

television broadcast licensees, regardless of whether there is one franchise system or several operating in the community. It must also be recognized that there is a possibility that wired subscription systems and over-the-air subscription systems may operate in the same community.

3. Whether Nationwide Subscription Television Should Be Limited to Multi-Station Markets (four or more stations) or Whether It Should Be Permitted in All Markets, Including Single-Station Markets.

The underlying policy of Section 307(b) of the Communications Act, which requires the Commission to make a fair, efficient and equitable distribution of broadcast service among the several "communities," would appear to dictate that subscription television be made available in all markets. In short, if there is a demand for subscription service, the public in all markets is entitled to its benefits if someone is willing to supply it.

Subscription television itself has the potential of generating the construction of many new stations. To the extent that it achieves this, it should not matter whether the new station is the first station in the market or the second, third or fourth. As previously discussed in these comments, there is a strong probability that present stations in two-or-three-station markets would not carry any significant amount of subscription television programs at the outset because this would conflict with their present highly profitable network commitments. Thus, subscription television will have to support the creation of new UHF stations in such markets at the outset if it is to have adequate outlets.

In our opinion, issues involving whether subscription television should be permitted in markets with varying numbers of stations can best be handled on an *ad hoc* basis. For example, if subscription television could lead to the construction of a first television station in a community, it is difficult to conceive of any public interest consideration which would justify a restraint on the creation of such a new station.

4. Whether Subscription Television Should Be Confined to a Single Station in any Individual Community or Whether More Than One Station Should Be Authorized to Carry Programs.

The policy of competition sponsored by the Communications Act and the Commission's policy of encouraging competitive multiple television service should, in logic, extend to subscription programs as well