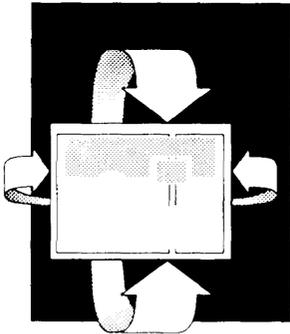


How Telecommunications Policy Is Made

8
CHAPTER



*The fragmentation
of the policymaking
structure invites
“forum shopping.”*

IT IS DIFFICULT TO DEFINE U.S. POLICY FOR INTERNATIONAL TELECOMMUNICATIONS, and even more difficult to identify the locus of responsibility for its development. International telecommunications policy was for many years an incidental byproduct of domestic telecommunications policy; now it is a subheading in foreign trade negotiations. Yet, the political and economic relationships of the United States with the rest of the world depend heavily on global networks—for diplomatic and military communications; for directing business, coordinating trade, and settling financial transactions; and for the myriad cooperative efforts ranging from environmental amelioration to disaster relief that are made necessary by today’s highly interdependent global community.

This chapter first describes the governmental structure responsible for formulating international telecommunications policy, and then relates this to the structure for developing trade policy. At best, telecommunications decisionmaking works well because it includes many fora for the expression of competing interests, and because of the commitment and cooperation of experienced people whose responsibilities have over time spanned both industry and government. At worst, decisions about international telecommunications are a secondary byproduct of international agreements reached in broad trade negotiations, and as a result may be unidimensional and shortsighted. Broader telecommunications objectives may be ignored. Conversely, international trade nego-

tiations could be thrown awry as a result of unilateral actions by regulators. Some private sector observers fear that with negotiators powerfully motivated to reach agreement in the waning days of the current round of the General Agreement on Trade and Tariffs (GATT), there is an increasing possibility that telecommunications objectives might be sacrificed for unrelated trade objectives.

The fragmentation of the policymaking structure provides an opportunity for ‘forum shopping’ in which competing interests can play one agency against another. In practice, it has created a situation in which the interests and demands of major telecommunications providers and some large users are well represented, with relatively little attention to the interests of other users, including small businesses.¹ The public as a whole appears to be considered chiefly as secondary consumers whose only recognized interest is the relative prices of goods and services delivered with the aid of telecommunications.

Policy makers, regulators, trade negotiators, and consumer interests groups alike are further handicapped by the often inadequate, incomplete, or misleading data related to telecommunications. Especially in the area of competitive trade in telecommunications services, a growing need for better data has been frustrated first by single-minded adherence to a goal of reducing industry ‘paperwork burden,’ and more recently by the necessity of budget trimming.

¹ The Federal Communications Commission (FCC) is supposed to speak for small users and consumers in formulating telecommunications regulatory policy. The White House Bureau of Consumer Affairs is used by the Office of the United States Trade Representative to represent consumer interests in its consultative groups advising on telecommunications trade negotiations positions. The Consumer Federation of America may also participate, along with the Communications Workers of America (a labor union).

The telecommunications policymaking structure

In 1978, President Carter removed an existing Office of Telecommunications Policy from the Executive Office, and by Executive Order combined it with an Office of Telecommunications in the Department of Commerce to form the National Telecommunications and Information Administration (NTIA).

This move effectively signaled a change in perspectives on telecommunications. "Shifting communications policy functions from the White House to the Commerce Department in 1978 was an effort to depoliticize communications policy, acknowledges policy analyst Howard Symons, "... however, the move also appeared to diminish the importance of communications policy. The existence of an Office of Telecommunications Policy in the White House had indicated symbolically that telecommunications was a core element in national infrastructure and a uniquely valuable tool for policy implementation (although in reality this concept had seldom been exercised). ~ The move to the Department of Commerce, together with the beginning of deregulation, meant that telecommunications was henceforth viewed primarily as an industry producing goods and services for business users. "The United States is unique in regarding telecommunications primarily as a trade factor rather than as a social policy tool,"

acknowledges the State Department's first Telecommunications Coordinator.⁴

Four decades earlier, the 1934 Communications Act, which established the Federal Communications Commission (FCC), had set forth the guiding Federal communications policy as one of

... regulating interstate and foreign commerce in communications by wire and radio so as to make available, so far as possible, to all the people of the United States a rapid, efficient, Nationwide, and world-wide wire and radio communications service with adequate facilities at reasonable charges, for the purpose of the national defense, [and] for the purpose of promoting safety of life and property [47 U.S. C, 151].

Commerce, national defense, and maintenance of civil order provided the rationale for Federal responsibilities for telecommunications (otherwise a state regulatory responsibility). But the major thrust of Federal policy was to achieve universal service through the regulation of rates, service offerings, and infrastructure development. That goal essentially secured. in 1978 the driving policy goals became deregulation and opening up markets for equipment and services. This effort intensified after the Democratic Administration was succeeded by a Republican Administration in 1981.

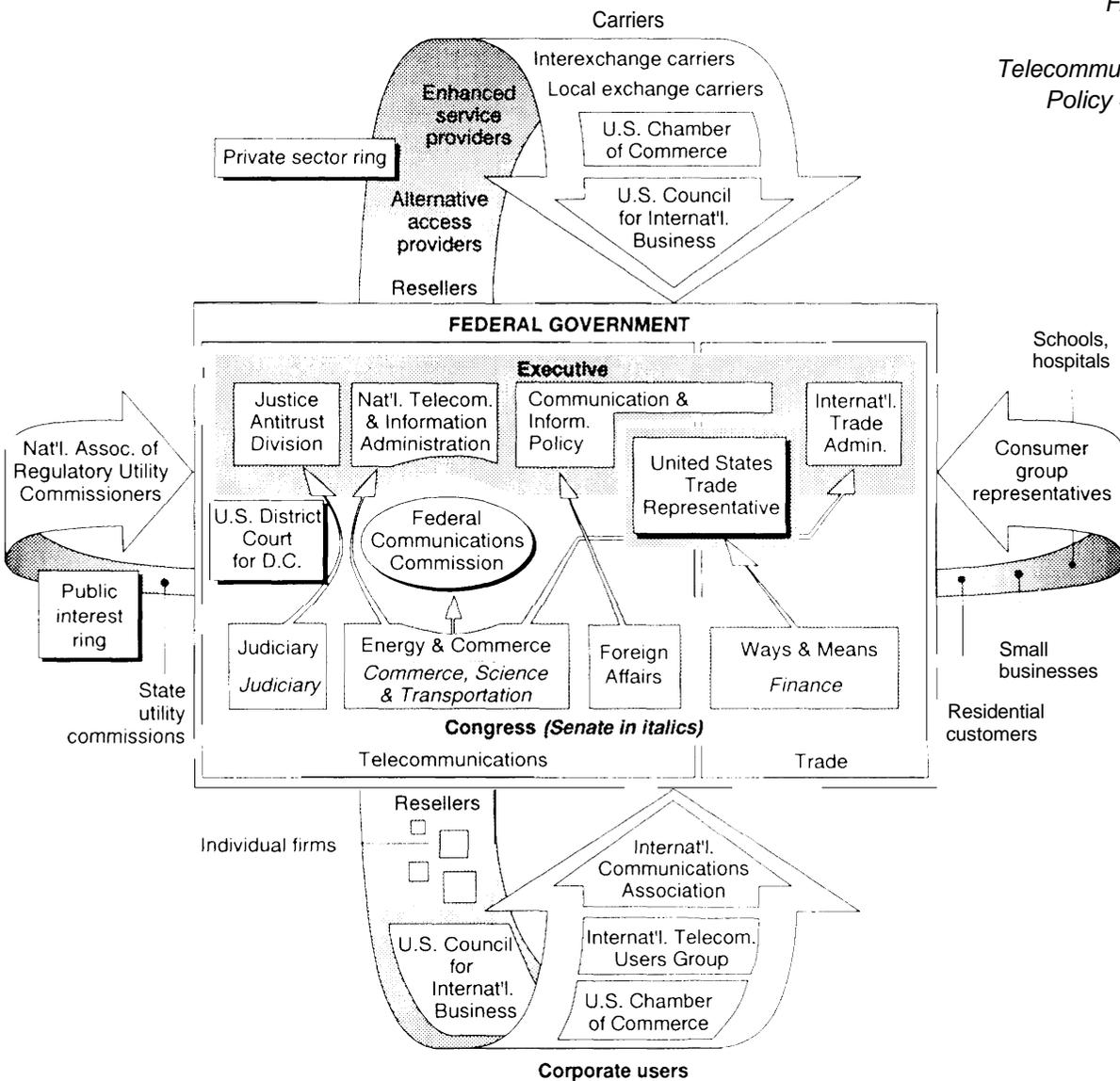
From 1934 until the mid-1980s, U.S. telecommunications policy was largely gen-

²Howard J. Symons, "The Communications Policy Process," in Paula R. Newberg (ed.), *New Directions in Telecommunications Policy* (Durham and London: Duke University Press, 1989), p. 299.

³Some observers report that the Office of Telecommunications Policy provided the origin and impetus of the move to deregulate telecommunications, and that was effective because it wasn't the Executive Office and could get the ear of the President, or at least of his most influential advisors. (OTA interviews)

⁴Ambassador Diana Lady Dougan, now at the Center for Strategic and International Studies, in discussion with OTA staff.

Figure 8-1.
US.
Telecommunications
Policy Structure



In practice, international/telecommunications policy has effectively been made in the Office of the United States Trade Representative.

erated within the framework of the FCC's relationship with the regulated monopoly, AT&T. Since the divestiture of AT&T in 1984, a "troika" of Federal agencies has formally been responsible for telecommunications policy, through an often uneasy process of consultation and negotiation. The three agencies are NTIA in the Department of Commerce, the Bureau of International Communications and Information Policy (CIP) in the Department of State, and the FCC, which is not part of the executive branch, as are the other two, but is an independent regulatory commission. (The FCC's five-member bipartisan Commission is, however, appointed by the President.) In practice, international telecommunications policy has effectively been made by the Office of the United States Trade Representative (USTR).

In the United States, trade policy—like telecommunications policy—involves several agencies: USTR within the Executive Office of the President, the Department of Commerce and its International Trade Administration (ITA), the Department of State, and somewhat more peripherally, the Department of Justice, the Department of the Treasury, and at times, the Department of Defense.⁵

Increasingly the responsibilities of the multiagency telecommunications policymaking structure interact with and overlap those of the multiagency trade policymaking structure. USTR emphasizes that representatives of NTIA, CIP, and the FCC "have, over

the years, played an active and important role in the development and negotiations of telecommunications trade policy.' At a minimum, this puts USTR in the *de facto* position of reconciling or coordinating the three telecommunications agencies' sometimes divergent positions.

Some participants see the fragmentation of policymaking within each structure and the uncertain borders between the telecommunications and trade policy structures as serious problems. Others see the same characteristics as a positive benefit that allows for flexibility and representation of diverse interests. At best, some crucial aspects of future international telecommunications escape all of these agencies. The complex and highly controversial issues surrounding Federal sponsorship of a national high-speed data network—i. e., the National Research and Education Network (NREN)—have developed in or been contested by the National Science Foundation, the Department of Defense, the Department of Energy, and the National Aeronautics and Space Administration, but telecommunications agencies have been on the sidelines.

National Telecommunications and Information Administration

NTIA, within the Department of Commerce, is supposed to lead in formulating telecommunications policy and to speak for the Administration to Congress. It comments on FCC proceedings either singly or as representing Executive branch agencies. It is

⁵In addition, the U.S. International Trade Commission provides studies, reports, and recommendations involving international trade and tariffs to the President and Congress. It has a number of statutory functions related to administration and enforcement of trade agreements, customs laws, and tariff acts. The Bureau of Export Administration in the Department of Commerce administers export controls, including export licensing and control or decontrol of technologies that may impinge on national security. Neither of these bodies is considered to develop or initiate trade policy.

a key member of U.S. delegations in various international fora. NTIA also manages the Federal Government's use of the electromagnetic spectrum. (This duty, in fact, constitutes by far the largest part of NTIA's workload as measured by staff assignments.)⁶

NTIA's Office of International Affairs prepares position papers on international trade issues, monitors private sector development of technical standards, works with the Departments of State and Defense on submarine cable issues, and oversees COMSAT and its activities in INTELSAT and INMARSAT. Its people serve on U.S. trade and regulatory delegations to foreign governments and international organizations such as the International Telecommunications Union (ITU) and Organization for Economic Cooperation and Development (OECD). A major part of the work of the Office is in preparing for international meetings; this preparation is carried on in close liaison with industry, and to a lesser extent with major user groups.

Does NTIA "initiate" policies? That depends in part on the activism and the agenda of the Assistant Secretary of Commerce for Communications and Information, who is also the Administrator of NTIA. The Administrator may, for example, initiate a "public inquiry" on policy issues, in which industry and other groups will present their often conflicting viewpoints. The public inquiry may then be followed up with a major report, such as the Infrastructure

Report and the Spectrum Report, both in 1991.⁷

For the most part, however, the agency's agenda is set reactively, through responding to initiatives of other agencies within the Department of Commerce and other parts of the Administration, or to the expressed concerns of the telecommunications industry. NTIA constantly receives and responds to questions, requests, or initiatives from other agencies or from industry lobbyists. NTIA's attention has generally been concentrated on domestic issues, and particularly on the thrust toward deregulation, since that is where most of the interest of the telecommunications industry is directed, and the agency has paid relatively little attention to international issues. When trade negotiations are impending, however, NTIA will be asked to prepare a draft issue paper for the Office of USTR, or to review trade position papers prepared by USTR or other agencies, to help in developing a bargaining position.

The approach to all of these activities is shaped by NTIA's commitment to fostering the U.S. telecommunications industry, promoting competition in domestic markets, and opening greater access to foreign markets. Trade issues are not in fact a part of NTIA's legislative mandate, but the agency provides technical expertise in support of the agencies that take the lead in trade negotiations, and speaks to them for its industry constituents.

⁶ Other mandated responsibilities include administering Federal grants to public radio and television and operating the government's telecommunications research and engineering laboratory, the Institute for Telecommunications Sciences. The Institute's main activities are spectrum-related research and systems/networks-related research.

⁷ U.S. Department of Commerce, National and Information Administration, *The Infrastructure Report: Telecommunications in the Age of Information*, October 1991; and U.S. *Spectrum Policy: Agenda for the Future*, 1991.

NTIA's explicit policy has been to "encourage further infrastructure development by removing government-imposed barriers to competition and efficient investment in telecommunications facilities and markets."⁸ It was the position of the last two (Reagan and Bush) Administrations that "government policies should not attempt to direct the selection of particular technologies or the pace of infrastructure investment by or for private-sector firms.") NTIA applied the same deregulatory position to international markets, pressing other countries to allow facilities-based competition. This explicitly stated position has the possible disadvantage of limiting or removing NTIA's maneuver in developing policy or in responding to deregulatory demands of industry, or initiatives by U.S. agencies or other countries in standards-development or trade-agreement negotiating sessions.¹⁰ NTIA tends to be seen in both domestic and international fora as representing the positions of the telecommunications industry rather than as a policy-development organ.

Henry Geller, a former Assistant Secretary of Commerce for Communications and Information and NTIA Administrator, has said that ". . . in practice, NTIA has encountered considerable difficulties. It cannot imple-

ment the policies it proposes and has had problems establishing a partnership with other agencies, particularly with the Department of State."¹¹

On both domestic and international issues, NTIA's position within the Department of Commerce, not generally a powerful department, has in the past been a handicap. NTIA had trouble getting attention at a high level of the last two Administrations because there was no telecommunications spokesman in the Executive Office. This may change under the present Administration, especially since Vice President Gore has long demonstrated a strong interest in telecommunications, but there have been no clear signals of strengthened NTIA effectiveness as yet.

Federal Communications Commission

The FCC is the source as well as the means of implementation of much telecommunications policy, although as an independent regulatory commission, it is not part of the executive branch policymaking structure. The FCC was created by the Communications Act of 1934 to regulate interstate and foreign communications. The 1934 Act made it responsible for the development and regulation of both radio and wire services, and its

⁸ Under the Reagan and Bush Administrations, NTIA advocated allowing the Bell operating companies to enter the information services and equipment manufacturing markets, allowing telephone companies to enter the cable television market, and allowing competition in the local exchange; and opposed legislation deregulating the cable television industry. Positions confirmed by the Office of International Affairs, NTIA, Nov. 6, 1992.

⁹ Conversations with Charles Rush, Associate Administrator of NTIA, Interview with OTA, Nov. 28, 1990. Wording of the quote confirmed by the Office of International Affairs, NTIA, correspondence of Nov. 6, 1992.

¹⁰ An NTIA brochure says, however, that ". . . FCC or NTIA action to expedite the standards process could be justified. . . in areas, such as the development of standards, that would require competitors to agree on matters that could affect their relationships." NTIA, op. cit., footnote 7, p. xvi.

¹¹ Henry Geller, "Reforming the Federal Telecommunications Policy Process," in Newberg, op. cit., footnote 2, p. 320.

authority now extends to television, satellite, and cable as well.¹²

The Commission is composed of five members appointed by the President, with the approval of the Senate; no more than three of the five members can be from the same party. The President designates one of the members as Chairman. The Chairman usually plays a dominant role in Commission decisionmaking.

The Common Carrier Bureau regulates international and foreign communications services provided by common carrier.¹³ Other bureaus and offices also participate in international issues and organizations.¹⁴

The Common Carrier Bureau has always overwhelmingly emphasized domestic interstate communications with relatively little attention to international aspects. This may be changing, as evidenced by the concerted attention recently given to accounting rates, the dominant carrier status for international firms, and other issues discussed in this

report. The FCC is considered by many in the industry to have “unilaterally opened the U.S. market to foreigners, and it is criticized for doing so without determining whether there is the same degree of openness in foreign markets. For example, the FCC was criticized for allowing Spain's Telefonica to buy the Puerto Rico Telephone Company in early 1993. The FCC has managed to maintain its authority over foreign operators in this country.

The Commission has a Director of International Communications, who is responsible for representing it in international fora and for coordinating FCC activities and policies that relate to international issues. The International Communications Office carries out these coordinating functions, but is small and relatively new. It lacks the clout commanded by the larger Common Carrier Bureau, which can bring to trade negotiations, for example, greater technical and legal expertise and experience.¹⁵

Under the last two Administrations there was no telecommunications spokesman in the Executive Office; this may change.

¹²The Communications Act gives the Commission responsibility for, among other things: 1) the allocation of spectrum for nonfederal uses; 2) the assignment of licenses for broadcast, satellite, common carrier and private radio services in interstate and foreign commerce; 3) the monitoring and regulation of tariffing, cost allocation, and interconnection of common carriage service; 4) type acceptance and registration of telecommunications equipment; and 5) the development of communications policy and rules in these and related areas. The Communications Satellite Act of 1962 gave the FCC specific authority to regulate Comsat in the provision of international satellite services. FCC authority has been supplemented with the Cable Television Consumer Protection and Competition Act of 1992.

¹³A “common carrier” is an organization that provides transmission communications services to the public for hire, and that must provide services to all who wish them, at established rates. Common carriers offer services over landline wire, (electrical or optical) cable, point-to-point microwave radio, land mobile radio including cellular systems, or satellite systems.

¹⁴The Mass Media Bureau is responsible for policy and rulemaking in the areas of traditional broadcasting, cable television, and emerging video technologies. The Private Radio Bureau regulates private radio use. In addition, the Office of Engineering has responsibility for frequency allocation and technical standards, and the Field Operations Bureau is responsible for radio enforcement activities. All participate in, for example, proceedings of the International Telecommunications Union.

¹⁵The Office of International Communications (OIC) notes that it “is not intended to replace [the] technical and legal expertise and experience” of the Bureaus. Trade issues often cut across a number of bureaus and offices and are coordinated by OIC; since these issues most often concern common carriers, “continued participation in trade negotiations by the Common Carrier Bureau is deemed essential.”

Because of the way the Commission is appointed, it clearly reflects the party and policy orientation of the President.¹⁶ Nevertheless the FCC's relative independence is attested to by the fact that it is sometimes spoken of within the executive branch agencies as "a congressional agency." FCC decisions, as directives of an independent regulatory agency, are not subject to presidential veto, yet these decisions may have important international ramifications (as in recent FCC decisions on accounting rates). Critics speak of a "presidential veto issue," arguing that "when FCC gets into international policy it is intruding on Presidential turf."¹⁷ This is a source of some strain between the FCC and executive agencies.

The Department of State and the Bureau of Communications and Information Policy

After the Office of Information Policy was taken out of the White House, it became clear that some mechanism was needed to "coordinate"—or mediate—between NTIA, the FCC, and other agencies sometimes involved in telecommunications policy issues. Tension often ran high between NTIA, with its pronounced pro-competition stance, and the FCC, which some critics (in the executive branch) said was less wholly committed to free market ideas, at least where these would diminish its own authority.

The Administration that took office in 1981 reportedly did not want dominance in

setting telecommunications policy lodged either in the FCC, a nonexecutive agency, or in the Department of Commerce,¹⁸ which fell within the oversight of active congressional committees that would have their own telecommunications agenda.

The position of U.S. Coordinator for International Communications and Information Policy was therefore created by statute in 1983, placed in the State Department, and assigned the rank of Ambassador. The Bureau of Communications and Information Policy was established by the Department to support this position. The Coordinator was to chair a Senior Interagency Group that would be the primary coordination mechanism for about 14 Federal agencies and subagencies.

The Department of State was an unlikely site for coordination of telecommunications policy, since the desired coordination was to apply to domestic as well as international issues and since the Department has never been a hospitable environment for scientific or technological initiatives. Its science-related divisions have not had much power or prestige. However, this location could be justified on the grounds that it was necessary for the United States to speak with one voice in international telecommunications fora. It also gave leaders of congressional trade and foreign affairs committees some oversight over international telecommunications (the House, in 1983, was controlled by the Democratic Party while the Republican Party

The Department of State was an unlikely site for coordination of international telecommunications policy among 14 Federal agencies.

¹⁶The former Chair of the Commission, Alfred Sikes, pointing out that telecommunications deregulation began under President Carter's Administration, has said that recent telecommunications history would be only a little different under a Democratic president. (Remarks at a Seminar on "Transatlantic Competition: U. S.-U.K. Stakes in the Telecom Regulatory Game," Nov. 5, 1991.)

¹⁷ Interview (Nov. 18, 1990) with Ambassador Diana Lady Dougan, former Coordinator for Communications and Information Policy, now at the Center for Strategic and International Studies, Washington, D.C.

¹⁸ Interview with Dougan, cited, footnote 17, Nov. 28, 1990.

held the Senate and the White House). Finally, the State Department had the advantage of being somewhat removed from the internecine struggles on the domestic scene over divestiture and deregulation.

CIP is designated in legislation as the principal adviser to the Secretary of State on international telecommunications policy issues, and as "coordinator with other U.S. Government agencies and the private sector in the formulation and implementation of international policies relating to a wide range of rapidly evolving communications and information technologies."¹⁹ The Bureau is the official overseas spokesman on telecommunications issues and to some extent on trade issues related to telecommunications. CIP is not however empowered to negotiate legally binding trade treaties, as is USTR.

In reality, CIP acts in international fora as the spokesperson and facilitator for teams made up of industry representatives and experts drawn from other Federal agencies.²⁰ CIP has a very small staff and little technical expertise: State Department policy has been to depend on industry expertise. On these national delegations, there may be "user group" representation, drawn chiefly from

multinational corporations that rely heavily on telecommunications networks, but there is no provision for direct representation of a more general public interest except as may be assumed to be represented by the FCC.

Only in its first few years did CIP actively exercise its role of coordinating Federal communications policy development among the various agencies. It now confines itself chiefly to an administrative role in coordinating participation in international conferences, and is not considered by other agencies to be a serious factor in developing policy positions. It has been ineffective as a generator, implementor, or articulator of policy. The real coordination among agencies on telecommunications policy comes about less formally, through the interactions of a relatively small group of people who have, over the last 10 or 12 years, moved about the Washington telecommunications scene, holding positions in two or more agencies and in the Washington offices of telecommunications firms and industry associations.²¹

The Department of Defense (DOD), with a broad mandate to protect national security, with broad telecommunications networks of

¹⁹ *The United States Government Manual*, 1991/92, p. 429.

²⁰ For example, a U.S. delegation cochaired by CIP and NTIA to an ITU meeting in Prague in November 1991, included 35 people, including 11 from government (NTIA, CIP, the FCC, and Office of Technology Assessment) and 24 from industry and law firms. (The Agency for International Development was represented, but not USTR or ITA, since this meeting did not involve trade negotiations.) The industry people were sent by the long-distance common carriers and Bell operating companies, mostly from their Washington government affairs offices. Several equipment manufacturers and investment bankers attended, as well as some lawyers representing their own firms.

²¹ The Office of Technology Assessment has identified at least 11 people who have served in the top levels (division or bureau chief and above) of at least two of the three telecommunications agencies in the last 15 years. Many more have served at lower levels in two or more of the agencies. This is neither unexpected or negative; there are a limited number of people with the required expertise willing to work in government rather than in industry, with its higher pay.

its own,²² and as a major user of public telecommunications networks, often has a strong influence over telecommunications policy. DOD opposed the divestiture of AT&T on grounds of national security, but was overruled. It has been responsible for some restrictions on the export of telecommunications equipment. DOD opposed the separate satellite policy pushed by the FCC and NTIA; this dispute was mediated within the White House. (During the first years of CIP there was regular coordination between the Communications Coordinator and DOD, the CIA, and the National Security Administration, but this was allowed to lapse.)

The Department of Justice is almost always present at trade negotiations. The antitrust division of the Department of Justice has been deeply involved in promulgating and implementing domestic telecommunications policies since divestiture. While its judgments do not enjoy extra-territoriality as a general rule, it continues to affect the overseas as well as domestic behavior of U.S. telecommunications firms and services providers because of the respect, or fear, with which it is regarded by corporate lawyers.

Increasingly there is a strong need for better coordination not only among those agencies that deal with telecommunications policy but between them and agencies that develop and implement trade policies. As the telecommunications industry is restructured because of deregulation, globalization, and technological change, the need for an improved policymaking structure will become more pressing. Because of the inclusion of

trade in services in the current round of GATT negotiations and the special attention paid to international telecommunications in the integration efforts of the European Community, and also because of international disagreements over accounting rates and a variety of other issues identified in this report, there is increasing interaction between telecommunications and trade agencies. The need for coordination is also greater, to make sure that these interactions are based on a consistent, collectively developed policy that takes into account the full range of national telecommunications goals and objectives.

The policymaking structure for trade in services

Trade policy, because of its important role in national economic affairs, is assumed to be made at the top levels of government, in Congress and in the Executive Office. The Constitution allocates to Congress the power "...to regulate Commerce with foreign Nations. . ." (Art. I, sec. 8), but the details of trade policy implementation, and even its development, are largely generated in the executive branch. For more than a decade U.S. trade policy has been strongly aimed at broad access to markets and the progressive dismantling of trade barriers. The source of this policy appears to have been rooted in a broad, although not universal, political consensus, analytically supported within the Executive Office by economic advisers to

²² Note that DOD has an Assistant Secretary for Command, Control, Communications, and Intelligence who is responsible for computing, systems security, telecommunications, and information management within the military system.

recent President. The Department of Commerce helps to provide background information and contributes to the development of policy, but the lead agency for the United States in all foreign trade negotiations and agreements is USTR.

United States Trade Representative

All foreign trade negotiations, at least in theory, are conducted by USTR. For telecommunications, the 1988 Trade Act specifically gives USTR the statutory mandate to conduct all trade talks. USTR negotiators work from positions negotiated among contending domestic interest groups and usually approved at the upper (political) levels of the government. These policy positions begin with papers prepared by USTR in consultation with various agencies. In the case of telecommunications services or equipment issues, NTIA, the FCC, CIP, and sometimes the Department of Justice, as well as trade-related agencies, will be involved. USTR points out that the diverse inputs to formulating telecommunications trade policy are beneficial because they reflect the highly diverse nature of the current telecommunications environment and permit relevant constituency groups to be represented in trade policy development.

Where there are inconsistencies or disagreements in the positions of the agencies, these problems are mostly worked out in informal meetings and telephone communications. If they require slightly more formal negotiations they may go before an interagency *Trade Policy Staff Committee (TPSC)*. Neither NTIA nor the FCC has a seat on this

committee, FCC because it is not an Executive agency, NTIA because the Department of Commerce is represented by the International Trade Administration. Representatives of both NTIA and the FCC attend meetings as observers, and USTR emphasizes that "for a number of years both agencies have played key roles in developing and participating in trade policy negotiations."

TPSC is described by some inside observers as "a central point for policy formulation." Thus, it matters that the two telecommunications agencies do not have a strong voice in TPSC deliberations. For example, according to some participants or observers, there have been times when international bilateral discussions being pursued by the telecommunications agencies were authoritatively "subordinated to GATT" by the TPRC. Even at the level of the TPRC there is sometimes strong and persistent interagency disagreement; there will then be negotiations at the agency-head or Assistant Secretary level, where an *Interagency Trade Policy Review Group* resolves issues among Departments.

For international negotiations on trade issues, whether they are to be bilateral or multilateral (for example, the Canadian Free Trade Agreement and GATT negotiations), USTR will assemble a negotiating team. The negotiations are led by USTR staffers, who are not sector-specific specialists; this makes the team as a whole and its associated experts very important. For trade issues involving telecommunications services, the delegation would typically include people from the

The lead agency for all foreign trade negotiations—including those on telecommunications—is USTR.

23 For a reasoned exposition of the rationale underlying the official U.S. position on trade barriers, see Geza Feketekuty, *International Trade in Services* (Cambridge, MA: American Enterprise Institute, 1988). For an opposing point of view, see Clyde V. Prestowitz, Jr., Alan Tonelson, and Robert W. Jerome, "The Last Gasp of GATTism," *Harvard Business Review*, March-April 1991.

FCC's Common Carrier Bureau and International Communications Office, from NTIA, from ITA's Office of Telecommunications, from the State Department's CIP and Economics and Business Bureau, and from the Department of Justice. Industry representatives are consulted but are not on the official delegation.

Private sector representatives (both telecommunications firms and large users) are consulted throughout the process of developing USTR's negotiating positions. USTR has a formal and informal industry liaison structure and holds frequent meetings with a cross-section of industry representatives. For example, on telecommunications issues, meetings may be called to try to develop a consensus among representatives of long-distance carriers, Bell operating companies, enhanced services providers, and other user groups as well as the formally constituted Services Policy Advisory Committee. The U.S. Chamber of Commerce has a Task Force on Telecommunications, and both it and the U.S. Council on International Business frequently advise and counsel USTR. Inevitably, however, tensions among competitors and between sectors of the industry are reflected in wrangles about the negotiating positions of USTR.

State regulators, the Consumer Federation of America, and the Communications Workers of America (a labor union) also are consulted in developing USTR negotiating positions. However, some of their representatives complain that their participation in the process is usually invited well after the critical elements in the negotiating position

have been worked out between USTR, carriers, and large users.

International Trade Administration

In development of foreign trade policy, the Department of Commerce acts as liaison between industry and government, and in most cases, is assumed to speak for industry to the rest of government. This is formalized at the top levels of the Department in 25 Industry Sector Advisory Committees (ISACs), jointly administered by the Department of Commerce and USTR. Among these are ISAC V, which deals with electronics, including telecommunications equipment, and ISAC XIII, which deals with services, including telecommunications services. Although the United States, as well as other advanced industrial countries, is often said to have a "services" economy, at least until recently services were presumed to play a minor role in export trade. This may explain why only 1 of 25 ISACs deals with the services sector, in spite of its wide diversity.

The mission of ITA, within the Department of Commerce, is to aid U.S. companies in developing and participating in export trade by promotional events, provision of analytical services, and other forms of advice and assistance. ITA interfaces with companies and industry associations through constant meetings, telephone calls, etc.²⁴

ITA has a Foreign Commercial Service, an International Economic Policy Section (with country desks), an Import Administration Section, and a Trade Development Section. Included in the latter is an Office of Telecommunications, with a staff of about

24 Much of the descriptions in this section rely on interviews with ITA personnel, including Roger Stechschulte, Director of the Trade Development Section (Aug. 14, 1991), and Ivan Shefrin, Industry Trade Specialist in the Office of Telecommunications (Aug. 14, 1991 and June 23, 1992).

15 people. Its tasks include counseling companies on the potential and characteristics of foreign markets, helping firms compete on major telecommunications procurements, preparing competitive assessments of industry sectors, and writing chapters on telecommunications for the Department of Commerce's annual *Industrial Outlook* and other trade-related reports.²⁵ Other assignments, chiefly of an analytical nature, may originate in requests from the Secretary, other Federal agencies, or industry, to help in developing policy positions within ITA and upper levels of the Department of Commerce.

In the first years of the communications Coordinator and the State Department's CIP, a formal telecommunications attaché program was established in key foreign ports to support trade in telecommunications services and work closely with ITA. This pro-

gram, along with some other activities of CIP, has been allowed to lapse.

The adequacy of data for decisionmaking

The fragmentation of policy responsibility becomes more troublesome because it is compounded by lack of data needed to monitor trends and detect problems.²⁶ The great expansion of international trade in services increases the need for data to assess its status and outlook. It has, however, long been recognized that the dimensions of international trade in services are poorly defined, the real volume and value of transactions is uncertain, and the data available to analysts and decisionmakers is inadequate.²⁷ Moreover, since the Paperwork Reduction Act of 1980, Federal policy has been to reduce the amount of data reporting required

Data on international service trade are poor.

²⁵ The analysts use data from the Department of Commerce's Bureau of Economic Analysis and Bureau of the Census, and from other sources; the ITA itself is not a collector of primary data.

²⁶ A report prepared for the Office of Technology Assessment identified many limitations and inadequacies in data relevant to telecommunications issues. Louis Feldner, Feldner Telecom Consulting, "The Status of Data Collection on International Telecommunications Services Between the U.S. and Europe," Sept. 1, 1992. This report was based on review of FCC filings and dockets, a literature search, and over 45 direct or telephone interviews with current and former Federal agency employees, representatives of major carriers, representatives of trade associations, and other experts.

²⁷ A.Y. Kester, *Behind the Numbers: U.S. Trade in the World Economy*, Report of the Panel on Foreign Trade Statistics, National Research Council, 1992. Theoretical and empirical problems in measuring services delivery or export are complex and longstanding. The same services (for example, data processing) may be imbedded in technology (a magnetic tape or floppy disk) or may be delivered electronically. Many services cannot be counted at the border as can goods. Many must be created and delivered simultaneously, but services delivered by an affiliate or subsidiary overseas are not counted in trade figures.

The Council of Professional Associations on Federal Statistics has also criticized government data collection (Annual Report, 1991). The Office of Technology Assessment in 1986 and again in 1987 strongly called attention to deficiencies in the data on services, saying they were "subject to major sources of error." U.S. Congress, Office of Technology Assessment, *Trade in Services: Exports and Foreign Revenues*, OTA-ITE-316 (Washington, DC: U.S. Government Printing Office, September 1986), p. iii; and U.S. Congress, Office of Technology Assessment, *International Competition in Services: Banking, Building, Software, Know-how*, OTA-ITE-328 (Washington, DC: U.S. Government Printing Office, July 1987).

Much information that was once concentrated and routinely reported is now dispersed or proprietary, unavailable to policymakers.

of industry. This policy has been strongly criticized.²⁸ Congress called for better trade data collection in the Trade and Tariff Act of 1984 and again in the Omnibus Trade and Competitiveness Act of 1988. Recent NTIA reports have also pointed to important gaps in data.²⁹

In response to such criticism, some steps have been taken to improve coverage,³⁰ but all efforts to increase data collection or change reporting requirements are still given stem scrutiny by the Office of Management and Budget (OMB) in the Executive Office of the President. In 1991, President Bush approved a multiyear initiative involving all major statistical agencies to implement recommendations developed by a working group of the Economic Policy Council. Throughout the government, however, progress has been slowed or reversed by budget cuts. Major statistical agencies lost 13 percent of constant-dollar funding and more than 10 percent of their staff from 1980 to 1988.³¹

It might be expected, in spite of these problems, that data on telecommunications services would be plentiful and readily available since this is an industry still

dominated by regulated monopolies and for which there have long been international coordinating mechanisms. Here too, however, there are often inadequate data. For example, it is nearly impossible to develop comprehensive or consistent data about patterns in or changing levels of investment in physical infrastructure and in research and development since the burgeoning of overseas investment by U.S. telephone companies. This information is needed by Federal and state regulators to address the question of whether there is a possible decline in telecommunications investment.

Much of the data now reported by telephone operators in Europe and in the United States are considered proprietary and confidential since competition has become a factor,³² and much of the rest are not comparable across national boundaries. In the United States the divestiture of AT&T and the proliferation of large numbers of alternative carriers, resellers, and value-added services networks means that much information that was once concentrated and routinely reported is now widely dispersed

²⁸ Katherine K. Wallman has argued that "Federal statistics need to be evaluated in terms of their intrinsic worth. . . not merely as the burden they might impose." "Losing Count: The Federal Statistical System," *Population Trends and Public Policy*, No. 16 (Washington, DC: Population Reference Bureau, September 1988).

²⁹ U.S. Department of Commerce, National Telecommunications and Information Administration, *The Infrastructure Report*, 1991, and U.S. *Telecommunications in a Global Economy*, 1990

³⁰ B. Ascher and O. Whichard, "Developing a Data System for International Sales of Services: Programs, Problems, and Prospects," P. Hooper and J.D. Richardson, *International Economic Transactions: Issues in Measurement and Empirical Research* (Chicago, IL: University of Chicago, 1991) conclude that efforts to improve U.S. statistics on trade in services have resulted in "a lengthy list of improvements." See also "Technical Notes" in BEA, *Survey of Current Business*, June 1989, for a description of some recent improvements to U.S. data on international services.

³¹ David Hamilton, "Blind Data," *The Washington Monthly*, October 1991, p. 41.

³² Since the mid-1980s some nations that have deregulated customer telephones do not even make public the number of telephone lines or stations. Feldner, *op. cit.*, footnote 26.

and less subject to mandatory reporting.~1
The loss of a central point for data collection both in industry and in government is causing problems for international telecommunications organizations and for trade reporting organizations.³⁴ More and more services are provided by unregulated networks that do not report data at all.

There are two Federal primary data collectors for international telecommunications: the FCC and the Bureau of Economic Analysis (BEA) in the Department of Commerce. Both have statutory mandates to collect some data, and legal authority to obligate respondents to furnish some data. Both make most of their data available to the public, and therefore to public interest groups, by periodically reporting aggregated data and publishing reports on international telecommunications. However, the FCC collects international revenue and traffic data relevant to its regulatory mission, and in format ion about international trade is incidental to that purpose. BEA collects a wide range of trade data including some on telecommuni-

cations services. Both gaps and overlaps of coverage arc fortuitous.

BEA is legally prohibited from disclosing data of individual companies; FCC data on individual companies is, for the most part, public, although data on international operating agreements, licensing arrangements, and authorizations and concessions to foreign entities is classified confidential.³⁵ The FCC does not have the resources to thoroughly check and verify data submitted by the private sector, so for the most part it is merely assumed to be complete, accurate, and comparable.

All international carriers must report traffic and revenue data to the FCC each July 31 for the preceding calendar year; current data arc never available. FCC data is on international message telephone services (IMTS) and non-IMTS (private lines, record messages, etc.). Most of the available statistics deal with voice messaging, not with data transmission and value-added services, which will be especially important in the future.

33 Feldner reports that there maybe more categories of carrier services reported to the FCC since divestiture, but the nature of these reports is not as detailed as in the past and there are fewer FCC staff to conduct thorough data reviews. Feldner, *op. cit.*, footnote 26, p. 9. On the other hand, U.S. international transactions in telecommunications services used to be reported to the Bureau of Economic Analysis on a voluntary basis but are now mandatory reporting, beginning with 1988 data.

³⁴ For example, AT&T publishes *The World's Telephones*, but no edition has been published since 1988. More than 30 percent of the world's carriers do not report any information, and some of the world's largest countries (including Germany, the United Kingdom, China, India, and the former U. S. S. R.) have not reported any information since 1979.

³⁵ See CFR 47, chap. 1, par. 43.51. Carriers can request confidentiality on the grounds that public access to the data would cause "competitive harm." The FCC grants requests for confidentiality at its discretion, and says it is generally reluctant to do so. The public may oppose such requests for confidentiality and could invoke the Freedom of Information Act. Carriers providing data on international service to the FCC may request confidential treatment for reported data on operating agreements, licensing arrangements, and authorizations and concessions to foreign entities involved in providing foreign services. The amount of data that is classified is not reported. This confidentiality could affect the ability of policymakers and congressional oversight committees to gauge the competitive impact of FCC decisions on the market.

Other Federal agencies, such as NTIA, sometimes conduct public inquiries or publish studies of trade in telecommunications services, but these generally do not produce new primary data or build consistent time-series data banks.³⁶ U.S. trade agencies depend on the FCC and BEA for primary data.

BEA has instituted mandatory annual surveys of selected services transactions that cover basic and enhanced telecommunications services; previously, only data on basic transmission services were available and only from carriers that voluntarily submitted data to BEA.³⁷ The FCC has begun collecting traffic data for U.S.-Canada and U.S.-Mexico traffic, which was not collected before.

Both the FCC and BEA are modifying their data collection and reporting mechanisms or installing new data systems. The FCC's attempts to revise its data collection have sometimes run into resistance from OMB, and also suffer from "institutional lag." As a regulatory body operating under the rules of the Administrative Procedures Act, the Commission is subject to detailed procedural requirements, which require pro-

vision for public comment before a major change in data collection rules. This has, for some changes, taken as long as 6 years.

An Interagency Task Force on Services Trade Data was established by USTR in 1982, but became inactive in early 1991 for over 18 months; it began meeting again in September 1992.³⁸ All participants seemed to agree that efforts to improve the collection of international telecommunications data, slowed by budget cuts, are not keeping pace with accelerating changes in the structure of services and the nature and volume of their trade.

Conclusions and options

International telecommunications policy has become more important in the last few years, as foreign markets for communications services and equipment began to open to U.S. competition. It is perhaps not surprising that U.S. policymaking about international telecommunications has been a combination of domestic regulatory policy (focusing on deregulation) on the one hand and general trade or export policy (opening up foreign markets) on the other. Thus a consis-

³⁶ The Census Bureau also collects data on communications services establishments. Its *Annual Survey of Communications Services* identifies firms engaged in providing point-to-point communications services including telephone, telegraph, other message communications (such as E-mail, facsimile, and telex), radio and television broadcasting, cable television, and other communications services such as satellite Earth stations. The survey provides estimates of operating revenue and expenses, and it breaks out telephone communications by local, long distance, and type of customer. However, it does not break out international services. The Census Bureau is undertaking its largest program expansion in over 40 years in the 1992 Quinquennial Economic Census, including expansion of coverage of communications. This will not include data on international services but it is possible that the next economic census, in 1997, will do so. (Information provided by Dennis Shoemaker and Mary Beth Morris, Division of Business Services, Bureau of the Census).

³⁷ According to Obie G. Whichard, Chief of the Research Branch, International Investment Division, BEA, Oct. 26, 1992.

³⁸ In 1989 the Interagency Task Force set up a Working Group on Information, Computers, and Communication Services.

teny is established between the two, but the increasing dominance of USTR in telecommunications issues tends to override or restrict consideration of other goals or interests.

Currently, most of the effective decision-making about international telecommunications within the executive branch appears to be done by the Office of the United States Trade Representative, with NTIA in a secondary, contributing role. The FCC sometimes plays lone wolf, taking actions that may be out of step, mistimed, or discordant with the views and objectives of trade negotiators. Both the telecommunications industry, large telecommunications users, and regulatory officials fear trade negotiators may make tradeoffs that they regard as undesirable or may inadvertently lock into binding agreements old categories and distinctions that could become technologically obsolete (for example, de fin it ions of basic and enhanced services).

The development of telecommunications” policy within the executive branch is a process of continuing arbitration or negotiation among several agencies, sometimes brought together only by their collective resistance to policies proposed by Congress, or to judicial mandates. The latter have been almost entirely directed at domestic, rather than international, activities and structural characteristics of the industry.

National policy with regard to international telecommunications-so far as there is such a policy-may be both too narrow (driven by trade considerations alone), and at the same time unfocused and ineffective. The single-minded emphasis on opening foreign markets is not the same thing as fostering the competitiveness of U.S. firms

in foreign markets, both because there are tradeoffs to be made in negotiating such agreements and because it may neglect other factors necessary to enhance competitiveness (e. g., standards development, financing, domestic regulatory changes, antitrust considerations, etc.). An effective competitiveness-enhancement policy implies a more integrated telecommunications policy than now exists.

There has, for example, been little attention given to long-range issues of standards-setting, interoperability, or infrastructure development. Europe and the United States increasingly tend to differ in the approach to network architecture. In Europe, relatively more centralized “intelligence” (computerization) is integral to the network, while in the United States there is a tendency to use sophisticated terminal equipment, owned by the user. There are many advantages to the latter approach, but building advanced capabilities into the network may facilitate advanced uses of telecommunications by middle-sized and even small firms that could not afford the specialized customer premises equipment. In a global economy, the competitiveness of smaller firms may turn out to be important; smaller firms have a better track record in the United States of creating jobs than have large corporations. Telecommunications policy, not trade policy, is the appropriate vehicle for considering strategic alternatives of this kind.

Effective development of an international telecommunications policy may require reorganization or strengthening of the policymaking structure for telecommunications. It is becoming increasingly obvious that “. . . Domestic telecommunications policy

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Without coherent vision of what telecommunication networks should be, the United States will be at a disadvantage as national networks merge into global networks.

choices have international components and effects,"³⁹ and that the reverse is equally true. The lack of coherence and integration in telecommunications policymaking has been recognized as a problem for many years. A 1951 Communications Policy Board established by President Truman found that telecommunications problems were being dealt with on a "piecemeal basis" with little prospect for developing "a total national communications policy."⁴⁰ During the 1960s and 1970s there were proposals from many sources for reorganizing or reforming the policymaking structure.⁴¹

Some commentators have proposed "a single, integrated, Executive branch agency."⁴² This does not, however, fully recognize the responsibility of Congress for telecommunications as a mode of interstate commerce and international relations, or the persistent necessity of balancing or prioritizing competing goals for telecommunications. It is necessary in policymaking not merely to resolve the differences in interests within the telecommunications industry, or between large producers and large users, but also to mediate among competing "public interests," such as domestic universal service (defined in modern terms of advanced network technology), competition in world markets, state-of-the-art infrastructure, consumer equity, continuing innovation, reliability, and broad interoperability. The sometimes conflicting demands made on a national telecommunications system (or more accurately, merging

public and private systems) is testimony to the central importance of telecommunications in modern society. Without a coherent vision of what telecommunications networks should be and do, the United States will be at a disadvantage as national networks merge into global networks and international rules of cooperation and trade are developed.

Given this complexity, there will continue to be a need for executive branch statement of a national telecommunications policy that can reconcile the views of diverse interests. There will continue to be a need for broad Congressional direction and legislative mandates to provide the framework for national telecommunications policy. Finally, there will continue to be a need for an independent bipartisan regulatory agency like the FCC that implements those legislative mandates.

This indicates the importance both of attention to telecommunications at the highest level of policy formulation, and of an effective coordination mechanism at the agency level where the details of policy are developed. The legislatively-designated coordination mechanism is the Communications Coordinator within the Department of State; to provide staff support for the Coordinator, the Department created the Bureau of International Communications and Information Policy. CIP, as it is now constituted, is not an active and effective coordination mechanism for interagency activities and policies. That role has been partly filled by USTR, in the course of carrying out its duties

39 Symons, op. cit., footnote 2, p. 294.

40 Symons, op. cit., footnote 2.

41 For example the Presidential Task Force on Communications Policy (the "Rostow Commission") in 1967-1968, the Ash Council in 1971, and other initiatives described by Howard J. Symons, op. cit., footnote 2, and Henry Geller, op. cit., footnote 11.

42 For example, Henry Geller, op. cit., footnote 11.

under the 1988 Trade Act. But USTR is not a suitable vehicle for international telecommunications policy coordination, because its responsibility extends only to trade relationships.

CIP had, and still has, a potential advantage as the locus for coordinating telecommunications policy. CIP's location in the Department of State appropriately extends Congressional oversight of telecommunications policy to a broad range of Congressional Committees, including those concerned with foreign relations and with trade. This meets the need to consider many national goals and interests in formulating telecommunications policy—especially when treaty obligations must be evaluated in the light of Federal and State responsibilities and prerogatives. The Department of State also has experience in operating at the interface of domestic and international policy and speaking for the United States in international fora of many kinds.

However, CIP also has serious disadvantages as a mechanism for effective telecommunications policy coordination. It has a small staff, without depth in technical, engineering, and regulatory expertise; it is therefore almost entirely dependent on industry—and especially on the narrow segment of industry that is able to invest considerable money and personnel to participate in international meetings and negotiating sessions. These are large corporations. In attempting

to "coordinate the initiatives of one or more executive branch agencies and those of an independent regulatory body (the FCC is generally considered to be a "congressional agency")—all of which operate primarily on agendas framed around domestic issues—CIP is doubly handicapped by its location in the State Department. It is regarded by the other agencies as peripheral or irrelevant in domestic policy struggles that shape the sister agencies' own approach to international telecommunications. It is also regarded as peripheral in agenda-setting and decisionmaking within its own department, where technological questions are seldom at the forefront. The Department of State has generally neglected science and technology in managing international relations and its technology-oriented bureaus have had little clout with departmental leadership. The *1992 Report by the Carnegie Commission on Science, Technology, and Government* blamed this on the prevalence of "gentlemen diplomats" with "nineteenth century values," and called for steps to strengthen the knowledge of science and technology within the Department of State and U.S. embassies abroad.⁴³

CIP status within the Department has been further diminished because only USTR is empowered to negotiate telecommunications trade treaties and agreements,⁴⁴ and the FCC and NTIA largely determine the position of the United States with regard to spectrum

⁴³ Carnegie Commission on Science, Technology, and Government, *Science and Technology in U.S. International Affairs: a Report* (New York: The Commission on Science, Technology, and Government, 1992).

⁴⁴ CIP does have responsibility for negotiating some bilateral agreements, on International value-added networks, called IVAN agreements; it also has responsibility for coordinating some multilateral nontrade agreements, such as frequency allocations (World Administrative Radio Conference).

allocation issues.⁴⁵ This effectively deprives CIP of several vital functions with regard to international telecommunications policy.

There are several structural options for improving this situation; the broad alternatives are:

1. to strengthen and enhance the capabilities of CIP as a policy coordination mechanism, or
2. to abolish CIP and create an effective policy coordination mechanism elsewhere, possibly in the Executive Office of the President or in NTIA.

The State Department is (in the summer of 1993) about to adopt a third option—that of downgrading CIP, now a Bureau headed by the Coordinator, and placing its functions within the Department's Bureau of Economics, Business, and Agriculture. Telecommunications responsibility would no longer be vested in an assistant secretary but in a deputy assistant secretary, one of five within the bureau. This would require legislative ratification, since the post of Coordinator, with ambassadorial status, is statutorily established.

This appears to be the least desirable of the three broad options. Reorganization of this kind is unlikely to enhance CIP's ability to coordinate or provide policy leadership. It would instead further diminish CIP's ability to coordinate or negotiate with the other agencies, already nearly non-existent because CIP is a small bureau attempting to "coordinate" large agencies. It would be perceived abroad as a downgrading of the importance of telecommunications policy and would lessen the authority of CIP in

international fora where foreign government representatives are highly sensitive to status. It could weaken the oversight of several congressional committees in telecommunications policy. It would leave open the option of creating a real, effective coordination mechanism somewhere else, such as in the Executive Office, but even this could be confused by the continuing existence in the Department of State of the legislatively mandated position of Telecommunications Coordinator with Ambassadorial rank.

One possible option for achieving better coordination of telecommunications policy formulation is to abolish CIP and shift its functions to some other part of the Federal structure. Old line State Department officials would probably be unlikely to object to this, since CIP is not embedded in the Department's power structure and is said to be regarded as something of an anomaly within the Department. This option would however presumably require Congressional action, because the position of U.S. Coordinator is set by legislation. It would be resisted by the industry groups on whom CIP relies for making up or supporting its delegations to international meetings, since it could deprive them of entree into some negotiating fora. A greater objection to abolishing CIP and transferring its mandated role as coordinating mechanism is that this would probably remove international telecommunications policy formulation and implementation from oversight by congressional committees responsible for foreign affairs and trade.

It would also leave open the question of the appropriate locus for the necessary coor-

⁴⁵ U.S. Congress, Office of Technology Assessment, *The 1992 World Administrative Radio Conference: Technology and Policy Implications*, OTA-TCT-549 (Washington, DC: U.S. Government Printing Office, May 1993).

dination between NTIA and the FCC or among the several other government agencies that will from time to time have strong positions on telecommunications issues. The obvious place for such coordination to occur, provided the new Administration places high priority on telecommunications issues, is within the Executive Office, possibly within the National Economic Council or in the Office of the Vice President, who has taken the lead in discussions about the future telecommunications infrastructure. The Office of Telecommunications Policy (OTP), which existed in the Executive Office of the President from 1970 until 1978, could be reconstituted. This option, however, cannot be effective unless it is initiated and fully supported by the President.

Alternatively, CIP itself might be strengthened and reinvested with its original mission of active policy development and coordination. This suggests that international telecommunications policy would be recognized as an important part of domestic telecommunications policy and distinct from, yet closely related to, general trade policy. To reinvigorate CIP would likely require decisive reor-

ganization, restaffing, and refunding. CIP would need a still small but highly qualified staff with knowledge of advanced communications and computer technology and of political, economic, and regulatory conditions affecting the telecommunications industry here and globally. It would also be possible to mandate a larger, perhaps co-equal, role for CIP in telecommunications trade issues that now fall entirely to USTR. This would improve CIP's relative power status with its parent Department, and to some extent with the other executive agencies. However, in the interest of CIP's primary role of coordination, care would have to be taken that its role not be limited solely to international or trade issues.

Improving CIP's position within the State Department could be done only with the full support of, and ideally at the initiative of, the Department's top-level administrators and decisionmakers. Improving CIP's ability to act as a leader and as a mediator of other agencies on telecommunications issues would require the political attention and nurturing of executive and congressional leadership.