

106-

local sports, and the like; and that CATV alone or in combination with STV may well pose an economic threat to the present system of broadcasting, but that system is not central to the economic structure of this country, and what is central is whether or not the public is being served in the best possible way--CATV with multiple channel capacity can provide a wider diversity of programs to the public.

Conclusions

Carriage of Local STV Stations by CATVs.

306. As to views on jurisdiction (see paras. 298-300), it may be noted that Telemeter makes a three-fold distinction: (1) STV systems, like the now defunct system that operated in Los Angeles and San Francisco, in which the programs travel entirely by cable from studio to sets of subscribers, (2) CATV systems which, in addition to their traditional function of receiving and retransmitting conventional TV signals, also originate STV programs that travel by cable to sets of subscribers, and (3) CATV systems which, in addition to traditional functions, transmit over-the-air STV programs which they have picked up either off the air or by microwave. ^{53/} It denies jurisdiction in the first two categories and appears to concede it in the third. Although it is not clear, it seems that CBS limits its statement to the second category, but that it would, *a fortiori*, deny jurisdiction in the case of the first. Its position with regard to the third is not certain. Taft appears to suggest that we possess jurisdiction with regard to the second and third, and is silent on the first--a view similar to that of ABC.

307. We think it clear that we have jurisdiction in the third category. Appendix C of the aforementioned decision on CATV systems (*supra* note 51) sets forth in detail the basis on which we asserted our jurisdiction over such systems. We have concluded that STV is broadcasting and a beneficial supplement to present free TV, and have taken measures to assure its effective integration into the total TV system. If necessary to protect our television assignment plan and policies, it is entitled to the same protection as conventional television, and for the same reasons stated in the aforementioned Appendix C. However, since STV is different from ordinary broadcasting in that it involves the scrambling and unscrambling of signals, and since we anticipate that it generally will not broadcast programs normally available on free TV, different considerations apply.

308. To the extent that, under our new rules, STV stations will be required to broadcast at least the minimum number of hours of free TV programs required by Section 73.651 of our rules, such stations are conventional stations and, for their non-subscription programming, are entitled to the protection of our CATV rules, including the carriage and non-duplication provisions. As to the STV programming, we are informed that a decoder attached

^{53/} To the best of the Commission's information, there are presently no STV operations in the United States in any of these three categories. There is, of course, some program origination by CATV systems, but as far as the Commission knows these programs are available to CATV subscribers at no additional charge.