

a major part of their viewing audience. These gentlemen have not built their empires by encouraging competitive newcomers—and we have the lumps to prove it. They will undoubtedly use all the talent and ingenuity at their command to make the network programming supported by advertising commercials so attractive and so worthwhile that the number of people watching subscription television will be kept to a minimum.

If our competition makes them better, how can the public lose? I suspect that the real thrust of the network opposition is that this new service might make it possible for independent stations to prosper without having to depend on a network affiliation for survival.

Subscription television, even under the proposed rules, can put many now vacant TV channels on the air, lighting up new transmitter towers and adding service to the public where now there are only dots on an allocation map. The fact is that over 600 commercial TV channels are now unlighted, or about half of those allocated.

Most of these idle channels are in the ultra high frequency band where now 15 years after the allocations were made and more than 3 years after the all-channel law to require manufacturers to put UHF on sets as standard equipment, only 130 commercial UHF stations are operating; about half of them at a loss. More than 100 UHF stations have gone off the air for lack of programs and revenue. By utilizing only part of each day for box office programming, new stations on unused channels made possible by STV can provide local programming during the rest of the broadcast day without charge—locally sponsored commercial shows, public service features, news and discussion of local issues.

Despite the tough competition it will encounter from the networks, subscription TV can help make our TV service more truly local by programming for local needs and in the process encourage along with greater diversity in programming, greater diversity of ownership and control of this dynamic medium.

In short, subscription TV has the potential ability to do two very worthwhile and useful things: (1) It can add—as a *supplement*—a new dimension of current box office programming which is not otherwise available to television. (2) In providing this new source of programs and revenue, it can help accomplish the objectives of our national policy formulated by Congress and the FCC, by supporting the widest number of local television stations. This can only be done if we conduct ourselves within the letter and the spirit of the Commission's rules and of the Communications Act; and, more importantly, *only* if we provide a distinctive new service which the public wants and is willing to support.

While the principal benefits to the public of a subscription system would be to increase the number and kind of TV services—box office programs and additional TV stations—this service has another other important benefit that is closely related.

The Hartford experience has shown that subscription TV brings the enjoyment of top box office entertainment to middle and lower income families. This segment of the population that earns less than \$10,000 annually, comprises about 70 per cent of all U.S. families.

In Hartford, 84 per cent of subscribing families have annual incomes of less than \$10,000, and nearly half earn \$7,000 or less; only 14 per cent are in the over \$10,000 per year category, which makes up about 30 per cent of all American families.

But these statistical comparisons don't really tell the whole story, because it is a family story. The real appeal to families can be best illustrated by the experience of one of our subscribers in Hartford with an annual income falling at the lower end of these statistics.

This family has 15 children, varying in age from 2 to 17 years. The father and mother work hard to provide a good home and a wholesome family life for their children. But as all of us as parents want to do, they want to give their children the things that others enjoy. And one of the things that kids love to do is to go to the movies on Saturday afternoons with their friends.

A Saturday afternoon of fun at the movies, transportation, parking, refreshments, etc., could run up a tab of up to \$10. A family like this one couldn't afford a movie treat but once in a blue moon.

But Channel 18's Saturday Matinees on subscription TV, at 50 cents to a dollar for the whole family—and as many young friends as can crowd around the set—makes this treat possible frequently—at real savings. More than that, it brings a kind of recreation and social life to the family that they could not have if there were no subscription service.