

ing 40 hours of the station's 70-hour broadcast week (J.A. 5).^{*} The so-called "Phonevision" system proposed by RKO involves the use of an encoder which "scrambles" (renders unintelligible) the video and audio signals of a standard television transmitter and a decoder, placed on the receiver of a subscriber, which restores intelligibility (30 F.C.C. 302-303). The subscriber will be required to pay an installation charge estimated at between \$7.50 and \$10; a rental charge, not to exceed 75 cents a week, to cover repairs and maintenance service; and a per program charge of from 25 cents to \$3.50, with most programs expected to fall within the price range of 75 cents to \$1.50 (*id.* at 304). The operation is to be financed solely by these charges; there is to be no commercial advertising (*id.* at 308). RKO's programming plans consist mainly of "box-office attractions" (i.e., programming for which the public would ordinarily pay an admission charge), including first-run motion pictures, legitimate theatre, opera, ballet, concerts, educational features, art and children's films and sports features (*id.* at 307-308).

Following a public hearing before the Commission *en banc*, in which petitioners participated as parties in interest, the Commission, in a Report and Decision issued February 23, 1961, found that a grant of the RKO application for a trial subscription television operation would be in the public interest (*id.* at 301, 321). The Commission concluded that the proposed

^{*} The citation is to the joint appendix filed by the parties in the court of appeals which is presently on file with the Clerk of this Court.