, a very recent decision. However, it is the only Judicial opinion squarely in point and fully supports the legal opinion on which the Company has based its practice of furnishing cable and pair information to state law enforcement agents who hold court orders issued under the New York State Constitution and Criminal Code.



## CONCLUSION

It is submitted that the furnishing of cable and pair information by the New York Telephone Company under the circumstances described is not a violation of § 605.

AMERICAN TELEPHONE & TELEGRAPH Co.,  
New York, N.Y., December 6, 1966.

Hon. EDWARD V. LONG,  
U.S. Senate, New Senate Office Building,  
Washington, D.C.

DEAR SENATOR LONG: Attached are answers to the 33 additional inquiries forwarded to me with your letter of October 6, 1966. I hope these provide the information you are seeking. If any further information is desired, please let me know.

Very truly yours,

HUBERT L. KERTZ, *Vice President.*

Attached are answers to the 33 questions contained in the attachment to the letter dated October 6, 1966 from Senator E. V. Long to Mr. H. L. Kertz.

The questions are restated exactly as written in the attachment.

1. *Do you believe that service observing has been and continues to be an effective quality control tool for attaining your company's service objectives?*

Yes, we believe that service observing has been and will continue to be the most effective quality control tool available and that it is largely responsible for the high quality of service rendered to the public. Service observing is the chief source of facts on performance which enables management to undertake any action necessary to improve the performance of our people and facilities in rendering service to our customers and measures the effectiveness of such action.

2. *What have been the compelling reasons for the changes made over the years in your service observing procedures?*

The most compelling reason for changes made in service observing procedures has been our constant desire to obtain more complete and accurate information that will pinpoint trouble spots in quality and efficiency of service which in turn has led to ever rising standards of performance. Of course, changes in the procedures and technology of communications also have required changes in service observing practices.

3. *In your opinion, what would be the impact, if any, upon the quality of service if all service observing in the Bell System was discontinued?*

If all service observing in the Bell System were discontinued the quality of telephone service would deteriorate substantially. We have no doubt that the detrimental effect on the accuracy, speed, and helpfulness of customer contacts with operators and other telephone personnel, and on the quality and completion of directly dialed calls, would be serious. Another result would be a loss of efficiency in work operations with consequent increase in costs. The answer to question III(k) of the August 11th, 1966 set of questions discusses this subject in more detail.

Evidence of the drop in service quality has been shown in offices where observing has had to be suspended for a period and later has been resumed. A chart illustrating such a case was submitted with Mr. H. L. Kertz's statement to the Subcommittee on September 14, 1966.

4. *Is the information obtained from service observing used solely for internal purposes?*

Basically, yes. The fundamental purpose of service observing is to provide facts to assist management in controlling the operation of the business. However, at their request, some of the data developed by observing are furnished to the Federal Communications Commission and some State regulatory bodies. These data include such items as toll speed of service, and percent operator dialed toll calls encountering no circuit conditions.

5. *How does service observing affect rates to customers?*

The overall effect of service observing is a substantial reduction in costs upon which customer rates are based. This is effected through savings in expense and investment because of the improvements in methods and procedures developed



from analyses of service observing data, and the control of speed, efficiency and provision of Plant facilities provided by observation of work and equipment operations.

6. *What effect does service observing have on (1) The development of managers for the business and (2) The provision of new types of service or different methods of handling old types of service?*

Service observing, by measuring individual operating units and offices against standards which are applicable to the whole Bell System, provides one very effective method of judging the quality of managerial efforts. It also provides a desirable element of competition among operating units that contributes to the development of managers for the business as well as providing improved service for our customers, and it meets the needs of management and craft employees alike who want to know how they are doing collectively.

Service observing is particularly useful in evaluating the effectiveness of new types of service and improved methods and procedures. New systems, such as the Electronic Switching dial office, must be watched closely as they first perform under field conditions. The observations judge the effectiveness of the new concepts and equipment employed. The ability of customers to use the new services associated with the system must also be measured and changes made if the procedures prove overly complicated.

The role of observing in the provision of different methods of handling old services is two-fold; first, to indicate the need for change and second, to measure the effectiveness of changes after their introduction. In many cases the requirement for continuing changes in operating practices and training techniques in all departments results from analyses of observing data. Later, in turn, the results of the changes made are measured to determine the appropriateness of the action taken. For example, much of the progress made in improving DDD service in recent years can be attributed to the facts provided through service observing.

7. *Has any service observer ever been discharged for any breach of the privacy of communication, whether it be by wiretapping, eavesdropping or otherwise, on or off the job?*

No. Nor has there ever been any case that we are aware of where any complaint was made that a service observer had violated our rules concerning the preservation of privacy of telephone communication.

8. *If a "service observer" ignores your regulations, is there anything to stop her from listening to the substance of calls today?*

Mechanically no, but several things inhibit an observer from listening to conversations in defiance of orders to the contrary. The first is supervision. The supervisor, because of her familiarity with observing methods and through the use of lamp signals, can detect cases where observers are not following prescribed procedures. Secondly, each observer has a production quota to meet each day; these quotas are based on experience and they contain no time for unauthorized activities. Additionally, the observers usually work side by side with each other which tends to discourage violation of the rules.

9. *Is there anything to prevent the Company from going back to the system of listening to substance of customer-to-customer calls?* [P. 22]

Our observing procedures regarding the conversation interval were never designed for "listening to substance of customer-to-customer calls," but only to detect equipment and employee faults occurring during conversation. To the extent that the conversation interval was observed on directly dialed calls until 1956, and on operator handled toll calls until June 1966, the Company now feels that this procedure is no longer needed and has no intention of resuming it.

10. *Why did you keep service observing so secret?*

The fact that service observing has been a long-established procedure of the telephone companies has never been kept a secret.

The epithet "secret" probably comes from the facts, first, that service observing rooms are locked and restricted to authorized personnel only and second, that since observers do not cover all hours of the day and every operator position, the effectiveness of this quality control procedure would be adversely affected if the observers' schedule and positions observed were a matter of common knowledge.

Certainly, employees and the labor unions representing them have been aware of service observing procedures for years. In fact, the job title of "service observer" appears in innumerable labor contracts.



11. *"It is of major importance that absolute secrecy regarding all phases of service observing be maintained. Therefore, careful consideration should be given to the maintaining of secrecy of Switched Services operations."* (Div. G, Sec. 2A (3) (1)).

This quotation is taken from a section entitled "Secrecy of Communications" in an observing practice written by the Long Lines Department for a private switching network. It deals with the necessity of absolute privacy in communications and reflects our concern with this matter.

12. *Who selects the lines for "quality control service observing"? Why couldn't my line be "put up" and left up indefinitely?*

The lines for dial line service observing, the only kind using individual customer lines, are selected by the dial administrative group at each location, working with equipment line and terminal records. These records do not include customer names and the dial administrative group has no other record which associates names with equipment. Lines are selected only to give a proper sample by class of service and component parts of the equipment.

Standard procedures call for changing dial observing assignments regularly. Any failure to provide new assignment lists, or to "put up" the new assignments when provided, would quickly be apparent, and would be referred for supervisory check.

13. *Who has access to assignment lists of lines "put up" for observation?* (Div., A, GA-6 (4)).

In accordance with procedures, only two copies are made of the assignment list. One is given to the foreman of the framemen, the other goes to the service observing supervisor. The framemen make use of the attachment number and the line group and terminal in establishing connection to the service observing position; the service observers working on dial line observing use the list to identify the class of service on each observation.

14. *If my addition is correct, the system monitored approximately 39,500,000 calls in 1965. What was the cost of this monitoring to the subscribers? (2,500 full-time employees, plus time of installers, etc.)*

The cost to the Telephone Companies in salaries for the approximately 2,500 employees engaged in the service observing processes in 1965 was about \$16,000,000. The portion of the time of the Plant Department employees who change the service observing attachments is estimated at about \$500,000. In addition, there were miscellaneous expenses charged to service observing accounts which totaled about \$2,500,000; these expenses include forms, supplies, data processing charges, etc.

As was stated in the answer to question #5, the cost of service observing is more than offset by the savings resulting from the increased efficiency and lower plant investment made possible by these quality control measurement procedures. For example, a saving of only one second on the average on each operator handled call results in a saving in operating expense of approximately \$15 million annually. And, of course, the customer receives better service.

15. *Why don't you advise subscribers that their lines are being "put up"?*

We do not feel it necessary to advise subscribers that their lines are being "put up" for dial service observing particularly since no customer-to-customer conversation on these directly dialed calls has been observed since 1956. To adopt such a practice would involve substantial problems. Procedures would have to be evolved to associate the customers' names and telephone numbers with the observing attachments and a force established to contact the customers. Such association of telephone numbers and customer names would in itself weaken our privacy protection procedures.

Notification to subscribers on a general basis of the existence and purposes of dial line observing and the possible inclusion of their line in the sampling process could be accomplished by an announcement to this effect in the instruction pages of the directory.

16. *"Why was the plan developed in 1965 to improve transmission data from sources other than service observing?"*

Although service observing for transmission evaluation purposes provided a considerable amount of useful data, it had been recognized for many years that it was not entirely adequate and was subject to considerable inaccuracy. In 1962, a different method was proposed which would be more accurate and would also be independent of customers' voice levels. Studies were initiated to formulate suitable sampling procedures to be used with such a method and limited field trials were carried out. In 1964, personnel were assigned full time for the purpose of developing a plan to evaluate transmission performance to replace the



one using service observing. The plan was approved in 1965. The new plan requires that certain equipment (see reply to question 18) be provided in substantially all local central offices in the System. This equipment, which is also used for the maintenance of trunks, has been in the process of installation over the past several years. Until recently, there was an insufficient number of central offices equipped to make the plan statistically sound for System or Companywide evaluations.

17. *"Does the applied use and application of the PAR (Peak Average Ratio) meter measurement offer better means of evaluation of the quality of voice channel transmission than prior methods?"*

No. The PAR measurement is used to evaluate some of the additional characteristics of a channel which are required for satisfactory transmission of data.

18. *"What device was developed for the purpose of establishing 'Essential Information' and used within the Bell System in place of aural monitoring of operator handled toll conversations between customers after June 1, 1966?"*

The equipment required for the new plan of transmission evaluation consists of:

- (1) An accurate source of 1000 Hz test power at substantially all local central offices which can be reached over a telephone connection by dialing a code similar to a customer's telephone number,
- (2) A quiet termination in the same central offices which can be reached in a manner similar to item (1),
- (3) A transmission measuring set for measuring the level of the 1000 Hz power received over the connection, and
- (4) A noise measuring set.

In the new plan, test calls are made from various local central offices to other local central offices in the same manner as the customers make their calls, but the numbers for items (1) and (2) are dialed instead. The received transmission level and noise are then measured at the point where the test calls are originated.

As noted in the reply to question 16, it is necessary that items (1) and (2) be installed in substantially all local central offices in order for the plan to be statistically sound. This was not accomplished until recently. It was also necessary to develop sampling methods to assure that the results from the plan will represent fairly the performance of connections used by actual customers. Trials of the new plan were made in eight areas of the System beginning in November 1964 and ending in April 1966. The most recent trials provided verification of the adequacy of the sampling method which is to be used in the actual plan.

19. *"Explain how service observing procedures were evaluated as a means to determine the degree of comparability of results?"*

During the period when service observing was used for transmission evaluation the results were compared to established service standards. The levels of both of the customers' voices were measured with a volume indicating meter calibrated to be read directly as good, fair or poor service depending on the fluctuation of the needle. Numerous instances occurred where poor results involving specific trunk groups could be correlated with substandard or trouble conditions in these trunk groups. When the troubles or substandard conditions were corrected, the results from service observing improved. Therefore, by focusing attention to particular areas needing corrective action or better designs or maintenance, the service observing plan was instrumental in improving the transmission performance of telephone connections used by customers. However, as transmission performance improved, variables inherent in the service observing plan became large compared to the conditions which it was desired to detect. These variables included the judgment of different observers in reading the volume indicating meters and the natural variations in customers' voice levels. As a result, the service observing plan became less and less effective in pointing out areas where further necessary transmission improvements should be made.

20. *"How does the Traffic Service Measurement procedures used now differ from the operating procedures prior to May 10, 1966?"*

The Traffic Service Measurement procedures were changed only insofar as operator handled toll calls are concerned. The changes provide that the observer not be on the connection through the conversation interval and that transmission observations no longer be made by the observer. Cutoffs, interruptions and operator timing accuracy on these connections are measured through the use of supervisory signals on the observing position.



21. *What measurement plans developed by A.T. & T. Co. were submitted to the FCC?*

Service observing measurement plans are among the Bell System practices regularly furnished to the FCC.

22. *"Can you describe how the Service Observance operator at a No. 12 Service Observance Desk facility can make a measurement of subscriber's voice level performance as a means to check quality control?"*

The No. 12 service observing desk is no longer used for transmission evaluation. When it was used for this purpose it was equipped with a volume indicating meter which was connected to the service observing circuit by the observer as soon as conversation between the two customers began. By proper calibration of the meter and its associated circuit, the observer was able to rate voice levels of each of the customers by operation of a switch. She noted in each case the area on the meter in which most of the peaks of speech fell. During pauses in the conversation, she operated another switch and the meter indicated the noise on the connection. The results were summarized to show the percentage of calls observed in which the indicated speech volume was good, fair, and poor for the near end customers and distant customers separately. A summary of the percentage of observed calls in which the noise exceeded a specific level was also made. By reviewing these summaries on an office and area basis, the trends in the overall transmission performance could be determined.

23. *"How can pulse signaling be checked by the function of service observance between dial and dial tandem offices?"*

Service observing desks are equipped with devices for indicating dial pulses or touch-tone dialing signals. The number dialed by the customer or operator is identified on a display panel. The observer checks for the successful completion of the call. In those cases where the call is completed no problem is indicated; however, in cases of certain ineffective attempts such as no rings and wrong numbers, patterns can be developed or actual observed evidence may be available to isolate the trouble area.

24. *"If all trunk and cord circuits have been installed and checked to meet the specific standards for operation in accordance to the Bell System Practices, how can the service observance operation increase the overall performance of that facility?"*

Initial checks and tests of trunk and cord circuits do not insure that subsequent deterioration and difficulties will not occur. Service observing can check on the performance of this equipment. In addition, service observing is a form of quality inspection which is used as a check to determine whether the initial tests have been made.

25. *"If the dial pulse routine test sets and the bandpass frequency characteristics of the trunk circuit meets the standards specified for operation, describe how and what improvement can be obtained by a service observance evaluation by an operator?"*

The answer to this question is similar to the reply to question 24. In addition, not all equipment used for telephone communications is checked automatically or on a periodic basis. Furthermore, even though each piece of equipment is tested adequately there is no complete assurance that all the parts will work together in all combinations which are possible. The new transmission service observing arrangement provides an excellent means of quality inspection of overall performance and can be used to focus attention on areas which need improvement.



26. *"Is transmission evaluation of the talker-volume distribution by the APL (Average Peak Level) technique a reasonable method for service observing?"*

This method would be subject to many of the shortcomings of the service observing method used prior to June 1, 1966. One of these shortcomings is the wide range of customer voice levels which makes it difficult to evaluate the performance of the trunk plant.

27. *"Does the APL evaluation provide a better means to measure quality than VU indication that is based on a weighted rms sine wave value?"*

No. The APL method is merely another method of expressing the amount of power in speech waves. As discussed in the reply to question 26, the use of the customer's speech level as a source of power for evaluating transmission performance of the telephone plant has serious shortcomings. The APL method is no better for this purpose than the VU indication.

28. *"Would you conclude that the evaluation of the telephone plant system for the purposes of speech evaluation by APL detection is an upgraded practice of service observance that directly determines the dynamic conditions of the trunk and channel facilities required for better subscriber service?"*

No. It is felt that it is better to evaluate the performance of trunks and connections by objective loss and noise measurements.

29. *What Federal agency besides IRS rents "supervisory override" equipment?*

Assuming that "supervisory override" refers to service observing equipment, a complete list of all customers, including Federal agencies, who have been furnished this equipment was forwarded to you on October 31, 1966 in response to your subpoena dated September 23, 1966.

30. *Would a FCC regulation relating to "supervisory override" be objectionable to the company?*

If this question implies the elimination of the use of service observing facilities by our customers, such regulation would be objectionable to us and, we believe, objectionable to many of our customers since elimination would have an adverse affect on the overall quality of telephone service. It would greatly reduce the ability of the business community to control effectively the quality of service rendered by its employees in dealing with its customers—business managements need to observe on actual contacts in order to determine the kind of service being provided to their customers. If prohibited, effective training of customer personnel would be limited. For example, for many years we have prided ourselves in maintaining a reputation of a friendly place to do business which has been typified by the phrase 'A Voice With A Smile'. We have prided ourselves on courteous, friendly and helpful service which can only be evaluated by listening to what is said and how it is said. Oftentimes, good service to the public depends in large part on the tonal quality and method of expression. Many times it is how we say something rather than what we say which determines a customer's satisfaction or dissatisfaction with our handling of his service.

31. *Why is their service observance tariff equipment restricted only to business accounts and not to any generally classified subscriber?*

Service observing equipment is available for customers as a means to attain and maintain high quality of service, to determine training needs, and to help formulate methods and standards of service. There is really no application nor need for residence subscribers to use this type of service.

32. *"Although there may have been a few infractions in the past, it is our policy not to make facilities available to law enforcement agencies, to monitor and/or record telephone conversations, except in cases involving national security." (P. 37 of Mr. Kertz's Statement) What past infractions? What about kidnapping? What about where human life is involved? What about illegal betting via phone?*

(a) We know of no infractions but cannot unequivocally state that there have been none.

(b) In cases involving kidnapping or human life, we would probably cooperate. See, in this connection, the testimony of then Attorney General Katzenbach before the Subcommittee on Criminal Laws and Procedure of the Senate Judiciary Committee on March 22, 1966.



(c) It is not our policy to make available to law enforcement agencies facilities to monitor and/or record telephone conversations in cases involving illegal betting by telephone.

33. *Busy circuits reported to police in one type of situation (P. 42 of Mr. Kertz's Statement)*—*What situation?*

The word "exception" referred not to a type of situation but to a company. The New York Company evaluates information brought to its attention indicating that service on a particular telephone is being used for bookmaking. One of the circumstances evaluated is the amount of usage for local and toll calls. Others include refusals to grant access to the premises, frequencies of moves of service, type of equipment, complaints of other customers and publicity as to gambling activity. If this review compels the conclusion, in the judgment of the company, that there is substantial reason to suspect a particular telephone is being used in connection with bookmaking, this fact is brought to the attention of the local law enforcement agency. This review does not involve any monitoring.





