

In its proposed Fourth Order and Report the Commission has laid down a great many restrictions which are designed to meet the objections which the theatre owners and the networks have raised. The FCC is proposing them to insure that the service will not be authorized except under conditions where there will be at all times a substantial number of free television facilities available to the prospective customer.

Under the rules of the game, as the Commission has laid them down, we must find programs which are so attractive to our viewers that they will be willing to pay cash money to see them in competition with four other stations in the market.

Subscription TV—Hartford has shown—starts off right away with a handicap of having to sell a product in competition with what the three networks "give" away. (Right here I would like to say parenthetically that I always wince when I hear the present medium described as "free" television since we are asked to pay \$1,000 per second—as much as \$70,000—for a one-minute commercial.)

Under the proposed rules, sporting events which have been on advertiser-sponsored TV in the preceding two years are denied to subscription TV. We cannot compete for the reruns of old movies that make up such a major part of advertising sponsored TV programs—films that have been out of theatrical release for more than two years. (An exception is made for a limited number of more than two-year-old features which are held out for later theatrical release and not available to "free" TV.)

There are a number of other rules all designed to make sure that we do not pre-empt the programming and talent sources that make up the existing system—even if this were economically sound or legally possible, which it is not. I have no doubt that if these rules are not wholly effective in accomplishing this purpose, the FCC and the Congress will do whatever else may be necessary to insure that subscription television operates in the public interest as a *valuable supplement* to conventional TV.

We recognize that the Commission and the Congress have duties and responsibilities to see to it that television reaches its full potential in a sound way; that no one company or group of private interests should be permitted to follow a course of action that would deprive the public of the best possible service.

We accept the burden that subscription television must provide a popular and useful service, as a supplement to our existing broadcasting. We are certainly anticipating that in the event the Commission issues its proposed order and the service becomes a reality, there will be many occasions for scrutiny by the FCC or the Congress of its practices, the service it renders the public, and its impact on other areas of the medium.

We do not subscribe to the rather arrogant suggestion of the movie theatre opponents of this service that the Congress and the FCC, with their broad powers to regulate broadcasting, are going to sit idly by and watch subscription TV develop in such a way that it will wreck the structure of the existing advertising-sponsored system. Nor do we subscribe to the equally arrogant suggestion that the public cannot be trusted to know what it wants; that somehow Americans must be insulated against having anything to say about this new service, or even to have a chance to see how it works on a national basis.

We cannot emphasize strongly enough that our interest in subscription television is in providing a *supplemental* service which will *add to* and not detract from the existing system.

I am not one of those people in our industry who is constantly harping about the bad job commercial TV is doing. I think television has done remarkably well in bringing entertainment, news and other features to the home; but there are certain obvious limitations to the existing economic support of advertiser-sponsored television which frustrate the maximum potential of the medium, and particularly the development of a viable and vigorous UHF system. We believe subscription TV can overcome these limitations, and can provide programs and revenue sources for many marginal television stations which are now struggling to stay on the air.

We are not asking for any protection or subsidy in this venture—all we are really asking for is the opportunity to compete against all three of the television networks and all of the theatres and all other places that sell box office entertainment—and to do this while bound by the most restrictive rules that have ever been imposed on any new, legitimate business in the United States.

I wonder if those who express fears about subscription TV's impact on the present system really believe that General Sarnoff and William Paley and Leonard Goldenson are going to sit by and let subscription television take away