International Communications Law,
Part I: Maitland Commission, Economic Development, and the United States

I. Introduction

The Administrative Council of the International Telecommunications Union (ITU)\(^1\) has accepted the recommendation of the Maitland

\(^1\)The ITU is a United Nations agency but predates the UN by eighty years. Its role has been primarily to regulate the technical and administrative functioning of telephone, telegraph, and broadcast systems as they passed national boundaries. To this end, it allocates frequencies to avoid technical interference, established methods of collecting accounts for international system use between countries, standards for interconnection of facilities and networks and, more recently, has provided technical and developmental assistance for new systems.

The primary decision-making body of the ITU is the Plenipotentiary Conference, composed of all one hundred and sixty signatories of the ITU's basic treaty, the International Telecommunications Convention. While the tradition is that decisions are made by consensus, when votes are taken the result is based upon the majority of those present and voting. The decisions must be ratified by the governments of the members to become effective.

Administrative conferences are called on an as-needed basis by the Plenipotentiary to discuss specific issues on a regional or worldwide level and are governed by the same procedures as Plenipotentiaries. An example is the World Administrative Radio Conference being held this year to consider the rules and procedures to be used in assigning satellite orbital locations (1985 Space WARC). The issues and results of the 1985 Space WARC will be the subject of a forthcoming Current Developments article in *The International Lawyer*.

The Administrative Council has thirty-six delegates, elected by the members, and is responsible for administering all ITU functions between Plenipotentiaries. It meets yearly and, if necessary, can obtain a vote on a particularly important issue from all members by correspondence. Again, decisions are preferably by consensus, but if a vote is necessary, a simple majority rules so long as at least twenty-four voting members are present and sixteen vote affirmatively. For a history of the ITU and details of its organization and operation, see G. CODDING, JR. & A. RUTKOWSKI, *The International Telecommunications Union in a Changing World* (1982).
Commission\textsuperscript{2} that it establish a new Center for Telecommunications Development whose purpose would be to provide planning and technical assistance to developing countries for improvement of their telecommunications infrastructure.\textsuperscript{3} Such a center could be another controversial international organization into which the United States (U.S.) is called upon to pour funds to support bureaucracies promoting causes the U.S. opposes.\textsuperscript{4} Or, it could perform as the Commission envisions: to provide objective technical expertise and assistance to countries whose economic development would be spurred by an improved telecommunications infrastructure. In the latter case, because these countries must obtain equipment and expertise to fulfill their telecommunications needs from others, at least initially, it would be in the interest of U.S. industry to encourage and assist this development.

The U.S. telecommunications industry stands to benefit more than its foreign competitors. This center, staffed by disinterested professionals and assisting developing countries with financing their telecommunications projects, could offset some of the disadvantages under which U.S. businesses currently labor. Although the U.S. has a comparative advantage in telecommunications trade and services, it is running a trade deficit in this field.\textsuperscript{5} This change of events, since 1983, has created a flurry of bills in Congress offering various proposals designed to reverse this trend.\textsuperscript{6} Most take a retaliatory

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\item The Commission requested that the Council establish the Center at its July, 1985 meeting. In addition, it requested that its report be considered by the participants in the Bonn Economic Summit Meeting in May. Although these issues were not considered at Bonn, they were raised at the OECD Ministerial Meeting in April. The resulting Communique spoke only in very general terms, however, and merely recognized the importance of communications and information flows in the world economy.
\item See infra notes 13--20 and accompanying text.
\item See infra notes 24--34 and accompanying text for a discussion of U.S. disenchantment with UNESCO and the call for a new world information order.
\item The telecommunications equipment trade deficit in 1983 was $418 million; in 1984 it was $1.040 billion. These deficits reversed a sixty-five year history of U.S. trade surplus in this field. See NTIA, \textit{Issues in Domestic Telecommunications: Directions for National Policy} 165 (1985).
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approach against trade barriers perceived in developed countries, particularly Japan and the European Communities.  

This article explores the advantages and disadvantages to the U.S. of the Center proposed by the Maitland Commission. It will review the conclusions of the Maitland Commission and the premises upon which they are based. It will then consider the recommendations in the particular light of U.S. interests and past experiences and the effects upon U.S. industry. Finally, it will indicate opportunities available to the legal community.

II. The Maitland Commission

What has become known as the Maitland Commission was officially created as The Independent Commission for Worldwide Telecommunications Development by the ITU Plenipotentiary Conference held in 1982 in Nairobi. The Commission's mandate was to recommend ways in which worldwide telecommunications expansion could be stimulated.

There has long been an instinctual recognition of the relationship between economic development and a telecommunications infrastructure, but only recently have empirical studies generated any objective data from which specific conclusions could be drawn. It appears that there is a point in the


8. The Commission took its name from its chairman, Sir Donald Maitland, and was composed of seventeen members from representative countries.

9. A comprehensive summary of these studies is contained in J. SAUNDERS, J. WARFORD & B. WELLNENIUS, TELECOMMUNICATIONS AND ECONOMIC DEVELOPMENT (1983). See also Communications Technology and Economic Development: A Case Study of Africa (1984) (proceedings of workshop organized by the National Science Foundation and the Agency for

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process of economic development at which telecommunications becomes a catalyst and from which point economic development and telecommunications development are engaged in mutual reinforcement.  

Recognizing these factors after reviewing relevant studies and the status of telecommunications worldwide,\(^1\) the Commission proffered the following recommendations.\(^2\) It suggested an "intermediate step," the establishment of a Center for Telecommunications Development in 1985 under the auspices of the ITU.\(^3\) The Center would be organized with three primary units. One would focus upon development policy, collecting information upon the experiences of other countries and making it available to developing countries to aid them in formulating policy.\(^4\) Its staff would be limited to ten members.\(^5\) A second unit's function would be to advise in the preinvestment stage on organization and planning, training, procurement, maintenance, tariffs and the like.\(^6\) The Commission suggests that it would have a full-time staff augmented by a part-time staff for individual studies and projects.\(^7\) The third group would provide operations support in implementing policy objectives.\(^8\)

The Center's governing body would be an Advisory Board of ITU members appointed by the Secretary-General of the ITU in consultation with the Administrative Council.\(^9\) The cost of the Center is estimated at ten million

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10. See, e.g., Jonscher, Assessing the Benefits of Telecommunications, INTERMEDIA 22 (Jan. 1985). Of course, economic development is by no means the sole reason for improving the telecommunications infrastructure. Of equal importance are communications for health services, national emergencies, and protecting food supplies. To the extent, however, that a telecommunications infrastructure is profitable in itself and serves as a catalyst for increased economic development, these other important communications needs will also be met.

11. Noteworthy statistics revealed that two-thirds of the world's population have no access to a telephone, that Tokyo has more telephones than the entire African continent. THE MISSING LINK: REPORT OF THE INDEPENDENT COMMISSION FOR WORLDWIDE TELECOMMUNICATIONS DEVELOPMENT 13 (1985) [hereinafter cited as MISSING LINK].

12. Many suggestions were directed to the developing countries, such as increasing the level of investment, planning, training and overall commitment directed towards telecommunications development. MISSING LINK id., at 65-69. This article focuses upon those recommendations to be implemented by the industrialized countries, as directed towards governments, international institutions, and the private sector.

13. Id. at 67.
14. Id. at 53.
15. Id.
16. Id. at 56.
17. Id.
18. Id.
19. Id. The Secretary-General is Richard Butler. The current members of the Administrative Council are Brazil, Cameroon, Canada, China, Colombia, Egypt, Spain, USA, France, India, Indonesia, Algeria, Federal Republic of Germany, Saudia Arabia, Australia, Benin, Italy, Japan, Kenya, Kuwait, Lebanon, Mexico, Philippines, German Democratic Republic,
dollars a year. The Commission left open the source of its funding, although it suggested such possibilities as devoting a small proportion of revenues from international calls and contributions by private industry of funds and experts to staff the Center.20

The other major role for the industrialized world envisioned by the Commission involves financing telecommunications development. Although telecommunications is a lucrative source of revenue, its establishment is capital-intensive,21 and the revenue generated is primarily in domestic currency while investment capital usually requires foreign exchange.22 The development banks are an obvious source of funding, but the World Bank has traditionally served as a lender of last-resort, believing that commercial loans, while not having terms as favorable as those from the World Bank, are readily available.23 The Commission suggests that these banks assign greater priority and resources to telecommunications development.24 Another possibility is the establishment of a revolving fund specifically for financing telecommunications networks in developing countries.25

III. Prospects For Action

The ITU Administrative Council has approved a resolution to establish the Center, but U.S. support is not yet assured because of the potential drawbacks.

A. Risks

Two of the potential drawbacks—each grounded in recent experience in telecommunications development—pose risks for the utilization of a new Center. One involves the politicization of international fora; the other the use of new international bureaucracies for protectionism.

The politicization of UNESCO has been well documented and has resulted in a decision by the U.S. to withdraw.26 The pursuit of the “New World Information Order” within UNESCO merits examination here because the pressures that propelled that issue persist unabated.27 These pressures include a feeling in the Third World that the U.S. preeminence

Romania, United Kingdom, Senegal, Sweden, Switzerland, Tanzania, Thailand, USSR, Venezuela, Yugoslavia, and Zambia.

20. Id. at 55.
22. Id. at 62.
23. Id.
24. Missing Link, supra note 11, at 68.
25. Id.
27. Id. at 1.

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in computers and communication technology somehow threatens the sovereignty of developing nations, that U.S. media export "cultural imperialism," and that U.S. information is biased against Third World concerns.  

Included in the agenda of various proponents of the New World Information Order are such goals as the following: control over the news media to strengthen national political control, control over information and communication to enhance national economic and social development, assistance in developing hardware, software and personnel infrastructures, obtaining revenue from licensing, tariffs and fees, and "balance" in the flow of information.

Demand for a New World Information Order has always been associated with the call from the same quarters for a New International Economic Order. The clamor over communications issues arose almost simultaneously in the United Nations and UNESCO and has been increasingly heard at meetings of the Non-Aligned Movement, the ITU (which has focused predominantly on technical matters), the UN Conference on Science and Technology for Development (UNCTAD) and the 1979 World Administrative Radio Conference (WARC).

The 1979 WARC, like the one beginning this year, heard demands for more equitable sharing of the electromagnetic spectrum and geostationary orbit "as the common property of mankind." The WARCs, called by the ITU, have heard dissatisfaction expressed over the "first-come, first-served" approach to allocating spectrum which the ITU has followed since its organization in the mid-nineteenth century. Developing countries are pressing for assignments of satellite orbital locations and associated frequencies to assure their possession of adequate spectrum if and when they acquire the technology in future. The U.S. has expressed concern that this could inhibit the most efficient use of spectrum resources and development of new technology. An a priori system requires that assignments be made on the basis of existing technology. Once these assignments are "locked in" on this basis, there would be no incentive to develop new technology because no benefits could accrue from it.

28. Id.
31. GUNTER, supra note 26, at 1.
33. GUNTER, supra note 26, at 8.
34. Developing Countries' Demands Key to U.S. Space WARC Proposal, BROADCASTING 24 (July 15, 1985).
There is no certainty, of course, that the proposed Center for Telecommunications Development will be gripped by the same emotions that have prompted U.S. unwillingness to work through UNESCO. The point is that technological development must not be assumed as equating with progress. Many Third World nations are fearful that Western domination of new information technologies will increase the gap in economic development between them and the developed nations.\textsuperscript{35} So U.S. cooperation in the Center might be viewed with suspicion.\textsuperscript{36}

Both developing and developed countries now view information as essential for economic growth. In their efforts to grow, some nations are tempted to promote domestic processing and advanced information industries by discouraging the flow of data across their boundaries.\textsuperscript{37} This form of protectionism is evidenced in a number of Third World countries, including Brazil, which has served as something of a model for other developing countries. In a study for the UN Commission on Transnational Corporations, Brazil urged protection of infant information industries through an array of trade barriers.\textsuperscript{38}

The developing countries have taken steps to foster links among such nations and to reduce dependency on the Western world. In 1955 in Bandung, at the first conference of Non-Aligned Nations, there was a call for more communication between developing countries. In 1979 there were moves toward more formal technical cooperation between developing countries (TCDC).\textsuperscript{39}

Efforts by the U.S. government to recommend technological assistance to Third World nations have been viewed as partially motivated by a desire to cool passions over the New World Information Order. One attorney in the U.S. Information Agency stated it bluntly, "\textquoteleft;it was a real quid pro quo policy; if you abandon the rhetoric, we will help you with communications development assistance."\textsuperscript{40}

Frank Shakespeare, who has served both in U.S. government and private industry, said that when the furor over the New World Information Order was heating up, the U.S. proposed helping developing countries improve the technology of their communication infrastructure. "I think probably we


\textsuperscript{36} Indeed, some nations, \textit{e.g.}, Mexico, Yugoslavia, Lebanon, and most of the African countries, are concerned that the Center not be merely a market-opening device but that it have adequate financial support to provide a viable function as envisioned by the Commission.

\textsuperscript{37} Spero, \textit{supra} note 32, at 37.

\textsuperscript{38} \textit{Id.} at 38.

\textsuperscript{39} GUNTER, \textit{supra} note 26, at 91.

\textsuperscript{40} Read, \textit{U.S. Government Involvement}, in II \textit{COMMUNICATIONS IN A CHANGING WORLD} 60 (1983).
did that as a distraction to encourage the Third World countries to think of the technical development of their communications structure and to put it in an ordinary phrase, get off the ideological kick. Any perception that U.S. activity in the new Center is an effort to "buy off" the Third World is likely to impede the usefulness of the Center.

Furthermore, the credibility of the U.S. government with the Third World in this area is already strained. When U.S. withdrawal from UNESCO was in the discussion stages, repeated promises were made that even if the U.S. withdrew from UNESCO, the U.S. government would provide aid for telecommunications development outside the UNESCO forum. The U.S. did, of course, withdraw from UNESCO, but no such funds have been made available.

There is no question that U.S. private sector involvement could greatly assist Third World countries to develop modern telecommunications facilities and services. Many industrialized nations are already helping to build communication infrastructures and train people in the Third World. Significant assistance has been allocated, both through U.S. bilateral aid and the International Programme for the Development of Communication (IPDC) by Canada, Denmark, the Federal Republic of Germany, France, Italy, the Netherlands, Norway, Sweden, and Switzerland.

As Roland Homet has noted, there are only two paths available to remedy the widely-held perception of inequitable distribution of communications capabilities: to cut back Western communicating capacity or to help others build theirs up. "If we do not do the latter, we will certainly suffer the former," Homet has warned, because nations which consider themselves "have nots" will surely erect barriers to the "haves" information mobility. The key to spurring development in the Third World lies in the private sector. The question is whether the marketplace is adequate for such involvement or if the proposed Center would enhance U.S. private enterprise. The structure, source of funding, staff, and overall policy orientation are therefore issues of concern.

42. Japan has already taken steps in support of the Commission's recommendations, including establishing training programs for students from developing countries, and supports the proposed Center. International Communications News (Apr. 26, 1985), at 1-3.
43. The U.S. has tended to prefer bilateral aid to multilateral to avoid bureaucratic politicization.
46. Id.
Among the immediate problems identified by the U.S. are the management of the Center and its degree of independence from the ITU. Secretary-General Butler maintains that the Center was intended to be and should be part of the ITU. Sir Donald Maitland has since stated that the Commission members were unanimous in envisioning the Center under the aegis of the ITU, but that a high degree of participation by the private sector was anticipated. The private sector “should have a decisive say in how the centre is run” because the Commission looked to it to provide funding and staff personnel. This is consistent with the position of the State Department and U.S. industry: that ITU involvement should be kept to a minimum to avoid politicization of the ITU.

The U.S. government’s position is that the ITU has performed its technical functions very well and that any new functions which could interfere with its current efficiency should be avoided. Should the proposed Center take on the task of disbursing funds for telecommunications development, for example, it is feared that this would lead to increased politicization of the ITU itself. The Center could dilute the ITU’s resources and distract it from those functions which no other organization can perform. The Center, therefore, must be sufficiently insulated from the traditional ITU functions to obtain U.S. support.

Another condition of U.S. governmental support is the support of U.S. industry. U.S. industry has voiced tentative approval and willingness to participate, at least in principle. Representatives of U.S. industry also voiced a willingness to make cash and in-kind contributions to the Center, if foreign businesses will also support it. According to industry, however, U.S. support should be provisional until the efficacy of the Center could be evaluated, perhaps at the 1989 ITU Plenipotentiary.

U.S. government and industry have not yet reached agreement on all points, however. There is a reluctance by industry for a governmental

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47. Sweden's position is that a strong ITU relationship is essential for the center to maintain impartiality and neutrality. The question, of course is which tendency would have the greater influence: would the ITU keep the center politically neutral, or would a politicized Center also politicize the ITU? The U.S. believes the latter would occur and the U.K. and Japan agree.


49. Id. The U.S. private sector also contributed to the financial support of the Maitland Commission through the U.S. Foundation for World Communications Development.

50. International Communications News, June 7, 1985, at 1, 4-5.

51. Dougan, D.L., Coordinator, U.S. International Communications and Information Policy, Comments Before the ITU Administrative Council (July 8, 1985) (on file with author) [hereinafter cited as Dougan Comments].

52. Id.

53. International Communications News June 7, 1985, at 1, 4-5.
representative to the Center's proposed Advisory Board\textsuperscript{54} if the government will not participate in the Center's funding. At present, the administration's budget allocates no funds for this purpose and there have been no indications that this will be altered. Any funding, therefore, will have to be appropriated by Congress where this issue has low visibility.\textsuperscript{55} It is also unclear whether contributions by the private sector will be contingent upon government funding.

B. Opportunities

As noted, the industrialized countries offer mature, competitive markets, often having high barriers to entry. The developing world offers a logical market into which U.S. and foreign industry seek to expand. The constraints of which U.S. industry complains in its attempts to compete in the developing world—lack of U.S. export credits or preferential financing, antiboycott laws, and the Foreign Corrupt Practices Act—could be mitigated with the planning input of disinterested professionals, focusing on quality, long-term goals and the availability of international financing sources. This input could negate the "sales pitch" of foreign competition based upon these factors.

If the proposed Center were to become a vehicle for those with highly political rhetoric and narrow economic goals, it could thwart market efficiencies. If it were to seek to substitute planning and subsidization for market forces would it promote less efficient and more wasteful uses of resources in the name of redistributive policies? The Maitland Commission Report's title, \textit{The Missing Link}, suggests a maldistribution of communications wealth. Would the Center see this as a mandate to promote the short-term gain of developing countries at the expense of the information "haves"? If so, American business, and the attorneys who serve it, would encounter a not-so-friendly welcome at the Center.

Attorneys can help to bring a sense of realism and bargaining to this arena. As in any new technological enterprise, three factors must appear simultaneously for success. First, the technology must be effective and cost-effective. Second, the marketplace must exhibit sufficient demand for the new technological service or goods. Third, the political and regulatory climate must be conducive to the new technology. Attorneys, as specialists, can evaluate the regulatory environment. In their role as generalists, attor-

\textsuperscript{54} The most logical U.S. private sector liaison to the Advisory Board is the U.S. Foundation for World Communications Development, a nonprofit organization founded to support the work of the Maitland Commission and its recommendations. \textit{See} \textit{Dougan Comments}, supra note 51.

\textsuperscript{55} As of the time of writing, none of the relevant congressional committees has addressed the issue nor have their chairmen taken positions. Unless lobbying were to raise the visibility of this issue, U.S. governmental contribution of funds is unlikely in the near future.
ney can relate the political climate to the technical and economic realities. In their role as negotiators, attorneys can help achieve decisions where the interests of all parties coincide.

Attorneys with professional expertise in the international business arena and the regulation of communications and information flows can play a vital role as facilitators. Technological expertise is necessary but insufficient because most problems stem from legal roadblocks overseas, not technical ones. Would the Center proposed in the Maitland Commission Report facilitate or hinder the surmounting of such roadblocks? Establishment of a center along the lines suggested by the Maitland Commission suggests that attorneys will not only confront legal hurdles but growing international challenges and opportunities. Indeed, the American Bar Association has adopted as one of its organizational goals the advancement of the rule of law in the world. The exploding growth in international communications represents a unique opportunity for lawyers to fulfill this goal on a functional level.

56. The related legal issue in international communications of free flow of information, discussed above, is one example. The U.S. information sector, although not totally void of constraints, is based upon the premise that information and communications should move freely across national boundaries. Converting this premise into an international consensus enforced by law will be a major challenge to which lawyers are uniquely suited. See, e.g., OECD, An Exploration of Legal Issues in Information and Communication Technologies (1983).

57. Goal Eight of the ABA provides that a major objective of the Association is to advance the rule of law in the world.