[Domsats] had a very long and sordid history—the sordid nature having to do with getting domestic satellites approved by the FCC.

Robert Briskman

The Intelsat Definitive Agreements of 1971 effectively ended (by 1979) Comsat’s management of the consortium. Intelsat transformed itself over the next few years into a fully formed independent international organization. Comsat had earlier tried to extend its US monopoly on international satellite communications—granted to Comsat by the Communications Satellite Act of 1962—to military satellite communications and domestic satellite communications. Both efforts were rejected. A year after a filing by ABC TV for a television Domsat (domestic satellite), the FCC issued a Notice of Inquiry (Docket 16495) into the matter of “Establishment of Domestic Non-Common Carrier Communications Satellite Facilities by Non-Governmental Entities” (short form: Domsat) on March 6, 1966.¹ By 1969, after years of study, and no FCC action, a new administration was ready to make things happen.

Anik and open skies

Neither the Communications Satellite Act of 1962 nor the Intelsat Interim Agreements precluded domestic communications satellites. It was assumed—and later made explicit—that Domsats should not interfere with Intelsat. In the United States, both Hughes and Comsat had discussed providing domestic satellite communications as early as 1964. On September 21, 1965—less than six months after the launch of Early Bird—ABC requested authorization from the FCC to launch a television satellite to link television networks with their local affiliates. The FCC returned the filing and six months later issued a notice of inquiry (Docket 16495).

It is hard to understand, from almost a half-century later, why the FCC dithered—but dither they did. Since the “Above 890 [MHz]” decision of

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1959, the Commission had been trying to inject competition into the telecommunications industry. Congress was of a similar mindset—although their goal seemed to emphasize controlling the AT&T monopoly. Two years had passed between AT&T’s 1960 petition for FCC authorization to launch a satellite and the Communications Satellite Act of 1962. It would take more than seven years to authorize Domsats.

The FCC was confused about the law, national policy, competition, markets, technology, and the effect of all of these on Intelsat. Like Intelsat and Comsat, the FCC was not sure that there was a viable market for Domsats. The Ford Foundation responded with a proposal to create a Broadcasters Non-Profit Service Corporation (BNS). BNS would provide a total of 44 transponders: six commercial and five non-commercial in each of the four CONUS (continental US, excluding Alaska, Hawaii, and Puerto Rico) time zones.

On October 20, 1966 the FCC issued a “supplemental notice of inquiry.” The Ford Foundation and Comsat suggested that Comsat launch a pilot program to see if there was a commercial market for domestic satellite service. The Johnson Administration put together a task force on communications policy which reported to President Johnson in December 1968 recommending Comsat’s pilot program. The chairman of the task force was Eugene V. Rostow (hence: Rostow Report) and the vice-chairman was James D. O’Connell.

The Nixon Administration had a different idea. They rejected the Rostow Report and favored “open entry”—any organization with the money to launch a satellite system should be allowed to do so. A small working group was put together in 1969 to formulate Nixon Administration policy. The group included Clay T. Whitehead. Whitehead’s boss, Peter Flanigan sent a memo to Dean Burch at the FCC recommending open entry (“open skies”) on January 23, 1970. The FCC issued its first report on Docket 16495 a few weeks later. In February of 1970, Nixon proposed an Office of Telecommunications Policy (OTP) be formed within the White House, headed by Whitehead.

Congress had been complaining for some time that the FCC was delaying a decision. The FCC was clearly under the gun. Thirteen entities had filed for authorization to launch Domsats. In March 1972, the FCC released a proposed second report and order on Domsats requesting that the filers consolidate their filings. Nobody liked this. The actual second report and order was released on June 16, 1972 after a four to three vote by the FCC commissioners. The dissenters objected to the restrictions on AT&T and Comsat. A final report on Domsat was issued on December 22, 1972 modifying (but retaining) these restrictions on AT&T and Comsat.

Meanwhile, Canada had decided to launch its own Canadian satellite to service the “Far North.” In 1967, the Chapman Report recommended that a satellite system be developed, and in 1969, Telesat Canada was established.