

2-year period, then to all intents and purposes they can refuse to be shown on commercial TV and can only be seen on pay TV.

Is that right?

Mr. HYDE. For 2 years that would seem to be the result, yes.

Mr. MACDONALD. No, the 2-year period is just the period they play out their option.

Mr. HYDE. That is right.

Mr. MACDONALD. They penalize themselves for losing commercial revenue for 2 years. But then they go completely pay TV, is that right?

Mr. HYDE. Yes.

Mr. MACDONALD. In other words, it is conceivable that if all the major league teams and baseball and football decide to play out their option, there would be no sports on TV commercial, so-called free TV, at all after a period of 2 years.

Is that correct?

Mr. HYDE. May I say this point has been made in the discussion before us and we will have to examine that.

I think we are getting into the issues of the hearing before us and you will excuse me if I say that we have to study that.

Mr. MACDONALD. Thank you very much.

Mr. Kornegay.

Mr. KORNEGAY. Thank you, Mr. Chairman.

Mr. Chairman, it is nice to see you here this morning.

Pursuing the question of jurisdiction raised by the subcommittee chairman, I want to build as much a record on this point as I can.

As I gather from what you said to the chairman, Mr. Chairman, there is no question in your mind or the mind of the Commission about the fact that the present law gives you the authority to authorize the establishment of subscription television throughout the country?

Mr. HYDE. The Commission does take the position that it has the authority and it has the responsibility to act upon the various petitions that have been addressed to the Commission.

Mr. KORNEGAY. How do you reconcile that position with the legislative history or with the history of events relating to this matter that are enumerated and well set forth in this statement?

It was in 1958 when the House Committee on Interstate and Foreign Commerce, February 6, adopted a resolution expressing the sense of the committee that FCC should not grant authorizations for subscription television operations contemplated in the first report unless and until the Communications Act of 1934 is amended so as to specifically empower the Commission to grant such authorization.

I was not here at that time but I gather from your statement that this resolution passed by this committee expressing the sense of the committee and was not in fact passed by the Congress.

Is that right?

Mr. HYDE. Congressman Kornegay, that would be correct.

I do not want to indicate by this any lack of respect for the views of the committee at all. The committee did authorize the experiment.

Mr. KORNEGAY. I am not raising the point to put you on the spot. I just want to get in the record as to where we are. I don't know.

Mr. HYDE. As a matter of law I would assert that the resolution of the committee did not amend or modify the statutory responsibility already vested in the Commission.