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on the subjects of modus operandi of the STV service, the methods to be employed, the role of participating broadcast station licensees, and the possible monopolistic features of STV. In paragraph 134 we stated that we would evaluate that material in our discussion of the issues, and this will be done in stating our conclusions below. Reference is also made to footnote 32 in which we indicated that such topics as whether interconnection of STV operations should be prevented or limited, and whether STV system manufacturers or franchise holders with franchises in more than one market should be allowed to engage in STV program procurement or supply, and similar problems related to siphoning, would be discussed under the issues. (The question of whether STV should be limited to carrying certain kinds of programming, also mentioned in footnote 32, is treated under Issue (14).)

187. Issue (6). In paragraph 59 of the First Report we stated:

"Opponents of subscription television have charged that the conduct of subscription television operations on the lines proposed in this proceeding would permit or foster monopolistic control of the medium. It is pointed out, for example, that a sole franchise holder in an individual community of a system employed exclusively in the local community for the encoding and decoding of subscription television programs might become the sole medium for the channeling of subscription programs into the community. This, it is argued, would enable the franchise holder, and through him the persons controlling patents on the equipment, to control the program availabilities, determine the terms of services to the subscribers and otherwise control the operation without competition from any other persons performing similar services locally. It is also argued that any system which by virtue of nation-wide standardization by the Commission, or otherwise, established a nation-wide network of local outlets, may gain monopolistic control over provision of subscription television service for the public in all the communities where that system was exclusively used for subscription television operations."

We then went on to say the following in paragraph 61:

"It is superfluous to say that the Commission favors competition in the conduct of subscription television operations. The conditions set out herein for trial operations have been carefully determined with that objective in view. A trial conducted under these conditions would, we believe, provide useful indication of the extent to which it is possible to create and maintain competition in all phases of subscription television operations: among program producers and distributors, among manufacturers and distributors of equipment, and among stations, to name several. Should a trial disclose that competition among several systems is not feasible, or that the need for standardization of equipment precludes it, there would be ample opportunity, after trial data are available, for deciding whether the