

During the Hartford trial, it became apparent that, depending upon the particular circumstance, any one of the above methods of allocating program receipts among the television station, the program suppliers and the subscription franchise operator might be effectively used as a sound business basis for private negotiations. It is not unlikely, therefore, that all three of the above variations may be used in combination in the future.

D. The Hartford Trial Has Established That There Are No Inherent Monopolistic Features Arising From Subscription Operations.

The degree of competition between television stations in a given market in supplying subscription television service to the public will, of course, be under the regulatory control of the Commission. From a technical viewpoint, any Phonevision franchise system operating in a community may be used by either UHF or VHF stations and is completely compatible and can be used with the NTSC color system as well as black and white. The Phonevision system can serve more than one station. The subscriber will require only one Phonevision decoder to receive VHF, UHF, color or monochrome programs from one or more stations. Thus, any television broadcast licensee authorized by the Commission to carry subscription programs can be serviced by a franchise holder using Phonevision subscription equipment.

Zenith is not herein requesting that the Commission adopt technical standards for subscription television which would limit subscription operations, on a nation-wide basis, to the use of the Zenith Phonevision system. We believe that, under the policy of the Communications Act which encourages competition, the Commission should adopt general technical standards for subscription television, such as those adopted in its Third Report, and that any system which meets such general standards should be permitted to operate. If there is more than one system which can meet these standards, Zenith has no objection to taking its chances in free and open competition with other systems either nationwide or even in the same market. It is perhaps unlikely, as a practical matter, that there will be any inclination or desire on the part of more than one wireless subscription system to operate in the same market. However, there is a probability that wired and wireless systems might compete in in the same community.

There are, of course, already in existence many distributors and producers of program product of all kinds and types which may be