

Application of CATV Rules on Carriage of Local Stations

303. Telemeter states that since STV stations will probably be required to broadcast conventional commercial programming part of the time, it seems logical that the CATV rules on carriage of local stations should apply. ACLU expresses the opinion that it would be consistent with the present CATV carriage rules requiring carriage of local conventional television stations to require CATV systems to carry STV programming of local STV stations, for otherwise millions of families might be deprived of free TV programming without having the right to subscribe to STV services that replaced them. On the other hand, the Joint Committee argues that at least until such time as the Commission is prepared to evaluate the significance of CATV generally with regard to free TV, it should prohibit CATV systems from carrying STV programs broadcast by STV stations; and it should also prevent STV stations from entering into arrangements whereby STV stations would use CATV systems as outlets for STV programming.

Will CATV Turn Into STV?

304. The principal arguments in the instant proceeding as well as in Docket No. 15971 on the matter of CATV-STV relationship revolve about the question of whether CATV might develop into an STV or a combined CATV-STV operation which would siphon programs from free TV. It is urged that revenues obtained from large CATV operations, in major cities, for example, would permit the CATV operators to outbid free TV for programs, and that a transition from free TV to STV might thereby occur. It is argued that this is not only unfair because CATV operations would be using free TV, which makes CATV possible, as a stepping stone to STV operations that will harm free TV, but that such undermining of free TV is contrary to the public interest. Various parties point to cases where there is already program origination by CATV systems and imply that this shows the direction that will be followed. STV would thus enter by the back door, using the financial base created and made possible by free TV. If it is to enter, it is said, it should enter by the front door after appropriate proceedings. Some suggest that the appropriate proceedings should include trial STV operations over CATV systems similar to the Hartford trial in order to develop information helpful to arriving at decisions on the subject. It is also urged that if importation of distant signals by CATVs is prohibited, the systems may well have to turn to program origination to survive. Still another argument is that if copy-right law is modified to require CATVs to pay fees for programs, the strength of the argument against program origination over CATV which derives its base from free TV is lessened.

305. On the other hand we are told that there can be no objection to program origination by CATV systems in areas where there is no television station; that in the few cases where there is presently program origination by CATVs it is programming of a public interest nature such as local news,