

-72-

of STV programs per day or segment thereof. We have, of course, abolished option time for free TV because we found it not essential to successful conduct of TV network operations, and a restraint contrary to public interest. For reasons stated in the preceding paragraph, it could be that in some cases it might be in the public interest to permit this type of arrangement in the early stages of STV. Therefore, we have also incorporated in the new Section 73.642(e) provisions to the effect that STV authorizations will not be granted to parties who have entered into such arrangements unless the Commission has approved them.

206. The rules which we adopt are broad enough to encompass not only equipment manufacturers, franchise holders, or others who may be engaged in program procurement and supply, but also any STV networks that may develop or other types of STV interconnections between communities. We do not foreclose STV interconnections or networks, but if arrangements related thereto restrict the freedom of choice of STV stations in procuring programs, the Commission must approve them or no STV authorization will be granted.

207. In periodic reports which we shall require those holding STV authorizations to submit, we shall obtain information in this area, and do not, of course, foreclose further rule making with regard to it.

208. Although, as stated in paragraph 288, we do not now decide what information will be required in applications for STV authorizations, we believe that the subject just discussed is of such importance that information on it will have to be contained in applications. For this reason, we are adopting a rule stating what material on the subject must appear in STV applications (see Section 73.642(g) of Appendix D).

209. Issue (12). As with Issue (6) we believe that we have insufficient information at present to know what, if any, regulations may be necessary. Much, if not all, of the issue is mooted by the new rules which we adopt. Thus, for example, restricting STV operations to one per community moots the question of whether stations should be permitted to enter into contracts giving them exclusive rights to use a system in a particular community. The adopting of rules permitting multiple systems greatly dilutes the other question posed in the issue.

210. As with other aspects of the new service, we shall keep the matters covered by this issue under surveillance and may from time to time require the submission of reports and other information to keep us abreast of developments, toward the end of having an informed basis on which to take any further regulatory action that may be required in the public interest.

(8) The nature of the technical rules that should be adopted.

211. Appendix C of the Further Notice contained a proposed Section 73.644 concerning equipment and technical operating requirements. That section indicated that STV equipment must be approved in advance by the Commission's established type approval and type acceptance procedures. It further stated