



# TODAY

JULY 1987

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## CICI, VSAT Business Sold; Contel Merger Terminated

As we go to press, COMSAT Corporation announced it had entered into an agreement to sell COMSAT International and the very small aperture terminal business of COMSAT Technology Products to Contel ASC. The aggregate purchase price for the businesses will be \$38 million.

As part of the deal, COMSAT and Contel agreed to terminate their planned merger. Sale of the businesses is subject to FCC approval and Department of Justice review.

"I am pleased that we have been able to resolve the termination of the proposed merger with Contel in a very positive manner," said COMSAT Chairman and CEO Irving Goldstein. "With this divestiture, we are drawing a clearer line of distinction between our INTELSAT and INMARSAT business and our unregulated businesses. Looking forward, we will put increased emphasis on maintaining the competitiveness of our regulated business. Also, we will build on our strengths in the government systems and entertainment distribution markets," Goldstein said. 🌐

## Annual Picnic Slated Aug. 9

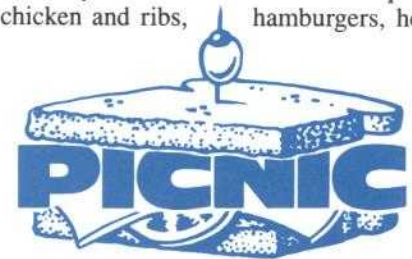
COMSAT Corporation's annual picnic will be held August 9 at the Cedar Crest Country Club on Sudley Road in Centreville, Va. from 11 a.m. to 6 p.m.

Attendance is open to COMSAT employees, spouse or companion and children. Cost is free to employees, but a \$5 refundable deposit per ticket is required.

Bus transportation will be available from L'Enfant Plaza at 10 a.m. The bus will return to the Plaza at 6 p.m.

Activities include tennis, horseback riding, swimming, golf, canoe rides, softball, volleyball, paddle boats, children's playground, horseshoes and fishing.

This year's menu includes barbecue chicken and ribs, hamburgers, hot



dogs, potato salad, corn on the cob, bread, baked beans, salad, watermelon, soft drinks, beer, lemonade and more.

As we went to press, order forms for tickets and directions to the picnic site were being distributed to all employees.

Later in July, CEA chapters at each location will attempt to organize softball teams for the picnic. 🌐

## An Interview With Sen. Paul Trible

**TODAY.** This year COMSAT is celebrating the 25th anniversary of the passage of the Communications Satellite Act that led to the establishment of the international satellite organization, INTELSAT. As we approach the anniversary date, what are your observations about COMSAT's role in providing international satellite communications?

**Trible.** International communications are vital to industry and to the interdependent world economy. COMSAT was incorporated in 1963 after being established by the Communications Satellite Act of 1962. The rest of the world chose to establish a government bureaucracy to provide this service,

while this country rightly relied on the free enterprise system. COMSAT was the private sector company established to build a global communications network.

Twenty-five years later the story of COMSAT is one of success. Now 114 countries are members of INTELSAT, which was built by COMSAT, and the system provides instantaneous communications to all the world. The system is over 99.9 percent reliable.

The Senate Commerce Committee has requested comments on the future of satellite communications based on changes in the marketplace over the past 25 years and whether those

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# An Interview With Sen. Paul Trible

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changes suggest a re-examination of our communications policy. I feel that we must proceed cautiously in evaluating proposed changes in our international communications policy. The current system based on COMSAT is a proven success and deserves a favorable presumption in any Congressional investigation.

**TODAY.** This year Congress is considering international trade legislation that would address concerns over allowing foreign countries open access to U.S. markets, while foreign markets remain closed to our products. How do you see this legislation affecting our international competitiveness particularly in the high-tech, communications area?

*Trible.* In the telecommunications trade area the United States has been very successful. For example, the U.S., through COMSAT's efforts, has captured about 80 percent of all INTEL-SAT contracts. We created all the major telecommunications technology and have marketed it very successfully.

However, many foreign countries refuse to allow bids from American communications companies or set up standards so that only domestic companies can meet these standards. Many foreign countries do not believe in competition in communications goods and services. We must show the world that all will benefit from vigorous competition. We must break down those barriers that prevent American businesses from marketing world-wide.

**TODAY.** Senator, as you travel the state, what do you see as the most important issue facing the people of Virginia?

*Trible.* It is essential that the Congress tackle these \$200 billion deficits that plague our lives. You don't have to be an economist to understand what big deficits mean. They drive up interest rates, make it difficult for people to build a business or buy a home. They keep the dollar high, restricting our ability to export our goods and services to the world. Perpetual deficits will, of course, mean a return to double-digit inflation



Sen. Paul Trible

and rising unemployment. That is a terrible legacy to leave our children.

We've got to tackle these budget problems and ought to do it by reigning in spending and not by increasing taxes on working people, who are already struggling to make ends meet.

This is not going to be easy, and all of our lives will be affected in some way. But you know, we're all part of the problem, and we've all got to be part of the solution. It is time that we are citizens first and constituents second.

**TODAY.** Recently you were appointed to serve on the joint Senate-House Iran/Contra Investigative Committee by Senate Minority Leader Robert Dole. After several months of inquiry, what are the principal questions being raised? What does this inquiry suggest about the working of our nation's foreign policy?

*Trible.* We have learned several lessons. Above all, there are great risks when you take public policy private. There are no checks and balances, and people and policy get into trouble. That's what happened here.

After six weeks of testimony from 18 witnesses, there is absolutely no evidence of wrongdoing by the President. I have seen no evidence that contradicts the President's statement that he knew nothing of the diversion of monies to the Nicaraguan Contras from the sale of arms to Iran.

Our understanding of the President's

role will not be complete until the committees hear publicly from Admiral John Poindexter, the President's national security advisor, and Lt. Col. Oliver North, who was the key figure in the affair.

The story of this operation is distressing. Under the pretense of Presidential authority, a group of individuals set up a secret enterprise that took on the trappings of government. But unlike our government, this enterprise had no checks and balances, was subject to no legal restraints and was monitored by no one.

This operation amassed huge profits that were secretly stashed away under the sole direction of Richard Secord and his confederate Albert Hakim. Today over \$8 million is in the Secord/Hakim accounts. They pay no taxes, and they block our access to their secret Swiss accounts.

Secord's claim of fidelity to the Contra cause is also suspect to challenge. There has been evidence of price gouging on weapons, of double-billing, and of deliveries of inferior equipment. For every dollar diverted to the Contras, Secord and Hakim's enterprise diverted many, many more for their own purposes. 🌐

## Employees Offered Discount Tickets To See Ray Charles

The COMSAT Employees Association is sponsoring a "COMSAT Night at Wolf Trap" on August 4 featuring Ray Charles with Byron Allen.

Under a special grant to the CEA authorized by COMSAT Chairman Irving Goldstein, employees will be offered reserved, inside rear-orchestra seats for only \$5. These tickets sell to the general public for \$15.

A limit of two tickets per employee is in effect, and tickets will be sold on a first-come, first-served basis. Tickets are available from the following employees at local Human Resources offices: Plaza — Sandy Reed; Clarksburg — Jim Helms; Merrifield — Maryanne O'Connor. 🌐



## CVE creates new 4-color promotion

To better inform hotel guests about the availability of Satellite Cinema movies, COMSAT Video Enterprises has created a special four-color advertising card featuring the current month's movies. The attractive 7x10-inch cards were placed in participating hotel rooms beginning in July. For more on what COMSAT Video Enterprises is doing, please turn to page 10.

## Via Satellite: The Day of Five Billion


If statistics can be believed, the five billionth person living on Earth was born July 11.

There was no live coverage of proud parents with babe in arms. But to mark the event and call attention to the fragility of the planet, Turner Broadcasting's superstation WTBS and the U.N.'s Fund for Population Activities staged a global media event called "The Day of Five Billion."

The event featured an hour-long music magazine documentary, which included original music videos, state-of-the-art computer graphics, and news videos and messages from world

leaders and renowned authors.

COMSAT Corporation's INTELSAT Satellite Services unit distributed the specially-produced program via satellite to nations served by the Atlantic and Pacific Ocean region satellites. The program was videotaped and distributed on July 6, well before the planned simultaneous broadcast on July 11.

Turner executives said the program would be offered to all nations. They estimated that nearly three-quarters of the world's people would be able to see the telecast through satellite transmission. 

# COMSAT Response To Senate Inquiry Stresses Need for Strong Signatory

COMSAT Corporation last month responded to the Senate Subcommittee on Communications' request for comments on international satellite communications policy, calling for a continued strong single entity to represent U.S. interests in INTELSAT and INMARSAT. The Subcommittee, in late April, announced that it was beginning a comprehensive review of U.S. policies in view of recent changes in the telecommunications arena — and requested comments from interested parties.

COMSAT's response — some 60 pages in length — stresses COMSAT's unique experience and the advantages it offers as the U.S. Signatory to INTELSAT and INMARSAT and as a non-discriminatory provider of international satellite services. The response emphasized the following points:

- The underlying assumptions that led to passage of the Communications Satellite Act of 1962 have not changed. Those assumptions were that the U.S. should be the leader in satellite communications and that U.S. leadership would best be achieved by making the benefits of technology available to all and by having a private, for-profit entity promote the interests of satellite communications for the U.S.

- The policy principles articulated in the Satellite Act are flexible enough to accommodate changing market conditions.

- With the advent of competition from fiber optic cables, the function of U.S. Signatory is more important today than ever before — if the U.S. is to maintain leadership in international satellite communications.

- COMSAT, with its 25 years of experience and leadership in satellite communications, continues to be the best choice to serve as U.S. Signatory.

- By providing non-discriminatory access to INTELSAT and INMARSAT satellite services, COMSAT encourages competition by enabling large and small carriers to compete in international communications without making a major up-front investment.

- COMSAT has emerged as a strong pro-competitive voice within INTELSAT and INMARSAT, spurring INTELSAT to make business decisions that better equip it to compete with fiber optic cables.

- COMSAT is effective in carrying out U.S. government policy. The successful coordination of PanAmSat and the election of Dean Burch as director general are two examples of COMSAT's effectiveness.

- U.S. companies, particularly satellite manufacturers, have benefited from COMSAT's role in INTELSAT.

- COMSAT's sole motivation is to make satellite circuits available to as many users as possible. Other carriers have incentives adverse to their competitors and, if they own cable interests, potentially adverse to INTELSAT. A consortium of carriers acting as U.S. Signatory would give rise to conflicts among competing interests — creating a need for more, not less, government intervention.

- The U.S. government is ill-suited to serve as Signatory, not having the experience or expertise to make the commercial judgments needed to ensure INTELSAT's and INMARSAT's success.

- What is needed in the U.S. Signatory function is what COMSAT best offers — a single entity with financially-based incentives to see that U.S. users are well served; a strong pro-satellite advocate; and an entity that appreciates how important the U.S. Signatory role will be as competition takes hold in the years ahead.

A report, which takes into account all comments which were submitted, is due from the Subcommittee staff by late summer. 🌐

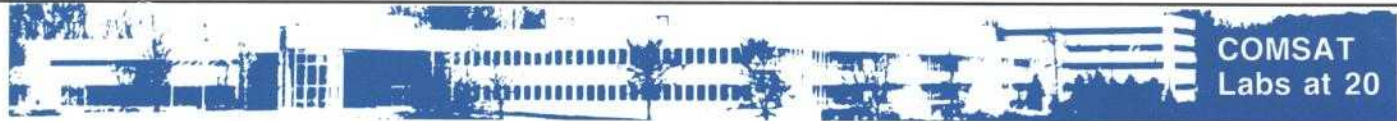


White House Photo

## Charyk Awarded Technology Medal

Former chairman and chief executive officer Joseph V. Charyk has been awarded the National Medal of Technology. In receiving the award from President Reagan, he was cited for using the concept of the geosynchronous satellite system to establish a global telecommunications system and for guiding the growth and development of INTELSAT. The National Medal of Technology recognizes individuals for outstanding contributions to the U.S. through the promotion of technology. 🌐

**Dr. Charyk gets kudos from Vice President Bush as President Reagan looks on.**



COMSAT  
Labs at 20

# New Exhibit Highlights Labs' 20th Anniversary

More than 400 employees of COMSAT Laboratories and invited guests turned out to mark the grand opening of the Labs permanent exhibit on June 19 and to celebrate the 20th anniversary of the Labs.

Attendees were given guided tours through the exhibit's eight modules and then escorted through three labs which were conducting demonstrations. The design and fabrication center showed its automatic, computer-controlled milling machine; the microelectronics clean room demonstrated a gold sputtering capability used for coating gallium-arsenide wafers; and the microelectronics failure analysis lab featured an explanation of the Auger microanalyzer.

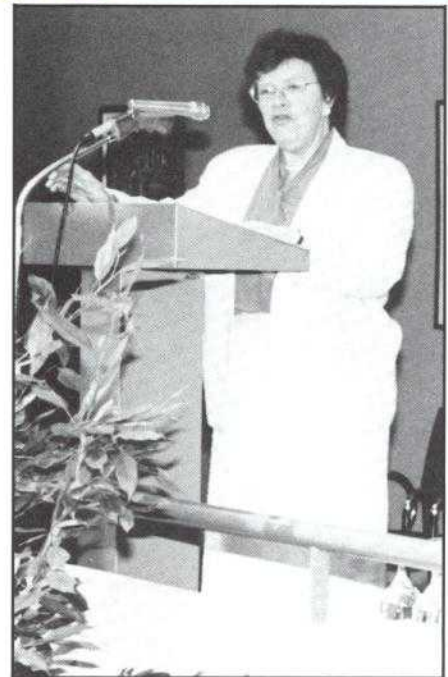
Following the exhibit tours, employees gathered to hear featured speakers: COMSAT Chairman Irving Goldstein, Labs Director Dr. John Evans, R&D

Committee Chairman Elliott Estes, U.S. Representative Connie Morella and U.S. Senator Barbara Mikulski.

Mikulski won over Labs employees with her promise to use her position on the Senate Appropriations Committee to support the NASA Advanced Communications Technology Satellite (ACTS) program. About one-third of the Labs' operating budget and one-third of Labs' employees are dedicated to the ACTS program.

The next day, Saturday, June 20, another 250 COMSAT employees and their families toured the facilities and enjoyed a complimentary lunch. The new Labs' video ran continuously in the auditorium, and a pamphlet providing a self-guided tour of the exhibit was produced for employees.

Purpose of the exhibit is to augment the marketing efforts of the corporation in general and the Labs in particular.



Sen. Barbara Mikulski . . .  
. . .encouraging words on ACTS.

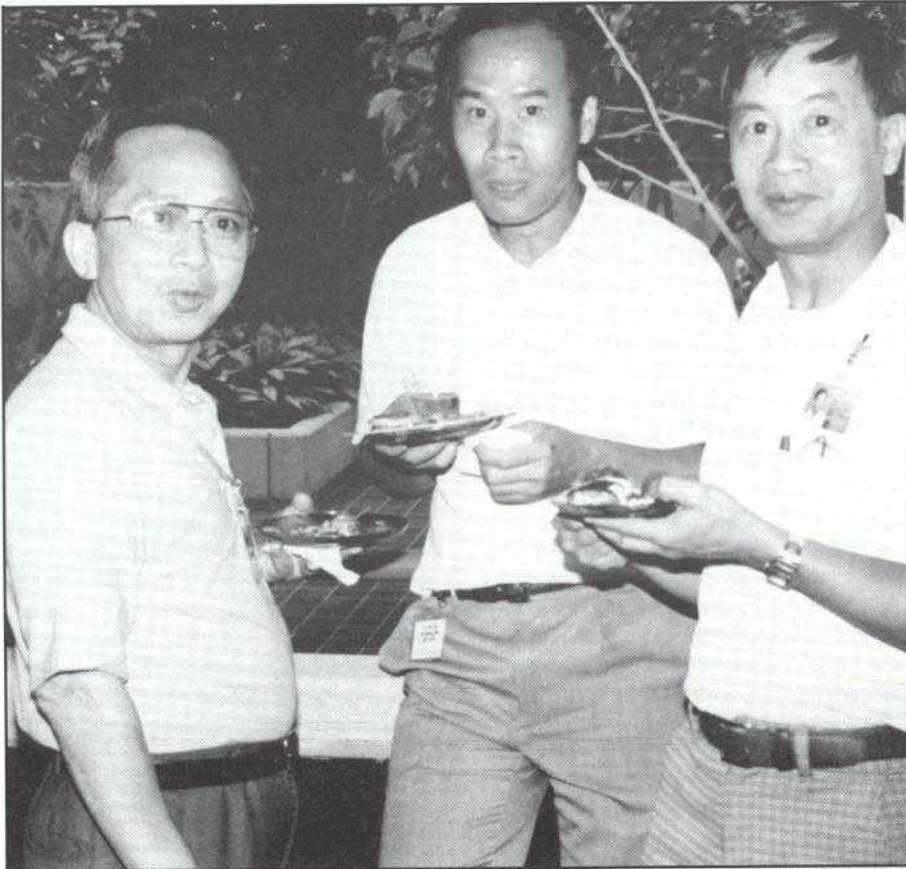
PHOTOGRAPHS:  
CARROLL HAUGH



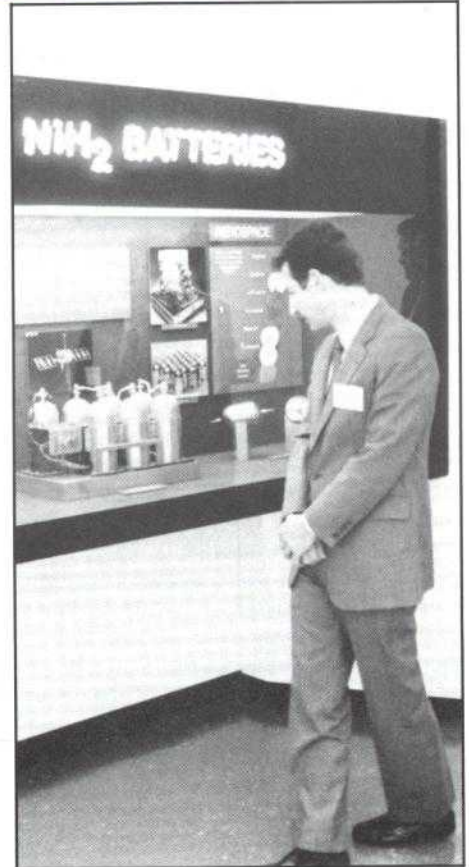
Senior Scientist Dick Arndt guides visitors through Network Technology exhibit.



COMSAT  
Labs at 20



Labs' employees enjoyed food and drink after exhibit tour.



Nickel-hydrogen battery exhibit.



(R-L, foreground) Rep. Morella, Sen. Mikulski share light moment with COMSAT Board members Elliot Estes, Dr. Joseph Charyk, Chairman Irving Goldstein.