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cable STV because it does not involve scarce spectrum space.) On the other hand, Taft asserts, simply, that there is no jurisdictional problem with Commission action in this area because it has established such jurisdiction over all forms of CATV.

300. ABC expresses the following view:

"ABC believes that the Commission should apply the same standards to pay-TV by wire as it applies to pay television by 'broadcasting.' The logic of the Commission's assertion of jurisdiction in CATV would support jurisdiction over pay-TV by wire. Although the Commission would appear to have no power to authorize pay television by wire, it should, in ABC's view, apply whatever regulatory policies it determines to be appropriate to wire television to the extent found necessary to protect the 'public interest in the larger and more effective use of radio.'"

Finally, Trigg-Vaughn states:

"We think it premature to consider the question of the Commission's jurisdiction to regulate pay television systems conducted by wire. We believe that it is too early to tell how and in what way pay television by wire should be authorized. Experiments with off-the-air systems of pay television have been conducted and have produced meaningful operating data--the same cannot be said with respect to the relatively limited wire pay television systems."

How CATV Systems Can Pick Up Scrambled STV Signals

301. Concerning the specific questions raised in the Further Notice about how CATV systems might pick up signals of STV stations, we are informed by Zenith-Teco and Telemeter that it is technically feasible to attach a decoder at the CATV head-end that would unscramble signals of an STV station and transmit them to sets of subscribers. However, Zenith-Teco states that it is doubtful that any STV station would permit this since it would defeat the purpose of having single subscribers pay charges on a per-program basis, and Telemeter says that any flat rate arrangement with the CATV operator would be commercially impractical since program suppliers for box-office product prefer to participate in the gross receipts on the basis of percentage arrangements. Moreover, Telemeter states, such an arrangement implies a flat fee for CATV subscribers for STV service, and "the public has shown a reluctance to pay a flat fee for blocks of entertainment."

302. Both of these parties also indicate that it is technically possible to have CATV systems pick up scrambled signals, transmit them along the cables, and have them unscrambled by decoders attached to sets of STV subscribers just as if the signals had been picked up off the air. No built-in antennas would be necessary in the decoders.