appropriately used by subscription television. Thus, the 599 different subscription programs shown during the first two years of the Hartford trial were obtained from over 50 different program producers and distributors of motion picture features, sports events, dramatic plays, etc. Because of the legal and business considerations involved, Zenith and Teco are effectively precluded from entering into any arrangement or tie-in with a local franchise holder giving any program supplier exclusive use of Phonevision facilities. Zenith itself, of course, does not contemplate that it will engage in the distribution or production of programs for release on subscription television.

During the Hartford trial, there was no centralized distribution control over the programs selected by RKO for subscription broadcast. RKO has been free to negotiate with any distributor of any kind of program which is of box-office quality. Contrary to the wild and speculative charges made in some 1955 comments filed in this proceeding and during the *Hartford Phonevision* case, *supra*, neither Zenith nor Teco, Inc.[44] has exercised any control over the distribution or selection of programs utilized during the Hartford trial. RKO assumed and maintained sole responsibility during the trial for selecting all subscription program material, including responsibility for choosing among program sources, rejecting programs, negotiating the terms of acquisition, and determining the number of program showings and the amount of program charges. Neither Teco nor Zenith had any responsibility in the foregoing respects, although both assisted in negotiating some of the arrangements with film distributors and other program suppliers when such assistance was requested by RKO.

Most programs broadcast during the Hartford trial (90%) were obtained from program suppliers upon a basis whereby RKO agreed to pay a fixed percentage of subscriber receipts from all viewers of the particular program. A small percentage of subscription programs, such as Broadway plays and special variety acts, required cash financing, which RKO requested Teco to provide from time to time and

[44] Teco, Inc. will serve a twofold function. First, it will be primarily responsible for the promotion of the use of Phonevision equipment in various communities and the granting of local franchises to interested and responsible parties. Second, Teco may assist in obtaining appropriate high-quality program product necessary for subscription operations. However, the program activities of Teco will not be tied in with its arrangement with the local franchise holder or the latter's arrangements with local broadcasting stations in any manner which would give Teco an exclusive position against any other owner or distributor of subscription television programs.