

statutory power to authorize subscription television operations and, if so, whether such operations would be in the public interest (20 F.R. at 989). By a Notice of Further Proceedings of May 23, 1957, the Commission requested further comments on the conditions under which it might be desirable to authorize subscription television on a trial basis (22 F.R. 3758).

Thereafter, in its First Report on Subscription Television (23 F.C.C. 531), issued October 17, 1957, the Commission determined, after a review of the pertinent statutory provisions and their legislative history, that it had statutory authority to authorize subscription television (*id.* at 535-540). It stated, however, that in the absence of a demonstration of the service in operation, it could not determine whether authorization of a subscription system on a permanent basis would be in the public interest (*id.* at 542-543). It concluded that a trial of subscription television under conditions established in advance by the Commission would serve the public interest by enabling the public to register its judgment and by providing operational data on competitive impact, technical standards and the possible need for new legislation to support additional administrative supervision (*id.* at 555-556). The Commission then prescribed the conditions under which applications for trial subscription television operations would be considered (*id.* at 546-555).

On February 26, 1958, the Commission issued a Second Report on Subscription Television, 16 Pike & Fischer, Radio Regulation 1539, announcing that it would not process applications for trial authoriza-