

acquire sporting events at prices higher than conventional television can now pay, if we assume that the public will still desire to spend some part of its subscription recreational budget on such box-office attractions as current motion pictures, Broadway plays, operas, etc. Since the public for some years has been spending approximately 86% of its spectator event recreational dollar on current motion pictures, Broadway plays, operas, etc. and only 14% on spectator sports, it is reasonable to assume that sports will never dominate the program fare of subscription either in terms of quantity of product or in terms of revenue received.

The economic fallacy that subscription television could or would convert all present network conventional entertainment programs into subscription programs is even more pronounced. There are just too many programs of the conventional entertainment type available to permit economic absorption by the public's subscription recreational budget at a rate higher than sponsors will pay.

In the final analysis, it would not only be contrary to our national policy which encourages competition, but also impossible as a practical matter for the Commission to erect a fence around conventional television which would protect it from all competition for talent or for audience. When people now go to the theater, concert hall or sports arena to see events which are not available on conventional television, they have been diverted from television viewing during the time that they see these box-office events. The motion picture industry, the theater industry, and the record business now compete with television for talent. This competition will continue whether or not subscription television exists. In addition, closed circuit theater television, in competition with conventional television, has taken over many types of programming, such as championship boxing matches, the Indianapolis Speedway races, and the home games of some of the teams in the professional football leagues. Finally, despite wired subscription television's misadventures in California, other such projects are reported to be well beyond the planning stage.

The Commission is in no position to protect conventional television from these sources of competition which, in the long run, may be far more devastating in their competitive effect upon conventional television than would broadcast subscription television, which can be integrated into and made a part of our national television broadcast system, and operated under the public interest standard of the Communications Act. Certainly, it is an exaggeration of advocacy for