

budget. These restrictions apply equally whether the programs are carried by one or more than one station. Another practical limitation on the time which can be devoted to subscription television in any community arises from the improbability that network affiliates will desert their present and profitable network programming in order to carry any appreciable amount of subscription programming.

6. Whether Subscription Television Should Be Limited To Only UHF Stations.

While we have no doubt that UHF stations will be the greatest beneficiaries of expanded subscription television operations, we believe that subscription television should be made available to both UHF and VHF without discrimination. There is a possibility that if this is not done, some markets might be deprived of the benefits of subscription television. There are only thirteen communities out of the top 100 markets, as listed in Exhibit 4, which have more than three VHF channels allocated and/or in operation.⁴⁵ In the remaining 87 of the top 100 markets having three or less VHF channels available, the stations operating therein are all affiliated with one of the three networks. For reasons previously discussed, it is highly unlikely that any of the existing VHF stations operating in these 87 markets would be willing to surrender their profitable network affiliations in order to carry any significant amount of subscription programming. Indeed, many of the so-called non-network stations operating in the above-mentioned thirteen markets are presently operating profitably and as a result may not desire to carry any significant amount of subscription programming.

On the other hand, 95 of the top 100 television markets have, in the aggregate, 228 UHF frequencies available. This pool of 228 UHF frequencies represents the principal source of possible future station outlets for subscription television. It is also noteworthy that if any VHF channel in a market with three or less VHF channels should decide to give up its profitable network affiliation in order to carry subscription programs, such profitable network affiliation would become immediately available to some new UHF station, since, as we

⁴⁵ New York City; Los Angeles, California; Chicago, Illinois; San Francisco-Oakland, California; Washington, D.C.; St. Louis, Missouri; Minneapolis-St. Paul, Minnesota; Indianapolis-Bloomington, Indiana; Miami, Florida; Seattle-Tacoma, Washington; Lincoln-Kearney-Hastings-North Platte, Nebraska; Portland, Oregon; Denver, Colorado.