"For purposes of nation-wide projection, the Commission in its Further Notice has estimated, on the basis of the Hartford trial, that a 10% nation-wide penetration of television homes would be a relatively optimistic figure in the foreseeable future. A 10% nation-wide penetration would amount to approximately 5.5 million subscribers. Five-and-a-half-million subscribers spending $65 each per year, of which $22.75 would be available for program procurement, would make available $125,125,000 for subscription programs. This amount is dwarfed by current network expenditures for programming. Thus, in 1965 (latest figures available), the network and their O&O's spent $686,752,000 and the total broadcast industry spent $953,251,000 on conventional programming. In short, with a 10% nation-wide penetration, subscription would have available for program procurement less than one-fourth of the amount spent by the networks and their O&O's and less than one-seventh of the amount spent by the entire television industry for programming in 1964. Stated otherwise, subscription would have to achieve approximately a 70% nation-wide penetration of television homes to have an amount available for program procurement which would even approximate the amount already being spent by the television industry for conventional programming. Thus, the fear that subscription could win in a bidding contest with conventional television is simply not realistic."

83. To the often made argument that STV would siphon from free TV the programs that have high ratings and make the public pay for them, Zenith and Teco say that the Hartford experience shows that even for box office programs the public is selective. Thus the cumulative audience rating for first subsequent run films was about 27% but for older films it was 18%. Therefore, they argue, it is unreasonable to assume that the public would pay to see the type of program now available on free TV, especially when programs of that type could be seen on some other station free. Even with the 40 top-rated programs on free TV during the Fall season of 1964, according to the Nielsen rating, an average of 76% of the viewers did not watch them.

84. To the contention that STV would siphon all major sports, they state that even with an STV penetration of 20% in the top 175 markets, at an average yearly subscriber program expenditure of $65, there would be $650 million in program revenues. Assuming that 35% of this amount would be available for program procurement, there would be $227,500,000 for all STV programming. Citing figures for relative amounts of spending by the public for movies, plays, sports, and other entertainment, assuming that these figures will apply to STV spending, and allocating a proportionate amount for program purchases accordingly, about $32,000,000 would be available for sports programs. This figure they point out is about 60% of the sum of approximately $50,000,000 that free TV spends for some, but not all, of the sports programs seen on conventional TV. This reflects the relative abilities of STV and free TV to acquire sports programming. They state that with the money available, the major contribution of STV to sports programming would be that of carrying heavyweight championship fights and blacked-out games.