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to regular service, with postage added only by postal authorities." ABC states that whether equipment is sold or leased, regulations should be adopted to protect against early obsolescence, or cessation of service. Trigg-Vaughn believes that, at this point, to protect the public, it would be wise as an interim measure to have a rule requiring that equipment be leased instead of sold, but with provisions for waiver thereof.

232. Zenith and Teco believe that STV operators will rent rather than sell decoders because of practical business considerations. This is because the decoder contains the elements of secrecy of the system and the billing apparatus which the operator would want to keep under his control. They do not object to a rule requiring rental instead of sale, at least during the early years of STV, to protect the public.

233. They also point out that in paragraph 17 of the Further Notice the Commission, because of its doubts about the viability of STV, suggested that if nation-wide STV service were authorized, it might require a showing on the part of STV applicants that they have the capacity for sustained operation just as is the policy with applications for proposed free TV stations. ^{43/} Zenith and Teco believe that such a requirement, a showing by the applicant that it could continue operation for at least one year, would not be unreasonable. They stress, however, that this showing should be limited to the station applicant, and not extended to others such as the franchise holder. As an analogy, it states that if a free TV applicant proposed to use General Electric transmitting equipment it need not show the financial capabilities of that company. They admit, however, that if the franchise holder and the applicant for the station STV authorization are the same party, it might be appropriate to require a showing that the financial situation of the franchisee is such that it will not impair the ability of the station to be constructed and to operate for a specified period.

234. Conclusions. At this stage of development of STV service, it appears that the best way to protect the public against obsolescence of equipment or cessation of service is to adopt a rule requiring that equipment be leased and not sold to subscribers. We recognize that at some later stage it may better serve the public interest to permit sale or lease. Should STV flourish and become a regular part of the television scene, a continued leasing requirement could mean that subscribers would pay in continued rental fees more than it would cost to buy the decoding equipment. However, for the present it would appear that a rental requirement is more in the public interest. ^{44/}

^{43/} Ultravision Broadcasting Co., 1 F.C.C. 2d 544.

^{44/} In addition to protecting subscribers against obsolescence or cessation of service, requiring lease of decoders could conceivably stimulate the growth of STV since attempts to sell decoders might restrict the market for it.