

-47-

authority to regulate rates and without even considering or deciding whether the Commission already possesses such authority. The Joint Committee also refers to the comments of ADA, a group that favors STV, which indicate that STV should be regulated as a common carrier.

134. Conclusions. In paragraphs 15-16 above, we indicated that we would first consider comments concerning the question of whether an STV service should be established, and that we would then turn to consideration of fifteen issues of importance in determining what the pattern of regulation of such a service should be. We mentioned that comments concerning the broad question of whether to establish the service fell into five categories. The first four have been fully treated above. As to the fifth--concerning modus operandi, monopoly and other matters--the immediately preceding paragraphs contain pertinent information and views thereon supplied by the parties. Since the topics in the fifth category are closely related to some of the fifteen issues, in the interest of efficient presentation we shall evaluate the information and views about them and state our conclusions thereon in the course of treating the fifteen issues to which we now turn our attention.

#### Fifteen Regulatory Issues

135. In the following paragraphs, the issues are stated verbatim as they appeared in the Further Notice, and are followed by a discussion thereof. Appendix C of the Further Notice contained the rules proposed by the Commission on which comments were invited together with comments on the fifteen issues. For the sake of convenient reference, that appendix is also attached hereto as Appendix C.

(1) Whether subscription television should be limited to communities receiving a minimum number of television signals, e.g., whether it should be limited to stations the principal communities of which are within the Grade A contours of at least four commercial television stations (including that of party proposing to broadcast subscription programming), or whether it should not be so limited but should, in communities not lying within four commercial Grade A contours, be restricted to a more limited scope, especially as to hours of operation, than those in four-service communities. (See limitation proposed in Section 73.643(d) of Appendix C.)

136. This issue may be divided into two parts: (1) whether STV should be limited to communities receiving a minimum number of TV signals, and (2) whether, if there is no such limitation, there should be a limitation as to hours of operation of STV stations. Our discussion here will be restricted to the former. The latter may more properly be dealt with under Issue (2) below which has to do with the general topic of hours of operation of STV stations. Both parts of the issue, of course, underscore our concern over possible reduction of free TV hours and services available to the public in communities where STV operates.

137. Some proponents of STV urge that the service be permitted to operate in any community, regardless of the number of TV signals which it receives. Telemeter, for example, states that STV has a potential for usefulness under varying situations in different sizes and types of markets.