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basis. If we were to hazard a guess, it would be that 10% to 20% would be optimistic for the near future. If this is correct, it would appear likely that the most interest in STV would be focused on the largest markets where the potential for more subscribers lies. Our rule, therefore, should not seriously impair the development of STV since it would permit it in those markets.

150. We do not adopt the suggestion that the point at issue be handled on an ad hoc basis. This would involve separate hearings, and the results, in our opinion, would not be commensurate with the cost, time, and effort expended thereon. A rule on this subject is clear and automatic in its application. It appears to be the better way to handle the matter.

151. Finally, we note the suggestion of the Joint Committee that hearings be held on applications requesting authorization to engage in STV operations in the top 100 markets. The Joint Committee maintains that the important factor common to both STV and to CATV proposing to extend television signals beyond the Grade B contours of stations to one of the top 100 markets is that of the introduction of programming not otherwise available to free TV in the market. The principal concern of the Commission in the CATV and the STV proceedings, it states, has been over the impact on free TV. Since hearings are required by rule in CATV for the top 100 markets, they should also be required when STV attempts to enter those markets. The point is lacking in merit.

152. In the Second Report and Order in Docket Nos. 14895, 15233, and 15971, we discussed in detail the reasons for the rule which requires hearings for the top 100 markets, 38/ and we shall not repeat that discussion here. Suffice it to say that STV and CATV involve different considerations--of which we shall mention only a few--that clearly indicate that the concern that led us to the conclusion that CATV hearings should be held does not exist here. Thus, (1) in the case of CATV systems entering the top 100 markets, we were concerned with the fact that CATV stands outside the program distribution process through which UHF stations have to obtain their programs. In the case of STV, there is no such element of unfairness since the STV operator would be in a program procurement position similar to that of the UHF free TV operator. (2) In the case of CATV, audience diversion from the UHF station could be large. In the case of STV, it would, as we have said, probably be small. In this connection, we note that CATV systems have multiple channels and thus a single CATV system is a source of multiple competition for local stations, whereas here we are permitting only one STV operation in a market. (3) STV can broadcast over a UHF station. If so, it is because the licensee thereof believes that it will help his station, not harm it. In fact, one of the principal arguments of proponents of STV is that it will aid UHF, not damage it. These few observations should make clear the reasons why we reject the Joint Committee's proposal.

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38/ 2 F.C.C. 2d 725, 769-784.