

-49-

ABC adds, however, that the Commission should make it clear that STV is not intended to disrupt the existing structure of free TV, including network service, and that it should place STV proponents on notice that the fact that no restrictive rules are adopted does not mean that they might not be at some future date if found to be necessary to preserve that structure.

141. As opposed to the aforementioned views that there be no limitation in regard to the communities in which STV may operate, both proponents and opponents suggest the contrary. Thus, Acorn, a proponent, believes that STV should not deprive anyone of free TV that he now has, and therefore thinks it inadvisable to allow STV operations over existing stations in one-station communities. The more stations in a community, the less the effect of STV over one of them would be, Acorn states. On the other hand, it sees no reason arbitrarily to restrict STV only to the larger markets since in some cases it would appear that STV would not undermine free TV service. Wherever possible, Acorn deems it best to conduct STV operations over new stations, for this could only add to the TV service of a community.

142. Munn and Chase, also proponents, are of the view that STV should be limited to communities that have three Grade A commercial signals in addition to that of the STV stations, so that there will be three network services available. Of the same view is the Joint Committee which urges that, if STV is to be permitted, it should be limited to communities within the Grade A contours of at least four commercial TV stations, for this would be consistent with the goal of the Commission to promote parity among the networks. It was this policy which underlay the conditions of the Third Report, it is said, and the Hartford trial provides no basis for changing that policy. However, the Joint Committee would superimpose on such a rule the additional requirement that, if a market is one of the top 100, there be a hearing to determine whether it is in the public interest, and, specifically, consistent with the establishment and healthy maintenance of free TV service in the area, to permit STV therein--a requirement not unlike that used in CATV proposals to extend the signals of TV stations beyond their Grade B contours into one of the top 100 markets. The Joint Committee argues that such a requirement exists for CATV in spite of the voluminous information available about CATV which was prepared by Drs. Seiden and Fisher, the National Community Television Association, CBS, and AMST, so that a fortiori there should be such a hearing requirement for STV about which much less is known.

143. AMST, in discussing this as well as other issues, says that the very fact that the issues have been posed recognizes rather than cures the incompatibility of STV and free TV. With regard to this issue it argues that to restrict STV to the largest markets will not prevent the pre-empting of free time from free TV and that in such markets more people would be deprived of this time. McClendon expresses the view that STV should not be permitted over VHF stations in multiple-station markets having at least one UHF or one independent VHF station if those VHF stations broadcast one or more hours of network programming during prime time. This, it is suggested, would correct the economic imbalance between UHF and VHF stations.