

to provide for the installation, servicing and maintenance of subscriber decoders; to provide programming decoding information to the public; and to collect and disburse box-office revenue. (2) A television station licensee over whose facilities the subscription programs are transmitted. (3) Program sources which supply subscription programs directly to broadcasters.

During the Hartford trial, RKO General, Inc. performed the functions of a local franchise holder, and its subsidiary, RKO Phonevision Company, the licensee of WHCT, Hartford, performed the functions of a television station over whose facilities the subscription programs were transmitted. As the subscription franchise holder, RKO could have provided the same services as it provided to WHCT to other stations in Hartford if any had been authorized to carry subscription programs. As a matter of business convenience, RKO General, as franchise holder, paid its subsidiary, RKO Phonevision Company, at card time rates for the time devoted by WHCT to subscription programming. This, as shown below, is one of the various business methods which might be followed in allocating revenues between the subscription franchise holder and television stations.

Subscription programs were obtained from a wide variety of sources, including motion picture producers and distributors, sports promoters, producers of Broadway plays, etc. In short, RKO went out into the program market place and acquired box-office attractions by private negotiations with the various owners of such attractions. Subscription programs were obtained by WHCT in a manner comparable to the methods now followed by conventional television stations in obtaining program product from the networks, program syndicators, etc.

A nation-wide subscription system could be operated within the framework of the modus operandi followed in Hartford. The three basic subscription functions described have universal application. One possible qualification might be noted—in Hartford, RKO and its subsidiary, RKO Phonevision, served the dual role of franchise holder and television station licensee. While there is no apparent business or public interest policy reason why a television station should not participate in ownership of a franchise subscription system, there undoubtedly will be a number of markets where there will be little or no ownership relationship between the subscription television station and the franchise system. One apparent reason for this may be that the capital investment required for the operation of a subscription fran-