

APPENDIX C

1. It is proposed that the following new sections be added to Part 73 of Commission Rules and Regulations:

OVER-THE-AIR SUBSCRIPTION TELEVISION OPERATIONS

§73.641 Definitions

(a) Subscription Television. A system whereby subscription television broadcast programs are transmitted and received.

(b) Subscription television broadcast program. A television broadcast program intended to be received in intelligible form by members of the public only for a fee or charge.

§73.642 Licensing Policies.

(a) Subscription television service may be provided only upon specific authorization therefor by the Commission. Such authorization will be issued only to:

- (1) The licensee of a television broadcast station;
- (2) The holder of a construction permit for a new television broadcast station; or
- (3) An applicant for a construction permit for a new television broadcast station.

(b) Application for such authorizations shall be made in the manner and form prescribed by the Commission. If the Commission, upon consideration of such application finds that the public interest, convenience and necessity would be served by the granting thereof, it will grant such application. In the event it is unable to make such a finding, the Commission will then formally designate the application for subscription television authorization for hearing and proceed pursuant to the provisions of Section 309(e) of the Communications Act and the Commission's Rules and Regulations applicable thereto. The Commission may impose such conditions upon the grant as may be appropriate.

(c) Holders of subscription television authorizations shall complete construction of subscription television transmitting facilities within a period of eight months after issuance of the authorization unless otherwise determined by the Commission upon proper showing in any particular case.

(d) A subscription television authorization will not be issued or renewed for a period longer than the regular license period of the applicant's television broadcast authorization.

(e) No subscription television authorization shall be granted to a television broadcast station licensee or permittee, or to an applicant for a construction permit for such a station, having any contract, arrangement or understanding, express or implied, which: