Introduction: A Technological Camelot

Don’t let it be forgot, that once there was a spot,
For one brief shining moment that was known, as Camelot.

Camelot, 1960 Broadway Musical

On December 7, 2001, the 60th anniversary of the Japanese attack on Pearl Harbor, “a Day of Infamy,” an official Lockheed Martin announcement declared that Lockheed Martin Global Telecommunications would be dissolved—seen by many as another act of infamy. Lockheed had worked for several years to get legislation passed that would allow it to buy the Communications Satellites Corporation (COMSAT). A little more than a year after the purchase, Lockheed decided to shut down COMSAT and take a $3 billion write-off. This ended four decades in which the best and brightest of the technologists of the 1960s and 1970s, the height of the Cold War, created the modern era of ubiquitous satellite communications.

COMSAT had its genesis in the Kennedy Administration—a political Camelot with a handsome king and beautiful queen. COMSAT was started as the result of a multi-organizational argument over how best to implement what everyone realized would be the first commercial space application. Most of the US government seemed to be opposed to American Telephone and Telegraph (AT&T) building the international satellite network—in spite of their obvious qualifications—because of their near monopoly of US telecommunications. Some elements of government wanted to control satellite communications to take credit for its expected success. The Kennedy Administration was able to pass an act that promoted the creation of a private corporation with certain government-imposed constraints. AT&T ended up as COMSAT’s largest shareholder and helped the corporation enormously, but never seems to have imposed its will.

COMSAT was instrumental in forming the International Telecommunications Satellite (INTELSAT) organization in 1964—although the speed of formation left many issues open. They were to be resolved in the “Definitive Agreements,” to be negotiated five years after the “Interim Agreements” of 1964. In those five years, COMSAT, as INTELSAT “manager,”

D. J. Whalen, The Rise and Fall of COMSAT
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was instrumental in building up the international satellite communications market. In spite of this, the 1971 INTELSAT “Definitive Agreements” (it took two years to negotiate them and another two years for them to enter into force) resulted in COMSAT losing its role as the manager of INTELSAT in 1979. COMSAT might have become a “domestic” satellite (Domsat) operator, but the Federal Communications Commission (FCC), and COMSAT’s own internal concerns, effectively prevented it from forming a successful venture; COMSAT never felt it had sufficient market-oriented commercial skills to go it alone. In the 1980s COMSAT tried to enter the world of entertainment and direct broadcasting satellites; these ventures were abandoned. COMSAT tried many other—related and unrelated—lines of business. Most of them resulted in losses. When President Reagan allowed other companies to compete with INTELSAT in 1984, and then Congress required INTELSAT and the International Maritime Satellite Organization (INMARSAT, henceforth Inmarsat) to privatize in 2000, COMSAT was left hanging.

The Communications Satellite Act (1962) brought COMSAT into existence, and the US government was generally supportive of COMSAT over the first few years (Kennedy and Johnson)—although interfering regularly. Part of the rationale for government interference, especially by the FCC, was the changing nature of satellite communications: international telephone calls to domestic television distribution—and ultimately digital communications. The INTELSAT Definitive Arrangements (1971) were primarily negotiated by the State Department, which gave COMSAT six additional years as manager (1973–1976). Nixon’s drive to privatization led to the FCC’s Domsat rulings (1972), which created problems for COMSAT, as did Reagan’s Separate Systems ruling (1984), and finally, congressional passage of the ORBIT Act (2000) eventually destroyed COMSAT.2

**Government**

There are many examples of the US Federal government and US State governments supporting private enterprise: railroads, canals, highways, agriculture, radio, and aviation come immediately to mind. The formation of the Radio Corporation of America (RCA) in 1919 has some similarities with the formation of COMSAT. RCA was based on the radio electronics patent pool created during World War I (WWI). RCA was created as a near-monopoly operator of radio stations in the United States to avoid the British Marconi “monopoly.” Somewhat to everyone’s surprise, the most profitable part of the RCA monopoly was broadcast radio. The RCA-created NBC and ABC television networks are still around, but the electronics manufacturing arms are long gone—the RCA trademarks are now foreign-owned. Similarly, COMSAT is gone, but the COMSAT trademark still exists.

COMSAT was created as a private near-monopoly to operate the US portion of an international satellite communications network—a network that