6. To interest new subscribers RKO, from time to time, did extensive advertising, used door-to-door specialty salesmen, made offers of free decoder rentals, gave program discounts and used other promotions. During the first two years, RKO was able to obtain only a limited number of first subsequent run (neighborhood release) motion pictures and practically no first run (downtown release) movies. Most of the movies during this period were over six months old. In the third year, subsequent first run movies were available in greater number.

7. The turnover rate (the number of subscriber homes disconnected as a percent of the average number of subscriber homes) was 27% the first year, 36% the second year and 34% the third year. Turnover results from such factors as subscribers moving from the community, insufficient use to justify expenditure for decoder rental and credit delinquencies.

8. The following table summarizes the income and expense statements of the Hartford trial operation:

	($000)			
	First Year	Second Year	Third Year	Total 3 Years
Net Income - Totals	134	320	436	890
Installation	30	36	20	86
Decoder Rental	30	92	154	276
Program	74	192	262	528
Expenses - Total	1,487	1,687	1,254	4,428
Program Product	31	75	110	216
Other Program expenses	17	68	66	151
Time Charges paid to WHCT 3/	698	799	482	1,979
Technical	157	146	106	409
Sales, Advertising and Promotion	74	112	60	246
Depreciation 4/	375 5/	308	289	972
Other General and Administrative	135	179	141	455
Operating Loss	(1,353)	(1,367)	(818)	(3,538)

3/ Station was paid $300 per hour. Zenith-Teco comments suggest that payment of $400,000 per year would normally be made to station in market of this size. If such $400,000 were paid in this case, 3 year loss would be $2,759,000 instead of $3,538,000.

4/ Decoders cost $125.00 each and, for the test were completely depreciated during the three-year period.

5/ For this year cost of decoders purchased was reported rather than depreciation.