determine that activation of such channels would be economically inefficient. For this reason, a total of 400 new ETV stations has been used as a basis for this 10-year projection.

(b) The 10-year projection is based on construction of 40 new stastions per year with an average total capital investment of $540,000 for each new station. Of this amount, $470,000 is attributed to the cost of broadcast equipment alone for each station. The increasing sophistication of TV equipment, including color equipment, will undoubtedly increase basic costs over the next 10 years. This is offset, however, by the fact that it is estimated that approximately 50 percent of the new ETV stations activated during this period will be repeater stations requiring a considerably lower equipment investment than program producing stations. The following table sets forth total capital outlay requirements for 40 new ETV stations per year. It also reflects broadcast equipment replacement costs based on a 10-year depreciation schedule.

[In millions of dollars]

	Capital outlay—40 new ETV stations per year	Capital outlay—equipment replacement costs	Total capital outlay, 1966–75
1966	21.6	5.4	27.0
1967	21.6	7.2	28.8
1968	21.6	9.1	30.7
1969	21.6	11.0	32.6
1970	21.6	12.8	34.4
1971	21.6	14.8	36.4
1972	21.6	16.6	38.2
1973	21.6	18.5	40.1
1974	21.6	20.4	42.0
1975	21.6	22.3	43.9
Total	216.0	138.0	354.0

NOTE.—All estimates are based on 1965 dollar values.

(c) ETV stations provide a broadcast service to a much wider area than the cities wherein they are physically located. Of the 400 new ETV stations used as a basis for the 10-year projection, it is estimated that 200 would be program producing—transmitting stations, physically located near major population and education centers in the States. The remaining 200 ETV stations would be repeater stations retransmitting materials provided by program producing stations to more sparsely populated areas.

(d) It is estimated that capital outlays for 400 additional ETV stations and yearly broadcast equipment replacement costs would be expended as follows:

(1) State governments or State agencies, 50 percent.

(2) Cities, counties, towns, special districts, public authorities or other local public bodies, 33⅓ percent.

(3) Private, nonprofit organizations and cooperatives, 16⅔ percent.

(4) Proprietary or profitmaking organizations, none.

(5) Federal Government, none.