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193. Telemeter supports the proposal providing it is made clear that exclusive franchise agreements are permitted and that stations may enter into contracts whereby the franchise holder undertakes to broadcast a minimum of STV programs within specified time segments. ABC favors the proposal but states that the Commission should recognize that in order to offer special and unusual attractions some kind of network-type distribution structure may be necessary. Because of this, it states,

"The Commission should not foreclose subscription television operators from contractual arrangements necessary to provide a nationwide audience for programming. In the free television and radio areas, a reasonable accommodation between the concepts of licensee responsibility with respect to program selection and national program distribution has been realized, and a comparable relationship would appear appropriate for subscription television."

194. Issue (12). Comments on this issue vary. Teleglobe believes that it would be premature to adopt rules on this subject at this early stage. Telemeter, expressing the same thought, says that if multiple systems are permitted, there may be some cross-licensing and pooling of patents. Some system proponents may manufacture and others not. Therefore, until the pattern of the industry emerges, it would be impractical to attempt to be specific about patent licensing terms and conditions. Trigg-Vaughn believes that the proposed rule in Section 73.642(e) concerning licensee control is sufficient to protect against abuses, should any develop, that might be imposed on licensees and ultimately the public by manufacturers of equipment. Zenith and Teco are of a similar view. ABC, on the other hand, believes in having appropriate restrictions to guard against anti-competitive practices. If the Commission should adopt a single technical system and permit more than one STV operation in a community, it then urges that rules be adopted that would permit sharing of rights and that would limit exclusivity arrangements.

195. Conclusions. We have carefully weighed the foregoing material and have arrived at the conclusions in the following paragraphs. Because of the limited scope of the Hartford trial, we lack information about conceivable problems of monopoly with regard to STV. As we said in paragraph 187, this may be partly the result of the more limited conditions which the Third Report imposed for trial operations. For example, had one system been tried in three markets, as would have been permitted by the First Report, we might now have trial information about interconnection of systems and the purchase of programs from a broader financial base by a franchise holder in more than one community. This lack of information, and other considerations mentioned below, lead us to the conclusion that, at least until such time as the infant STV industry grows to the point where patterns of organization and problems are discernable, we shall not adopt rigid regulations in respect to matters related to Issue (6) and (12), and the kindred matter of interconnection of STV operations. Instead, we are adopting rules in respect to Issue (7) which are of such breadth that each application may be treated on the basis of its specific fact pattern as to topics therein relating to Issues (6), (12), and interconnection.