

The Commission found that trial operations would be indispensable in arriving at soundly based decisions and invited comments on a series of 11 questions designed to aid it in deciding the conditions under which trial operations should take place.

Appropriate congressional committees were kept fully apprised of all these developments. Congressman Harris, then chairman of the House Interstate and Foreign Commerce Committee, requested and we supplied him with a memorandum of law with respect to the Commission's jurisdiction to authorize subscription television operations.

In October 1957, the Commission issued its first report announcing the conditions under which it would consider applications for trial subscription television authorizations.

Among the conditions to be imposed on any trial operations authorized were:

- (1) Any system could be tested in up to three markets.
- (2) More than one system could be tried out in a single market.
- (3) Trials were limited to stations in cities with at least four commercial television services (including the applicant's station).
- (4) Trial authorizations were to be for 3 years with the possibility of renewal.

The first report also stated that, when sufficient data was available from the trials, the Commission would conduct a public hearing on such data and on the other outstanding issues. It indicated that because of the need for careful review of all aspects of the applications for trial operations, it would not be practicable to act on them before March 1958.

In January 1958, the House Interstate and Foreign Commerce Committee conducted 6 days of hearings on the subject. On February 6, 1958, that committee adopted a resolution expressing the sense of the committee that the FCC should not grant authorizations for subscription television operations as contemplated in the first report unless and until the Communications Act of 1934 is amended so as to specifically empower the Commission to grant such authorizations.

A number of bills were also introduced in both Houses of Congress which would restrict or prohibit authorization by the Commission of the broadcast of programs for which a direct charge is imposed on the viewers.

In these circumstances, and in order to give the Congress opportunity to act, the Commission announced in a second report of February 26, 1958, that action on applications for authorizations to conduct trial subscription television operations would be deferred until at least thirty days following the adjournment of the 85th Congress.

After further consultation with Chairman Harris, the Commission deferred the processing of such applications until the adjournment of the first session of the 86th Congress.

No congressional hearings were held on the bills then pending or on similar bills to prohibit subscription television which have been introduced in each Congress since 1958.

In a third report of March 23, 1959, the Commission made three changes in the conditions for trial operations: