

In the first two years of operations, the number of subscriber homes steadily increased as indicated below:

<i>Date</i>	<i>No. of Subscribers</i>
End of 26th week	1,729
End of 52nd week	2,743
End of 78th week	3,622
End of 104th week	4,784

At the close of the second year of trial operations, RKO decided to limit the number of subscribers to 5,000 for the remaining third year of the trial authorized by the Commission because business prudence and fairness to the subscribers did not warrant further substantial expansion without some assurance that the Commission would authorize the trial beyond the third year.

Thus, after more than twelve years of Commission proceedings, field tests and trials of subscription television, the time has come to give subscription television the opportunity to go into the market place on a nation-wide basis.

III. ISSUES PRESENTED

The Commission, in its First and Third Reports, outlined the central issues concerning whether subscription television should be authorized on a nation-wide basis, upon which it was reserving decision pending the trials as follows:

A. *Jurisdictional Issue*³

Whether subscription television should be classified as broadcasting under Section 3(o) of the Communications Act or whether it should be given some other classification pending receipt of additional information which would be produced by subscription trials.

B. *Public Interest Issues*

1. Whether subscription television would provide a beneficial supplement to the program choices now available to the public.

2. Whether subscription television would result in an increase of resources which would facilitate significant increases

³ The Commission has already concluded that it has the statutory authority to authorize subscription television operations if it finds such operations to be in the public interest.