

1934 (47 U.S.C. 153) is amended by adding at the end thereof the following new paragraph:

"(hh) 'Pay television program' means any television program intended to be received by members of the public only upon the payment by such members of a charge, fee, or other form of direct compensation."

SEC. 2. Section 303 of the Communications Act of 1934 (47 U.S.C. 303) is amended by adding at the end thereof the following: "Nothing in this Act shall be held to empower the Commission to authorize any person to engage in the broadcasting of pay television programs."

Mr. MACDONALD. With that in mind we certainly welcome the Chairman of the Federal Communications Commission, our first witness of the morning, Chairman Rosel H. Hyde.

Will you please come before us, Mr. Chairman? It is very nice to see you again.

STATEMENT OF HON. ROSEL H. HYDE, CHAIRMAN, FEDERAL COMMUNICATIONS COMMISSION

Mr. HYDE. Good morning. It is a pleasure to be here.

As Chairman of the Federal Communications Commission I appear today in response to the committee's invitation to discuss the background and current status of the Commission's subscription television proceeding, docket No. 11279.

Beginning in 1952, petitions were filed with the Commission requesting authorization to initiate subscription television. In February 1955, the Commission instituted a rulemaking proceeding inviting comments on whether the Commission should authorize television stations to transmit programs paid for directly on a subscription basis and related questions of law, fact, and public interest considerations associated with such a proposal.

Copies of the notice instituting that proceeding and all other documents mentioned in my statement which reflect action taken by the Commission are available for inclusion in the record at appropriate points should you so desire. I will ask members of the staff to show the various documents to committee counsel.

Among those filing comments were the three television networks; the National Association of Broadcasters; the Joint Committee on Toll TV (a group of motion picture theater interests opposed to subscription television); Jerrold Electronics Corp.; Zenith Radio Corp. and Teco, Inc.; Skiatron Electronics & Television Corp. and Skiatron TV, Inc.; and International Telemeter Corp.

Comments were also filed by UHF and VHF stations, educational institutions, and various organizations. Over 25,000 members of the public submitted letters pro and con.

After reviewing the comments filed, the Commission issued a notice of further proceedings in which it stated "that the Commission has the statutory authority to authorize the use of television broadcast frequencies for subscription television operations if it finds that it would be in the public interest to do so."

The notice also pointed out that although the comments were useful, they did not provide an adequate record upon which a decision could be reached as to whether the proposal to authorize subscription television should be either granted or denied.