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with the proceeding in which the CATV rules were adopted, some parties had expressed the fear that CATV might become a vehicle for STV or combined CATV-STV operations which would siphon programs from free TV and possibly result in a transition from free TV to STV. Because of this, we invited and received comments therein on the question of whether it would be feasible or desirable to have STV operations over CATV, whether any conditions might be necessary to protect the interest of the public in free TV, and, if so, what conditions might be appropriate.

297. The Further Notice herein stated that, in addition to comments filed in the instant proceeding on the subject of wire or cable STV, we would take notice of the above-mentioned comments (in Docket No. 15971) on the matter of the CATV-STV relationship. In addition to comments on the general topic of wire or cable STV, the Further Notice requested comments on problems that might be encountered by parties proposing to bring over-the-air STV to communities in which there were established CATV systems. These included such questions as whether (if the subscribers do not have antennas because their only reception is by CATV) it would be necessary to have built-in antennas in decoders attached to sets of subscribers; whether a single decoder attached to the antenna of the CATV system which delivered an unscrambled signal along the cable would suffice, and, if so, how collection of charges could be made; and whether the CATV rules on carriage of signals of local stations would apply to carriage of STV stations. Having considered all of the comments, we set forth below the principal material therein and then our conclusions.

Jurisdiction

298. As to the question of jurisdiction of the Commission over wire or cable STV, several parties, without giving detailed legal arguments on the subject, state their views. Thus, Telemeter says:

"Telemeter is aware, of course, of the Commission's assertion of jurisdiction over non-microwave served CATV's and of the pending legislation in Congress to support that jurisdiction. In the case of the closed-circuit subscription operation by wire, however, which involves no use of frequency space whatsoever, and in the case of the CATV system, which, itself, originates subscription television programs (as distinguished from the off-the-air pick-up or microwave-fed subscription programs), there should be no question that no federal regulatory authority exists."

299. CBS is of the opinion that the Commission does not have jurisdiction over cable STV. It states that although jurisdiction was asserted over CATV, "an all important element was the fact that television stations' signals were extended by CATV systems beyond the area or zone to be served by the originating station, a factor not involved here." (It goes on to say that even if the Commission had such jurisdiction it should not regulate