

Did Tom let FCC take
credit for open skies?
How so?

Satellites / microwave
interference

Cable



Susan Burgess <skburgess@gmail.com>

qs for Walt

1 message

Susan Burgess <skburgess@gmail.com>
Draft

Wed, Aug 20, 2008 at 9:10 AM

did ^{Walt} ~~Tom~~ report to Tom

his background / what was his position when he began working w Tom on open skies and how did he become part of that group?

review list of task group members and industry folks

*Tom Moore still around?
Walt not sure*

• any stories that stuck out from task force mtgs?

• were the task force members particularly taken by any one of the proposals / ideas for a satellite system? if so, whose?

• nothing re: pub beta / Ford Foundation

what were Walt's responsibilities on the task force?

Q how did the task force determine the optimal position for placing satellites? :-

• what was so important about the policy that the task force set?

the phrase "open entry" appears in the documents - presumably, this is where the term "open skies" comes from?

does he remember first time he heard "open skies"?

MacGeorge Bundy....

*• no need for pilot
• no need to dictate who could set up system
COMSAT could compete if desired*

Tom / Brian / Henry / Jason taped conversation

.....

Brian – (referring to research booklet Jason made) It's interesting reading the NYTimes..... How did you do that?

Jason – I went through and I LexisNexised and I pulled up as much as it would give me, basically the full document, there all abstracts basically, and I copied and pasted them, cleaned them up a bit.

Brian – what's amazing though is how much is missing – how much they didn't cover

Tom – oh yeah

Brian – I mean how much they didn't cover of things that mattered, for instance the whole satellite thing, the whole issue of satellites they don't cover

Tom – Broadcast Magazine, Yellow Peril, covered TV Digest, but you can't search their archives.

Brian – is that right, Jason?

Tom – they don't have their full archive online?

Jason – no, they don't have it online

Brian – they have index and abstracts, so you can go back and search it. And probably it turned out that Yellow Peril was the best of all

Tom – for some things – they didn't cover CPB stuff

Jason – “Yellow Pear?”

Tom – “Yellow Peril.” Telecommunications Reports used to be published on yellow paper, and was affectionately called the yellow peril by industry insiders

.....

Brian – well, Dr. Whitehead, tell us where you are in the scheme of things. Tell us what you want from us. You're writing a book. There's a book outline in here as presented by Jason.



Satellites - OS
Why so little
press?

tech too
confusing?
didn't understand
implications?
distracted by
other news?

Tom – I'll tell you As you two know full well, I need prods, prodding. So this is my first session. I have no idea how many I can impose on you. This is my first session to prod, to recollect and organize what went on. I confess that I have largely put it out of my mind for 30 years so revisiting it is a little difficult. What I have tried to do with Jason is pull together mainly books and other materials and try to reconstruct the context of what was going on. I've spent more time on Jason would have liked looking at history b/c it's interesting and there are a lot of unresolved things in the various histories. The histories are written in stove pipe fashion and it tends to be either a journalist's history of broadcasting, a lawyer's history of broadcasting, etc. so there are huge amounts of interplay that are never addressed. What I need to do is primarily focus on what was going on when OTP came into being, and why were all those issues teed up for us, what did we do with them, why did we do it, and what impact did it have.

It seems to me that one of the things that needs to be done is to deal with the issues, the setting in which we found ourselves so we understand where things were and why we did what we did and then we've got to put together a chronology – we were involved with so many different things that played out over several years, for the book I need to be precise about what was the state of play – what were we doing when – who else was doing what when, you can't say that if we don't know when we did it, and this stuff isn't written up anywhere, there's essentially no history. A big part of this book is going to be the history of OTP so I was hoping we could talk about our recollections of what was the context, what did we take on, when did we do it, and what happened. I have largely completed scanning Henry's files, including all the speeches..... Henry leant me a file box, and I've been scanning that, including correspondence

.....

Tom -- I know all those OTP files went to NTIA

Henry – Well there was a FOI Act thing where Henry Geller publicized most of them

Tom – so where are those files? Jason, that would be a good thing for you to track down. We could all call Henry Geller and ask him.

Brian – Geller was a director....I think there was an FOIA request and they said, don't worry, we'll just release all the files. And they released all the files to some embarrassment

Tom – but after the public got tired of them, what did they do with it?

Jason – I went to the archives where they released all the Nixon stuff and the files are largely empty and full of garbage

Henry – NTIA may have their own files, their own archive

Tom – I bet they do...what happened was that Carter did away with OTP and much of it was moved over to NTIA, now who were those 2 guys who took over OTP? Newstat was one of them

Henry — Rick Newstat, he's now deceased.

Tom – Newstat and someone else came into OTP

Henry – for the transition

Tom – and was scrubbing through all the OTP files for politically damaging things

Henry – Houser was the last Republican for OTP and Bob Ross worked for him....didn't he fade out with a brain tumor or something?

Brian – one of the fellows who's going to be here tomorrow I think was involved with Newstat is Robert Sachs, he's a good friend of mine, now the head of the national cable television association – he was very political at the time

Tom – I think I remember talking to Bruce Owen and he reported that they were looking for politically damaging stuff.

Brian – sure – the network project too was under way

Tom – that's what I was referring to, they found the Bun Paper (?) and they asked him, what's this about? What's Bun?

Brian – and he lost his memory

Tom –laughed and lost his memory and said he didn't know. He said they couldn't figure out what it was, and I don't know if I have the Bun Paper

Brian – do I have that?

Tom – I don't know

Henry – is it in my papers?

Brian – literally it said BUN on the outside – B period U period N period –

Tom – with periods?

Brian – I think so

Henry – it was a Bruce Owen document – a Bruce Owen document to Tom copied to me

Brian – Bruce put these little booklets out over several policies that he wanted from an economic perspective before he left

Can I just make a suggestion?

Let's go to the end of this whole project- when it's done, what is it you want? In today's multimedia world, it seems that you want a lot of this stuff on a website for researchers b/c it's not anywhere to be found

Henry – you could do a subset of the history of OTP and maybe it's on the website and if someone wants to write about it, there it is

Brian – but it'd be interesting to see what substantive things you can find that could go there. It'd be interesting to know if there's anything on video or audio that we can find

Tom – for the most part I don't recall what we did – Jason has checked out the firing line and found out that we can at least get a transcript

Henry – what about “meet the press”? Weren't you on a few of those?

Tom – no, I was only on Face the Nation, and that was about the transition

Brian – you were on the Advocates, that TV Show in New York, and you've been on the Today Show

.....

Henry – for your information, my secretary made an effort – my secretary got in touch w/ channel 2 in Boston to try to find the Advocate show to no avail

Brian – well, the Museum of Television and Radio may have some of this stuff, and we'll need to look there. It's run by a friend, Stuart Broughtman

Tom – I think he'd be cooperative

Brian – yes, he would be, I believe he was w/ OTP w/ the Democratic Administration – he's come in here, long story, they're doing 4 part story on CSPAN, reason they're doing it is to try to raise money for cable industry b/c they haven't been very involved

But anyway, someone needs to sit down w/ you and put your memories on videotape, I'm talking about the end product, that we have a series of talks or interviews w/ you, or other people about this.

Tom -- Get the whole crowd in here

Henry – people have different perspectives

Susan
to touch
down /
prep for
website

Brian – which is fine, though I'm amazed in reading this how easy it is to remember this stuff, though I didn't remember that we put out that **Cabinet Committee Report on cable** in Jan. 74, I thought it was later

Cable report

Tom – I don't remember why we did it



Brian – we did it b/c everyone was leaving and we couldn't get it out of the WH – they wouldn't let us have it out of there in 73 b/c the Watergate thing and we pushed and pushed and pushed to get it out and one of the things it says in here that 5 of the 7 members of the commission were gone out of the administration and we badly wanted it published for obvious reasons b/c everyone had put a lot of work into it

Henry – I have it in electronic form, I told you Bruce Owen had it scanned in his office and I'm pretty sure I gave it to you all scanned

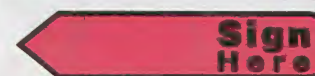
Brian – but going back to the end product, you've got websites, maybe a DVD for education

Tom – I think there ought to be a DVD to go w/ the book

Jason – what would it be?

Brian – it would have a lot of this material on it, it would be a teaching tool

Tom – or it would contain a whole bunch of stuff I had to leave out of the book



Brian – so that's the end product, but then you go back to what this is all about, I mean, I think you can answer your questions by going to 69 / 1970 and answering the question **why was there a need for OTP?** And that will answer the question of all these major things that you got into that changed the world

reason for OTP

Henry – you know, and it may be in the speech file that I believe that I made a speech that went back into the 1940s and it was in the 1940s at least in my research the first discussion came for having a spectrum manager / telecom office in the WH and the Rostow Report was just the latest in the series, there was something in 48, something in 56, and it wasn't until the OConnell and Rostow Commission that it finally happened. So a question that you can ask yourself is, what in 1969 made the difference? What after all these calls for reports, why did that administration decide to do it? Or did you decide to do it? What made the difference in 68 or 69.

Tom – well I will have to tell you in all candor that a lot of these things are me.

Brian – that's fine; you can write it w/o being I / I / I – it's v important of the whole story of why this thing even matters. Because at some point in the process, you said.... From my standpoint, everything was bottled up, a monopoly kind of mentality. Everything was

saving everything that was already in creating, when you came along and brought in brilliant guys like Henry Goldberg, and everything exploded

Henry – but was there any industry pressure for an office? Probably not.

Brian – No, just the opposite

Henry – right, so where did the pressure come from inside the government? Nowhere, it took a catalyst

Tom – well, the only positive pressure I remember was O'Connell. DOD was generally favorable, but they weren't pushing it.

Henry – they were the 800 lb gorilla on IRAC, why would they want a policy office?

Tom – well, they thought maybe someone in the WH who reported directly to the Pres and dealt w/ these spectrum matters

Brian – they weren't pushing you?

Henry -- But if they were opposed you never would have had the office

Tom – right, which brings up an interesting question, since DOD did whatever AT&T told them to, why wasn't AT&T in there? And I think I know the answer to that. I think no one in the industry thought it would turn out to be. I don't think they had the slightest idea.

Henry – well isn't this a kernel to start the narrative?

Tom – yeah, we can talk about the narrative, I'm interested in what was going on in the industry and the hill and the FCC

Brian – why are you?

Tom – b/c to the outside observer gov't makes policy about the real world so you have to know what the real world was doing and the people in the real world were pinging on the new administration –

Henry – again, you were....

Henry – I can tell you why I came in, there were a couple of things going on in the industry that made a difference, and I for one having seen the Rostow and OConnell Report, someone from the outside had something to gain from having that office and one thing that came up was satellites

Satellite technology had developed to the point where people were going to the FCC and saying authorize a domestic satellite system

Brian – people wanted in the business

Henry – well we already had the COMSAT act and the first rudiments of the Intelsat system were being put together and Comsat came to the FCC and said, you know, wait – I think the first one to come to the FCC was ABC? Someone came to the FCC and said, there ought to be a domestic satellite system like the international system, in 1966 or 67, before you get there

Tom – I think there were 8 applications

Henry – Comsat came in, and said damn right – do it the same way you do it internationally, w/ a chosen instrument -- a monopoly. Do it. And then others, Western Union, came in and said, no don't, don't do a monopoly, we can do it. So there was an issue that was crystallizing. Someone said okay, maybe it would be a good idea to have the WH speak on this issue and maybe Comsat supported it b/c they believed the WH would give it the nod, and maybe WU thought the WH would give it the nod, and I came to him on a behalf of a client who was interested in satellites

Tom – it was a user, not someone who wanted to set up a system

Henry – why did I call Tom Whitehead? B/c as the Nixon transition team developed, somehow it was leaked or reported in Broadcast magazine that there was this guy, Clay T Whitehead, who was looking at telecommunications policy satellite.

Brian – that's probably b/c people looked in the administration to find someone to aid them, they probably sent them to Peter Flannigan and Flannigan sent them to you

Tom – I want to come back to what you were saying and ask the question why the Rostow commission was put together in the first place, I think it was kind of a stasis in communications policy b/c Johnson didn't want to get involved and just tabled the issue by creating a commission

Henry – and, it was the day of commissions too -- there was the Carnegie Commission on educational television and all this other shit

Tom – the way this happened was that I took a leave of absence from RAND to develop a budget policy process for the Nixon WH could use in event he got elected, and that led me to being on the transition team, and I worked primarily on economic policy matters. I took my leave of absence in May or June 68 and I had been at RAND for less then a year in Santa Monica on the beach.

My office was in that little brick bldg that's now a little Mercedes dealership on Harvey (?) Ave. and I was up on the top floor, there were 4 or 5 offices, I had an office, Alan

Greenspan had an office, Pat Buchanan had an office, Ray Price had an office, and somebody else

The mystery man....

Brian – why would Buchanan be there? He'd only gone to work for Nixon in 66?

Tom – I don't know why he was there.... They just said, here's your office.

Henry – it'd be fascinating to remember who the 6th man was.

Tom – Ray would probably remember. So, I'm working away, doing this program budgeting ideas so that instead of knowing how many pencils there are in the agricultural dep't, you know how many acres of subsidy you're doing for _____. It was a management control device to use the federal budget as a control device to carry out the president's policies rather than a green eye shade operation, and I had been working on that at RAND which is how I got into it

So then comes the election and I'm working on this and the person I'm reporting to is Bob Ellsworth.

Bob Ellsworth had been Nixon's campaign manager before the convention. And after the convention it was

Brian – John Mitchell

Tom – so Ellsworth was a bigwig in the Nixon campaign, he was close to Nixon. And Ellsworth, Haldeman, Kissinger, who was the domestic policy guy?

Brian – Ehrlich

Tom – those were the 4 guys, and I think there was a political guy

Brian – Garment was in the Nixon

Tom – no, he was lower down. Anyway, there were 4 or 5 really top guys who got WH appointments. And all the other people

Brian – Colson?

Tom – No, no. All the other people came in underneath. Not that there were that many.

Brian – Flannigan? (?)

Tom – No.

Henry – So when were you reporting to Ellsworth?

Tom – from the time that I started.

Henry – during the campaign?

Tom – yes

Brian – had he been a congressman by then?

Tom – yes. So during the transition period, I'm working on my concepts for the Bureau of the Budget. I was trying to figure out how to turn it into an OMB. We didn't call it that, but that's what I was doing. So as the transition team got more and more specific, then came, who's going to go to the WH. I got this call from Ellsworth saying, come meet me at the NY Hilton. So I meet him there. He says I'm going to be assistant to the President and I get to bring two people with me and I want you to come with me to the WH.

Brian – Ellsworth is saying this

Tom – I said, and you guys will appreciate my sophistication, and I said, doing what? Whereupon there was an incredulous look and he said, "does it matter?" Another pause, and I said, "No." And that's how I got to the WH.

Brian – Who's the other guy?

Tom – Jonathan Rose

Brian – ah, the plot thickens.

Tom – so, I go back to California, I get my stuff and arrange to get my stuff shipped. And the next thing I knew I was in the WH

Brian – did you know Jonathan Rose would _____

Tom – never in a million years. I'm getting to the answers to some of my questions.

Brian – okay, well keep going, keep going

Tom – somewhere in the late stages of the transition, somewhere in the late stages, after it was established who would be at the WH, that I was going to be there, there was a preliminary staff meeting. They were dealing not with important policy matters like how do you control the federal budget, but who's responsibility was what agency. Haldeman was there basically dealing the cards. They got through the cabinet, but then they got to the other agencies and had more difficulty. Ellsworth, you take that...., Then they started struggling with NASA, atomic energy, National Science Foundation, FCC. And

Haldeman said something to the effect of, Hell, Whitehead went to MIT, he knows all that shit let him fix it. That's how I got to communications.

Brian – for the transition?

Tom – no, this was during the transition, but immediately before going to the WH. We were there as people going to be the WH staff.

Brian – and you were how old? 28?

Tom – 30

Henry – were you in the room when Haldeman said, Whitehead went to MIT, let him do this shit?

Tom – I don't honestly remember. I think I was, but it also could have been Ellsworth reporting to me.

Brian – and what year were you born?

Tom – 38

Brian – and this was 68?

Tom – Late 68 / early 69? So all of a sudden, I've got policy responsibility for all these agencies, including CIA which reported to me.

Henry – not because you went to MIT?

Brian – because you were brilliant

Tom – because Haldeman and Kissinger couldn't figure out what to do with it. It took Henry Kissinger a week to figure out that he wanted it to report to him. Shows how smart Kissinger is – he should've figured that out in a day

Henry – that's interesting to me that they would lump together an independent agency, the federal communications commission, with these executive agencies like the atomic energy commission and whatever

Tom – these were not the most sophisticated nuanced guys

Henry – but if there was one set of issues that Richard Nixon cared about and one would think that Haldeman would care about it's the media issues

Tom – they probably didn't think of that

Brian – also, they hadn't had any experience in government. Richard did, but he's not getting involved with that

Tom – well, come on, Vice Presidents don't have a lot of involvement

Henry – No, but he knows he hates the media

Tom – but I don't think they made the connection.

Henry – Okay, okay

Tom – Besides there are a whole bunch of agencies and we got to assign someone we can rely on to them So Whitehead gets the FCC, the Federal Power Commission, he gets.....

Brian – and you're all loyal to the King at this point.

Tom – and everybody's loyal to the President and the idea was overwhelmingly that we're going to put people in these positions to carry out the President's policies. And that includes chairman of the FCC...

Henry – still the case

....

Tom – so I persisted with the budget stuff, and I got involved with George Schulz and Cap Weinberger and others in the discussions that ultimately led to ____ so my work had some impact but other people played a more active role

You get to the WH and it's where is my office, how does the phone system work, where's the bathroom, and everyone's pinging on you to do this and that and every little rumor about who's doing what gets amplified through the town so that's probably how the story you're referring to got out. My first recollection of involvement was the Rostow report. There were press stories of how the Nixon administration had come in and was repressing the Rostow Report. There were obviously things in there that they didn't want done and they were bottling it up.

Brian – had it been published?

Tom – no, that was the issue – where was it?

Brian – and when was it eventually published?

Tom – it was completed during the Johnson administration, and we started getting heat for hiding it and my first big problem was to find it. We're getting this press – you're hiding it. No one can find it, we looked for it everywhere. Someone called Rostow who

Sign Here

Rostow report

said, it's not mine, I gave it to the President. Well, we've got a new President. We couldn't find it. Finally, Bill Morrow from OMB, then BOB, determined I was the guy and brought me the one and only copy – a type written copy. Said, here it is. Of course, the first thing we did was to release it because the last thing you want is to actually

Brian – I figured you'd read it before you released it

Tom – no

Brian – How big a report was it?

Tom – big, a few hundred pages plus

Brian – and this was Walt Rostow?

Tom – Walt Rostow

Henry – Or was it Gene

Tom – it was Gene

Brian – why would it have been Gene? Was he State Dept?

Tom – I don't know he was a professor, an economics professor

Henry—He was a yale professor

Brian – he was alive until a short time ago

Tom – I don't think so

Henry – I think he was in the government

Brian – he was in the government, but whether he was there, I don't know

Tom – I think he'd been an asst sec state

Henry – I had a recollection of the Rostow commission because we on the outside cared about what was going on, and people on the industry probably put pressure, okay where is the damn thing?

Brian – one thing you may want to check Jason is with the Johnson Library and figure out if they have any oral histories there about Rostow

Tom – that's an important q – why was it done?

Henry – what was the relation between the Rostow Report and the O’Connell Report?

Tom – I don’t remember the O’Connell Report

Henry – the O’Connell Report I think was purely radio spectrum and the Rostow Report was broader

Brian – did you know General O’Connell?

Tom – yes, he was in and out of my office frequently during this time

Henry – then how did you not know of the O’Connell report? Or maybe the O’Connell report was part of the Rostow Report?

Tom – I just don’t remember it

Brian – was General O’Connell still active duty when you met him?

Tom – I think he had retired but he had that job of Office of Telecom Manager, which was part

Henry – Yeah

Tom – which was part of the Office of Emergency Preparedness – was it? Or was it separate

Brian – I don’t even remember the Office of Emergency Preparedness

Henry – I think so, I think it was the Office of Emergency Preparedness

Tom – I think he was a part of it, and General Lincoln who was a wonderful guy, I can’t remember his first name, was the head of OEP and O’Connell reported to him is my recollection

Henry – I think that the O’Connell Report was purely on spectrum management

Tom – Could’ve been, I just don’t remember it. Anyway my first major issue I had to deal with was to release the report, and then of course, I had to read it, figure out what it said and figure out we were going to do anything about it.

Henry – and the report itself called for a WH policy office, didn’t it?

Tom – well, no, it said that the executive branch should be reorganized to deal with these telecom matters.

Henry – I thought it called for an office

Tom – And the policy office was one of several options that they looked at and it was their chosen option.

Brian – were you chasing the Rostow report when you were still on the transition team or were you already in the WH?

Tom – I don't remember, well, I definitely was in the WH because I remember Morrow from BOB was being very sticky about who he was going to give this to so he handed it to me almost as an official act

Brian – and were you then working for Flannigan?

Tom – No, I was working for Ellsworth. Ellsworth was in the WH and I was reporting to him, and that went on for about 6 months, and something happened and I don't remember what it was and I'm not sure what I knew at the time. Ellsworth got on the outs, Flannigan came in and Flannigan inherited me

Brian – and you know he's still alive?

Henry – not only is he still alive, he's still shaking and baking

Brian – we found him on google

Henry – he's involved in Blackstones

Tom – I've not kept up

Brian – he was at Dylan Reed. Okay, here's my question, so the Rostow report comes up, the leaks come up that Clay Whitehead is doing telecom.

Tom – and Clay Whitehead is calling people in government saying, what are you doing about this. So Then Eva came to work for me, and this was one of the great things in my life. Eva was canned because they brought in I think Bob Mayo to be the head of BOB. Eva had been the secretary to the head of BOB, Charlie Schultz. She'd been the secretary to several heads of BOB. And they canned her.

Henry – because she was a democrat

Tom – well, no, but she was not loyal, not one of the team. So she was looking for a job, and someone recommended that I talk to Eva, so I talked to Eva, and I hired her.

Henry – so you got because of that a secretary that was much more qualified,

Tom – oh, infinitely more qualified

Henry – than someone of your rank would have gotten just out of the WH pools

Tom – absolutely, so I had a secretary – my secretary – very early. And Eva knew how to call people. Mr. So and so, Clay Whitehead from the WH is calling. People tend to answer.

Brian – and do we know where her notes, and all those little blue notes are?

Tom – she was a pack rat, my guess is that she had them. And we used to do Xmas cards for a while, but then that stopped and my guess is that she died

Henry – here's my question – just as the leaks in the B'casting magazine caught my eye and I called Eva and I called over 2 months before we got a meeting set up, were other people in the industry calling for meetings?

Tom – could be

Henry – so AT&T was calling. Everyone wanted to talk to you. When this thing leaked out, to whom were you talking to, and on what subjects?

Tom – I don't remember

Henry – but this is, people were calling b/c just like I called b/c there were some very kind of converging issues for the first time. In the older days, everything was steady state, and all of a sudden technology started to happen and we had satellites, and cable TV, there were big new technology issues that were coming up for the first time.

Brian – Before we forget, on the Eva front, didn't she have children? Did she and Dr. D have children?

Tom—I don't know, she had a daughter

Brian – we ought to find her somewhere and

Tom – I'm sure it could be done, she lived over in Edgewater Maryland, and I tried to get her on the phone two or three years ago and she wasn't listed.

Jason – what was her last name?

Tom – Daughtrey

Brian – and he was a dentist so it would be Dr.

Tom – Darien

Henry – as in CT

Brian – and he practiced here in town

Tom – but he died

Brian – I know, but he was here in town

Tom – yeah, it would be wonderful if we could find her papers

Henry – maybe Judy knows, Judy Morton

Brian – I was just going to say that

Tom – has anyone talked to her since her husband died?

Brian – she got married? And he died?

Tom – he took her name!

Brian – I didn't know that. Do you know where she is?

Tom – She's in Venice, CA

Brian – do you know who she's working for?

Tom – I don't know – haven't talked to her in 10 years

Henry – someone ought to call; she was as much of a pack rat as you

Brian – someone ought to call her, we can try to locate her

Tom – I've got her phone number,

Henry – well, then you call her

Tom – she worked at RAND for a while, she worked for Gerry Perentio for a while

Brian – you know who died, Lorraine died

Tom – I don't remember

Henry – Hinchman's secretary

Brian – who was very close to Judy, she's a Korean I believe, or Japanese

Henry – Japanese

Brian – right, Japanese. She died.

Henry – going back to the acorn. There you were w/ industry people calling you and wanting to talk about issues. But you don't remember who called, what interest groups called, or what issues or whatever

Tom – I remember the people from MCI, Bill Gowan, Sam Wyly, Henry Goldberg....

Brian – was Wyly Specialized Common Carrier?

Tom – Sam?

Brian – yeah,

Henry – he was a cofounder of MCI

Tom – no, Sam Wyly was Datran. But you've got to understand that I very quickly got dragged off this theoretical RAND budget stuff

Henry – right

Tom – I was caught up in, what do we do with the NASA budget – NASA had proposed for the new administration a program that put a man on Mars in 10 years, a space station, a space shuttle, a multibillion dollar thing, so we had to deal with that. There were a number of issues w/ the atomic energy commission. The national science foundation was academic physicists basically and industry was bitching that there wasn't enough applied research. So I was.... Federal Power Commission had a whole bunch of issues.

Brian – so it wasn't just telecom

Tom – not it wasn't just telecom, and when Flannigan, when Ellsworth left, and Flannigan became my senior person, his primary purpose was relations in the business community and he started a whole initiative in international economic policy and I got sucked into that, so I just had a whole bunch of issues....what was it called? Federal Maritime Commission.

Brian – Nicholas Johnson. He's in the trade press today writing op-ed pieces.

Tom – Helen Dealidge Bentley. John Warner was secretary of the Navy and there was the issue of renewal of the Jones Act

Brian – but wait a minute. At some point....

Tom – I'm painting a picture here. There were a jillion things going on. FCC was just way down there.

Henry – but at some point, and not too far into the tenure, you decided there should be an OTP

Tom—fairly early

Henry – right

Brian – the date here is that OTP started in 70, but what date?

Tom – I remember it was in December of 70

Jason – says December 7th of 68 when it was issued. And in 69, the Task Force on Communications Policy was released

Brian – Whitehead sworn in Sept 23

Jason – June 69 President's Task Force on Communications Policy

Henry – That's the Rostow report

Tom – that's Rostow

Jason – “was issued”

Tom – I'll bet that means it was given to President Johnson – because Johnson was still President

Brian – by the way, it was July 24 of 70 that you were nominated and Sept 23 that you were sworn in

Tom – oh, I remember, December was the day that....

Henry – so here was year 1969, you take office end of Jan 69 and Dec 1970 you're sworn in

Brian – No, September, but he's nominated in July, so we're only talking 18 months between the time he goes in the WH,

Henry – yeah, that was a busy 18 months

Tom – that was a busy 18 months

Brian – but where along the route did you start to say there should be an office?

Henry – when did you make that decision?

Tom – I don't remember, it was some time well before July

Henry – in the midst of all this NASA, federal power commission, atomic regulatory commission, blah blah blah in the midst of everyone coming into you, including the telecom people, including the Rostow Report, somewhere, because no one else would make the first move, you decided there should be an OTP

Tom – right

Henry – think about that

Brian – at the same time, did you decide that you ought to run it?

Tom – oh, no, au contraire

Brian – I didn't say that you did, but it would be really interesting to know how that process went.

Tom – well before I tell you that let me go back and we, I don't know that there's any way to document this, Jason, but you should look for this when we get to my files. The two big telecom events that got me interested in and involved in all this communications stuff was the Rostow report, it was an immediate crisis, had to be dealt with, got me in contact with a lot of people in government and out of it. The other thing I remember fairly vividly was that as a result of the process we've all been talking about, Rosel Hyde

Brian – oh, FCC Chairman

Tom – comes to see me and briefs me on the state of communications and we talked about a whole bunch of things, and the part of the conversation that stands out was the conversation on domestic satellites, which he thought was a real sticky problem b/c you had the telecom companies, the television networks, COMSAT, COMSAT Act, it was very difficult. But he, Rosel had figured out this idea and he thought he could get it by the Commission and wanted to run it by the WH first. The idea was as follows – we have 7 or 8 applicants, some users, some telecom service providers, some networks. And what they would do is create a monopoly corporation to run US domestic satellites. It would be owned equally by the 7 or 8 applicants....

Brian – typical

Tom – each of whom would have a seat on the board of directors....

Brian – of course

Tom – and if there were any issues that the board couldn't resolve, the FCC would resolve any impasse

Henry – so typical

Tom – isn't that a great way to preserve private enterprise, resolve the impasse get the government involved....

Henry – and ensure high prices

Tom – and we could get on w/ it right away if the WH would support it. And I remember thinking to myself in words I can't put on tape that Oh my god, this is going to be a friggin government entity, not only that but it's going to be a regulatory mess. And if we're ever going to have competition in the communications business, we have to start it with this new technology. Because if we start this new technology with the same or worse regulatory mishmash mess, we're never going to have competition

Brian – Jason, one of the things I think we ought to find out is how old Rosel Hyde was

Tom – and if miracle of miracle you can find when that conversation happened

✓ Henry – Rosel Hyde was a republican appointed by Eisenhower who served during the democratic from 60 – 68

✓ Brian – chairman of the FCC, he was eventually

✓ Henry – Johnson made him Chairman as an act of bipartisanship

Brian – well also because he had his own tv station

Tom – Johnson had radio stations, I think, and tv

✓ Brian – he had one tv station in Austin Texas

✓ Tom – and the scuttlebutt I got was that he didn't want to be accused of doing anything to benefit himself so he just stayed away from broadcasting and appointed Rosel

Brian – but they had only one tv station in Austin and they had all three networks affiliated with it

✓ Henry – anyway, that was Rosel Hyde. Nice old guy.

Tom -- Nice guy. One of the nicest guys.

Henry – was replaced by Dean Burch.

.....

Henry – Footnote, that approach that you rejected in favor for what was called open skies, or what came to be called open skies, was later adopted by the FCC in dealing with mobile satellites and they had

Tom – good point

Henry – and they had an AMSC – Hughes, this one that one.

Tom – right, it's an FCC kind of thing

Brian – did you name it “Open skies”?

Tom – no, not that I can remember

Henry – let me ask you another question, where did this competition policy come from? Why when you heard Rosel Hyde wanted to turn it into a monopoly did you say oh my god? We need competition in telecom

Tom – that's one of those cases that I think was just wrong

Brian – but why did you? Did you always think that way based on what you studied?

Tom – I don't know, I've never thought of it

Henry – but why was this whole republican administration saying we need more competition, less regulation? Where did this whole policy come from?

Tom – I think it was in the air amongst those of us who were in the transition team...

Henry – the RAND, policy.....

Tom – no, RAND didn't work with those kind of things back then

Brian – but all those things that you worked with at RAND back then, Alan Greenspan, Buchanan, all thought that way

Tom – that wasn't RAND, that was the Nixon campaign

Brian – I thought you said those people were all at RAND

Tom – no, no that was my office in the Nixon campaign in NY City.

Brian (to someone else) – didn't you think that was RAND?

Henry or Jason – he said RAND

Tom – well, I'm sorry

Brian – oh, thank you

Henry – we can run back the tape, you can't get away with your usual bull shit

Tom – that's an error, there was a glitch

Brian – that's really important b/c I got the impression they were all in Santa Monica

Tom – no, no, no. I went from SM to NYC and went to work for the Nixon campaign

Henry – you just slither over that, Brian and I had the same impression

Brian – the reason is that I was having it was when

Henry – remember, he said, what the hell was Pat Buchanan doing at RAND?

Tom – I wondered, I didn't understand that question

Brian – In December of 67, I went up to NY and interviewed Tom Evans, Leonard Garment, Dwight Chapin, and Pat Buchanan, Ray Price, for a job, that's why in the series of this thing, and they didn't hire me, but they were all together in Dec. 67 before Nixon even announced. So if you went there in the middle of the next year, by that time he had announced, and it now makes sense to me that it was Alan Greenspan, Pat Buchanan, and Ray Price.

Henry – but you don't know where this better competition than regulation policy came from.

Tom – I think there were a number of people who thought there ought to be more competition than regulation, whether it was airlines or power or communications

Henry – so when Rosel Hyde brought this neat idea to you

Tom – I wish I could recreate the dates because I was thinking that my meeting with Rosel was fairly early, but as I think about it now, it was probably some months into the administration

Brian – sure

Henry – b/c I saw in March or April 69 by the time I finally got an appointment and the FCC proceeding was in full swing. The Chairman of the FCC wouldn't come out with a solution until further on in the process

Tom – not necessarily b/c he introduced this as his brainchild he hadn't even discussed with his staff ✓

Brian—we need to get the date that you published the open skies policy, and as I remember, Henschman (sp?) was involved in that with you

Tom – yes

Brian – because in the scheme of things, this seems to be the most important part of the story. Henry is asking why did you believe in the competition thing? It would be interesting to see if you could go back personally in your own life if somewhere in your own studies, you cared about competition vs....

Tom – no, I was not particularly republican or democrat, pro-competition or anti-regulation

Henry – when it first came up it was a republican thing

Brian – yeah, because it happened under his watch. But, Hyde was a Republican and he didn't believe in that so

Henry – no, but the new republicans coming in

Tom – I think if you went back and looked, you'd find that there was a deregulation atmosphere

Brian – but once you started that, it's a thread that runs through the entire process

Tom – once we talk about it, it seems to me to make more sense, that I had already talked to people about communications and had formed some view about competition being an important thing to push in communications otherwise I would not have reacted as strongly to Rosel's proposal.

Henry – the interesting thing is that one had to have some technical appreciation of the technology b/c a claim was made, no you needed a monopoly to handle this thing. And you, someone had to say, no I believe there's room enough there for all comers as long as the FCC makes some gateway. It's not a natural monopoly.

Tom – in retrospect that's one of the things I did bring. Haldeman in a way was right. For many years

Henry – that the guy from MIT new all this technical shit

Tom – I always thought my communications background – remember I had been in electrical engineering, I had worked at Bell Labs. But then I went on to the Sloan school, got a PhD in economics, and RAND corporation. I left all that technology stuff way



behind. I always thought that my background in communications technology was totally irrelevant. But I was wrong. It meant that I had the ability to understand what all these people were telling me. And I could make independent judgments – when they were telling me that the technology was thus and so, I could make independent judgments about it.

Henry – Exactly right. And it was on satellites where that background and an independent judgment of the technology was useful or essential because another big issue like cable – there was no technology issue.

Brian – and as he sat there, he was surrounded by a monopoly – Comsat was a monopoly, telephone company was a monopoly, cable was a monopoly

Henry – but I'm making a different point. Of the issues that were presented in 1970, the one that had the most technological content to it was satellites. Cable was a big economic / competition whatever, Broadcast whatever whatever. MCI. But it was satellite, that presented, facially a technological issue that you were able to understand. All I'm saying is that if you matched the philosophy of competition with your technological background you could make the open skies decision whereas a Dean Burch might want the competition but couldn't understand the technical issue

Brian – but also everything that was going on was monopoly – it was let's protect the industries that were there – there wasn't any impetus to do this.

Henry – satellite, clean slate - relatively clean slate

Brian – I'm not arguing with that, I'm just saying, that everything around you were rewarded for protecting the existing industry

Henry – But now that I hear all this, we use the term “perfect storm” for some of these. But satellite was really the perfect storm – there was no entrenched monopoly that you had to oust, or even threaten

Brian – but you still had COMSAT that had a monopoly

Henry – but they were a newbie

Brian – but they weren't that new. They were 10.... 6 years old.

Henry – There wasn't an entrenched industry monopoly structure. You had the technological content of the issue and a bias for competition. And it worked.

Brian -- How much did Rosel Hyde's demeanor and attitude and all that have to do with it? You have this old guy sitting there saying, I just have to solve this problem to get it off my plate? I want to deal with this.

Tom – that was basically it

Brian – I want to deal with this...b/c I think there's a story here about youth vs. the older attitude, let's don't ruffle anybody's feathers.

Tom – and inexperience

Brian – because you're sitting there at thirty years old – which is a mind-boggler about all this story – at 30! And you've been given this opportunity to have all this impact and no one's watching you relay

Tom – it was scary

Brian – it's scary now, but you loved it then

Tom – that's because I didn't know what I was doing

Henry – but the most impactful thing was this open skies policy, and that's basically yours

Tom – it's sort of an opening and a perfect storm, but there was a bigger storm. This book is going to sit amidst a sea of other books, and those books will talk about the specialized common carrier proceedings, which started before 1968.

Henry – as did the attachments, hushaphone, carterphone

Tom – hushaphone, carterphone, MCI had already been started – I don't know where they were in their process, and the commission had started a specialized common carrier proceeding and a domestic satellite proceeding. So you can't say that everything was a monopoly and anticompetition because if you look at the record, you'll see the commission trying to deal with satellites and specialized common carriers.

Bernie Strasberger wrote a book w/ someone and he claims in retrospect a lot of credit for creating competition

Brian – wasn't he the one that was for the single entity in satellites?

Tom – he said that in retrospect he said no, I think the single entity was Rosel's idea, I don't think that came from the FCC, I remember telling Rosel, please don't do anything for a while, please keep it under wraps.

There was a specialized common carrier proceeding and it was to deal with how do you deal with these competitors like MCI – you can't just say it was totally monopoly

Brian – I didn't say that, I said you were surrounded by monopoly

Tom – and the pressure was to keep the monopoly, absolutely, but it wasn't as though the world hadn't thought about competition

Brian – there had to be that there were others agitating, that there were others thinking about the satellite thing

Tom—that's why the idea of the perfect storm is a good one because there was a lot of technology and these specialized common carriers like MCI and Datran, there was a lot of ferment that was going on just before or just after the new administration came in. I was sort of caught in the middle of this – I landed in the middle, I jumped in it. I put myself in it. But it was not as though I had been tracking all these issues and suddenly found myself in the WH. It was the opposite, I just found myself in the middle and I didn't really have the time to think, why did the computer inquiry get started and where did the specialized common carrier come from, they were just there, they were issues I had to deal with. And I did deal with it and we did make some changes.

Brian – part of it, it seems like your motive for doing this thing, is to educate people about how decisions are made and how trends are started and how governments deal with this thing. It could be said that almost every president in our life time has cared not one whit about communications policies, including Richard Nixon.

Tom – what fascinates me about going back to Theodore Vail, HP Davis, OTP is how do things really happen. Open skies made a big difference. OTP made a big difference.

Henry – you could've done open skies w/o OTP

Tom – I did.

Henry – you did, before there was an OTP right?

Tom – so, what I want to write is how do these things happen and why, what really made something different

Henry – well, that's what we're trying to get at

Brian – but another thing, w/o jumping ahead again, another thing that was important that once you got to OTP you began to look for people to bring in, and you looked for particular people to bring in.

Tom – that really happened w/ open skies. When did that happen?

Jason – Jan 23, 1970 in a letter to Dean Burch

....

Brian – I wonder if at that time you had thought of OTP yet

Tom – yes, because the Rostow Report had proposed something and the feeling grew that we really needed to do something in the organization

Henry – there were 2 things, one was the policy and the other was the organization

Tom – the organization was something that percolated along a separate track, meanwhile there were separate issues

Brian – had Rose ever gotten into all this stuff?

Tom – he got involved in airline deregulation with Al Kohn

Brian – and he ended up doing it

Tom – see what happened was, at some early date, Rosel comes in with this cow pattie, and I said, hey just don't do anything please and I did feel firmly that we needed to make it competitive and that we could. There are 2 things in my background that come into play there – one is that I had enough technological know how that I could pretty firmly tell it could be done. I didn't know how, but it could be done. And the second the economic judgment came from my later economic training at MIT and I think like an economist and I think that competition is a good thing and we ought to have it in the industry generally and in particular we had to start this new industry off as competitive.

Brian – well that's important, that's why I kept asking

Tom -- So that was crucial. And I got Rosel on ice for a while. And then I said, how do we do this? And I started bringing people in. I found Don Baker or Don Baker found me, probably some of both.

Brian – is he still around?

Tom – yes he is, in fact I just saw Don. (To Henry) Did he go to Tokyo with you?

Henry – yes he did

.....

Tom – and somehow we found Dale Hatfield and Walt Hinchman

Henry – where'd you find? Baker was at Justice?

Tom – well that's one of the wonderful things about the WH and you just ferret around and find people

Henry – well Hinchman worked on the O’Connell.... He worked on one of these task forces, like Rostow

Tom – I don’t remember

Brian – where is he?

Tom – Dale told me he is in Arizona. I don’t know if he speaks to me these days, but I ought to look him up

Henry – is in like “Truth or Consequences New Mexico” or something

Tom – so what I did was put together this task force to look at domestic satellite policy. The question never was, do we want competition, it was can we do it and how? And we spent our time developing the rationale for why competition was a good thing and showing technologically how it was possible. Walt was important b/cwe needed to show... officially the policy had to be that anyone who wanted to put up a system can and we had like seven people who wanted to put up a system, so we had to be able to show even though it had never happened that you could accommodate 7 systems, and I remember thinking, this is ridiculous not all these people will put up a system, but the view was that we had to show that it could happen so that the commission can in fact say okay, we approve all of these, go do it. That was the guts of it.

Brian – weren’t there about 6?

Tom – They were applicants. The first to actually build and put up was Western Union, then RCA, then GT, and I think Hughes was next....

Henry – no, no, no. AT&T wanted to have its own system and the FCC forbade them for having their own system for 7 years or something so Comsat put up the AT&T system for them. You didn’t come along with Hughes until 1980.

Brian – you built the first one, but GT I was pretty sure had a satellite

Tom – they were there

Henry—going back to my own life as an FCC practitioner, another interesting thing about the satellite is that the people in the FCC stood still for WH policy. I mean we had the issue of the specialized carrier thing but no one was saying what does the WH think of specialized carrier or hushaphone or anything like that, and so, why satellites?

And it’s kind of unusual for the WH to be stating a position on an issue like that, and the answer must be that it was the new technology and it was space and the WH was deemed to have a role in space, they had just done COMSAT and international b/c later on, when the issue was competition in int’l satellites in the mid 80s there again, the FCC stood still and the WH, the Reagan WH determined what the policy should be

Tom – why did the FCC stand still?

Henry – because it was thought that an international issue

Tom – but the domestic satellite issue....

Brian – when did Rosel Hyde step down

Tom—I don't know

Brian—because that's crucial on this thing

Henry – no, he stayed on at the FCC after Dean Burch became Chairman

Brian – he did?

Henry – because he was a lifer

Brian – we need to know when Burch became Chairman and the Commission was 7 members instead of 5

Tom – that was about the time that open skies came about

Henry – I believe that open skies was delivered into if not Burch's hands but that it was his commission that adopted the open skies policy

Brian—because the politics of this was

Tom – I think it was a Dear Dean letter

Jason – yes it was

Brian – the politics of this is here's a young guy head of the OTP that Burch didn't want. He's the old savvy Paul....

Tom – I wasn't OTP, I was a lowly WH staffer

Brian – that's even worse

Tom – I remember, here's an interesting tidbit, when we finally got open skies ready and the dear Dean letter was written, Flannigan said, I have to sign this. Because this is so important and you're such a flunky, no he didn't say it that way, but he said, this is important and I have to sign this, and I hope you don't mind. I never thought of it.

Brian – he was special assistant to the President?

Tom – he was assistant to the President and I was a lowly staff assistant

Brian – but Dean Burch knew who cooked this up

Tom – oh sure he did, there was never any question that I was the WH guy on communications. I was the WH guy on NASA, on atomic energy, on a whole bunch of things. There was no question

Brian – at the time, when Burch was on the Chairman of the Commission, was Wyly counsel?

Henry – general counsel, but you're jumping way ahead

Brian – I just want to get the background of who else was on there. Robert E Lee

Tom – yep, Robert E Lee

Brian – Rosel Hyde

Tom – Nick Johnson, he'd been appointed by Johnson

Henry – here's my question – were you involved in the appointment of Dean Burch since the FCC was part of your bailiwick.

Tom – yes but not in a pivotal way b/c somebody wanted him

Henry – it was a political appointment

Brian – when was he Chair of the Republican Nat'l Cttee?

Henry – during the Goldwater campaign?

Tom – I don't know

Brian – No, later. This is crucial stuff b/c how gets from there to the FCC, he had to have – I mean, Goldwater for all you know

Tom – for all I know Flannigan

Henry – but you weren't involved in selecting and promoting Dean Burch

Tom – I was aware of it and remember saying fine by me, I don't understand why Dean Burch, but that's fine by me.

Brian – Burch wouldn't have been your kind of guy

Tom – I wouldn't have had a guy back then

Brian – but I mean, when you took a look what was going to go over there, and you were interested you'd have said, he's just a political guy he doesn't know anything about communications

Tom – so what

Henry – the whole open skies

Tom – I didn't have a problem with Dean

Henry – the whole open skies story and the fact that it was done before there was an OTP and it's sort of viewed as what was the most significant accomplishment that had the most long lasting effect, and people say the open skies policy, but it wasn't OTP, it was you, Tom Whitehead, you made it happen

And I would say, without pumping you up, that there's almost no one else at the WH that could've or would've thought of it

Brian – but all that partially led to the creation of OTP, that there needed to be a voice

Henry – He said, this is pretty great, there ought to be an office and I ought to be the head of it

Tom – I think that showed, partly it was a purely personal initiative on my part, and I did it, but partly it was one of a sequence of things that emphasized that an OTP could play a useful role. I could pat myself on the back and say it wouldn't have happened w/o me, it was my idea, which is all true, but it also was a good model b/c we put together this team that worked for several months and came up with not WH meddling but a public letter that articulated a

Henry – it was a model

Tom – it was a model of how the executive branch could develop a well-thought out policy that could cut through the FCC bullshit

Henry – yes, but I'm sure it wasn't presented that way. Presented that way, it would never have been born

Brian – but going back to what you said at the beginning of what you said at the start of this process, it's not about taking credit, it's explaining your role along the way which is an interesting story b/c in the end, there are a lot of different purposes for this including if you go back and look at the media and how the media covered it back then, it wasn't that they were all wrong, they only had a certain dimension of it, they didn't have a three-

dimensional story. They would never give anyone credit then for having well thought out policy, it was all politics and sorting that out in the mix where there really was some thinking seems to be a story worth telling

Tom - -that is a story worth telling, but coming back to the OTP angle, it was at least 12 months btw the time that the Nixon administration came into office and the proposal to set up OTP was made and during that time period, we became aware, the whole town became aware that there were a lot of significant policy issues. I'm not sure that anyone thought about telecom policy back then.

Henry - well that's not right. Bc that's what the Rostow report and O'Connell whatever. There was this ferment. Hey there are new technologies coming along and instead of dealing with them in the hodge podge way that we have, someone ought to be thinking about policy, and that was the whole thing behind the Rostow report

Brian - it'd be interesting to see who was pushing the Rostow report

Tom - there's the consultant list

Henry - in the 60s we had the communications satellite act,

Brian - 62

Henry -- that was the first reaction to satellite technology. Gee we ought to find a way to bring this to Market, and when I went back and looked at the legislative history of the Comsat act which I did b/c in 1967 I was doing the corp for public broadcast thing, and looking at the model of the quasi governmental / quasi private corporation. It is amazing the time of politicians thinkers newspapers that satellite technology captured. This was a huge issue.

Tom - say that again. I'm not sure I follow

Henry - What I'm saying is that, usually telecom and telecom policy is kind of a hidden issue, it was satellite technology in 1961 / 62 that crystallized a political response. When I went back and looked at the debates about the Comsat Act how much high level attention from the leadership of the Senate and House and WH that this issue got.

Brian - where was Douglas Cater then?

Henry - no, Douglas Cater came at the public broadcasting thing, he was a Johnson assistant

Brian - I know,

Henry - the Comsat Act, we're back in the Kennedy administration

Brian – I know, but where in that, did Cater come in, Cater came into the WH I presume w/ Johnson

Henry – I don't know but what I'm saying is that as the 60s opened we had this huge debate about a kind of telecom and telecom policy and it was a huge debate. We got to the mid to later 60s w/ Johnson there was another debate about the tv networks and public television and there was a high level commission on public television. And the response to this issue was not very different from the satellite thing – let's create a quasi gov't quasi private corporation. So I guess I'm disagreeing with you – through the 60s – telecom wasn't a hidden issue which is why we had the rostow report and the like. So we come to the late 60s here we go again, there's another big telecom policy issue and reasonable people can say look we went through a whole decade with these issues coming up, maybe we ought to institutionalize this, with a WH policy office on this so we don't have to keep creating task forces and ad hockery. And Tom Whitehead this boy genius comes along solves the satellite issue and demonstrates on a model basis how you can with a tightly knit team of smart people, you can in a politically neutral, technologically neutral way, come up with answers

Brian – there's another bright fellow in this process that would be interesting to get his view on this – Newt Minnow

Henry – he's still alive

Brian – he is. And he was about 30 when he was Chairman of the FCC in 61. It'd be interesting to know what his role was in the Comsat Act. Of course Pastore had a role, Keith Powell (sp?)

Henry – you didn't just drop in in the middle of nowhere, there was a bunch of stuff going on, and the bunch of that stuff was the impact of technology on telecommunications and the need for someone taking a policy or a look that was different from what the FCC was doing

Tom – I agree, and think that's a good perspective. I want to come back and fill in a couple of holes. I think that where we're getting During 1969 there were a number of important policy issues. Not that they were necessarily seen as related, but they were there. There was domestic satellites, specialized common carriers

Henry – cable TV

Tom – there was public broadcasting. And one of the other little meetings that I remember was early on, Jim Killian and

Henry – MIT. CPB and the Carnegie Commission, science advisor in the Eisenhower Administration

Tom – yes, and I had taken a course from him at MIT on science and public policy. I was one of a dozen people in his seminar.

Brian – what was his basic attitude of how you'd govern all this?

Tom – In class? It was more the classic, CP Snow thing about the two cultures. (?) So he'd talk about on the onehand politics and humanities and then over here there was science. He didn't talk about engineering.

Brian – How'd he become Chairman of CPB?

Henry – he was the Chairman of the Carnegie commission on Educational television

Brian – and he was Eisenhower's science adviser up til the end of his term?

Tom – yes

Brian – but he was based at MIT

Tom – he was President of MIT when I was an undergraduate and then went on to be Eisenhower's science adviser for a couple years, then came back to MIT and Jerry Weezner (sp?) who had been President while he was away, came down to DC to be Kennedy's science adviser.

So anyway, Jim Killian and Mac Bundy come into see me while I'm still a WH guy and they're there to tell me how we're going to put 300 million dollars in the next year's budget for the CPB and it was a wonderful exciting new thing in America. CPB had been enacted in 1967 and Henry wrote the Act. So the law was passed in 67

Henry – by the time CPB was organized it was probably 68

Brian – how did you come into it?

Henry – I got it into it b/c when I showed up at Covington & Burling in Sept 1966, within a week of my showing up, or the week before, the Carnegie Commission on Educational Television became a client of the firm and the firm was retained to be a legal analysis and memorandum to support the report of the Carnegie Commission and that was my first assignment there

Tom – so you worked for Jim Killian?

Henry – in a way, I was a fresh out of the Army snot-nosed associate.

Brian – did you work with him?

Henry – yes, my first business trip I ever made was to go up to MIT to meet with Jim Killian

Tom – did you work w/ Mac Bundy too?

Henry – no b/c he came in later; you may recall that the Ford Foundation was a rival force; they were, and it was probably one of the reasons the Carnegie commission was established to be a counterweight to the Ford Foundation. And it was part of Killian's genius and bureaucracy and the cards of power that somewhere along the line that after the Carnegie report was published that he engineered a rapprochement with the Ford Foundation interests so that both of them supported passage of the legislation in the Johnson administration. But we've got to go back. If I showed up in 1966 in Sept that tells me roughly that the Carnegie Commission was set up in late 65 or very early 66 with Jim Killian anointed to be the Chairman

Tom – where was the Ford foundation in all that?

Henry – the Ford Foundation had been supporting individual public television stations and putting money toward WNET

Tom – did Ford have an alternate viewpoint to what Carnegie wanted?

Henry – yes, Ford strongly opposed the creation of the CPB – they wanted, in my view, the sole influence. They didn't want to have this presidentially appointed thing stealing their funder. They were the PBS supporter before there was a PBS. And then there was CPB and as you know the PBS CPB rivalry has gone on since that moment. But there was the Ford Foundation vs. the Carnegie commission.

Tom – that's funny b/c I remember us instigating the CPB / PBS rivalry

Henry – we did, but we exploited it

Tom – it was already there

Brian – well, what you exploited, what you wanted to happen then, happened.

Henry – you wanted more power in that equation – you wanted the CPB to set policy rather than the Ford Foundation

Brian – but you also wanted CPB to fund the stations and then kick back to PBS and that's what you've got today

Tom – but that's another story that we'll have to get to on another day. But the reason we brought this up is because of Killian and Bundy came on the scene and it's my recollection that the Johnson administration in their outgoing budget submission \$35 million

Henry - sounds very right to me

Brian – they were getting \$5 million in 1969

Tom – that was their first year

Henry – that was just organizational probably

Brian – and it went up to 45 million under your....

Tom – so it was 5 million, it was next to nothing, and they were lobbying me that based on the Carnegie report we should put in something like 300 (?) million in the mixture

Henry – into a fund, like a trust fund?

Tom – no annual funding

Henry – but see the Carnegie Commission report proposed a trust fund financing, with excise tax funds put in a trust fund. When Doug Cater got this and the WH got this, they said, not on your life, this is going to be annual appropriations. So finally the compromise was advanced year funding – like 2 years.

Tom – 2 years was our proposal

Henry – okay. But it came out of the Act as annual appropriations

Tom – but the Act with annual appropriations had been passed in the Johnson administration so that's in place, but there's no funding, no serious funding

Brian – 5 million bucks

Tom – so they come in, they want big bucks.

Henry – right

Tom – and the 2 of them are Jim as being this avuncular, low-key, this is important for society, what have you, and Mac was just excited – this is really wonderful, we're going to do really wonderful things, and all you have to do is come up with the money. And, I remember, which may be wrong, I remember not having an instantaneous reaction like I did with Rosel Hyde, but reacting, oh my god, what we're talking about here is a fourth television network that's funded by the government. And, our job, though I wasn't sure who "we" were at the time, but our job was to keep the annual appropriations for CPB low so that we could develop cable and satellite.

Henry – I never got that

Brian – one of the things you've got to figure in right here and Jason can go back and get this is the creation of NPACT – it was the national public affairs center for television

Henry – that came later

Brian – No. It was the national public affairs center for television. And the reason it's important is that they hired Sandy Van Oker and Robin MacNeil,

Henry – yes it did – he's talking 1969 and NPACT didn't come until 1971 or something.

Brian – I understand what you're talking about, but back there, you've got to find out what Fred Friendly was up to, what type of programs he was creating, remember that show they created on channel 26, the newsroom show? The creation of the newsroom show, the creation of NPACT, because all that stuff impacted in those years there

Henry – yes, but not in 1969

Tom – back to where I was going, there were a number of important, significant issues in telecom that came up during 69. In 69 we had to deal with a number of important communications issues. And those things accumulated, lending support to the idea that OTP was a good idea.

Brian – but inside your little world at the WH at the time, can you remember saying to Peter Flannigan, we ought to do this?

Tom – I don't remember, no

Brian – can you remember when he said, go to it?

Henry – but you must have proposed it, no one else had the idea? But whom? Flannigan?

Tom – it must have been Flannigan? There had to be legislation

Henry – no executive order

Brian – I think legislation. No, maybe not. If you had to have legislation, you never would've gotten it. That's a good thing to find out, Jason. Because Taureg (?) McDonnell and Pastore never would've gone along with that, I don't think. What was it they were always asking for?

Henry – international policy

Brian – But they may have gone along with it if you promised it, and they would have seen the need since they couldn't get along with the State Department.

Tom – probably, I don't remember

Henry – real good question, I can't believe we don't know the answer

Brian – Jason will get it, he's really good at that

Jason – what's the question?

Henry – was OTP set up by legislation?

Brian – I tell you, if it was, it didn't take long to get approved. The Democrats were in power

Tom – even if it was done by executive order, we wouldn't have done it w/o their passive....

Henry – Flannigan must have vetted it w/....

Tom – it was heavily vetted, we vetted it w/ AT&T

Brian – do you remember when you went out and to begin to find someone to run it?

Tom – yes and it was difficult

Brian – why

Tom – b/c I thought we needed a policy person and people were being suggested from all over the place

Brian – do you remember them?

Henry – you must

Tom – I don't. There were engineer types, industry types, everyone kind of agreed that it shouldn't be an industry type

Brian – yeah, would't work

Tom – which company would it come from, would there be conflict, AT&T didn't want anyone from their shop. I remember thinking it definitely should not be an engineering guy and finally I came up with a guy. Bill Niskanen

Henry – God....

Tom – it was tough!

Henry – why him?

Tom – because he was an economist

Henry -- Where was he?

Brian – we know where he is now

Jason – where is he?

Brian – CATO institute, Chairman

Tom – I saw him most recently at the Birchmere

Brian – did you have to tie him?

Tom – I don't remember

.....

Tom – anyway, we needed somebody and we found Bill. I think he was kind of in that Alfred Kahn....

Brian – was he a professor?

Tom – probably. May have been at a think tank – probably a professor, I don't know.
Bill Niskanen, Chairman of the CATO institute. You can find his bio somewhere

Brian – William Niskanen