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85. Finally, to the argument that STV would siphon all present network conventional programming from free TV, they state that there are just too many such programs to permit them to be absorbed by the public's recreational budget at a rate higher than sponsors will pay for their showing on free TV.

86. Other proponents of STV also present their positions in this area. Telemeter says that STV will not siphon but will show programs not now available to free TV. Teleglobe says that free TV is a giant and can't be hurt, its revenues having increased from 324 million dollars in 1952 to about 2 billion in 1965. With 10% penetration, STV revenues would only be about 500 million dollars a year. Jerrold says that phonograph records and tape recordings have not driven radio out of business or decreased quality of radio programming, nor have motion pictures become extinct because of TV. Actually, in Jerrold's view, pictures have improved because of the competition of television. Competition, it is said, should be assumed beneficial until a contrary showing is made and the government should not inhibit competition for the sake of preferring one kind of communications over another. Acorn says that if STV programming is good enough it is conceivable that free TV would try to siphon it away--a siphoning in reverse.

87. Comments of Opponents of STV. Concerning the matter of audience siphoning, the Joint Committee says that the trial gives no information because with an average of 5.5% of subscribers watching STV at any one time, only 267 persons (5.5% of 4,851) would be watching, and in a market with a net weekly circulation of 800,000 there would be little audience siphoning effect; and besides such an STV operation would not long survive. However, they argue, proponents foresee a 10% to a 50% penetration for STV. With such penetration in Hartford it would mean anywhere from 80,000 to 400,000 subscribers for that market. But if programming of a quantity and quality were available to attract that many subscribers, *i.e.*, to establish a successful STV operation, what would the average viewing time be? Hartford provides no information about that. The Joint Committee points out that the Liston-Clay fight attracted 82.6% of the subscribers. With 80,000 to 400,000 subscribers, they state, this would have had a disastrous impact on free TV on the night of the fight. AMST says that although Zenith and Teco allege that audience siphoning would amount to only $\frac{1}{2}$ of 1% of the audience available to free TV, by far the greatest part of STV programming would be shown at peak viewing hours and it would therefore have a critical impact at the very time that free TV generates its largest advertising revenues which sustain programming in less profitable periods of the day. Free TV relies on low cost-per-listener economics and would be vulnerable to audience losses. Moreover, AMST urges, the success of STV depends on its ability to penetrate the largest markets, as well as the smaller ones, and the destructive impact of STV through the larger markets would strike at the heart of free TV.