

them are marginal and losing money. I doubt that if we don't have subscription that many of those 122 will be able to survive.

Mr. BROWN. One other point.

I realize I am a little over my time but if there are four stations now on the air and a fifth station comes on and is an STV station, to what extent will he be competing for the advertising dollar in that viewing area? He won't be competing in prime time apparently for the advertising dollar.

Mr. WRIGHT. No. He has to have a minimum of 28 hours a week that he puts on regular commercials and he will be competing then. Our experience in Hartford indicates that the subscription audience is a very small part of the total TV viewing time in that market and that it does not really take away a large chunk of the viewing time from the existing services.

Mr. BROWN. Thank you.

Mr. MACDONALD. Mr. Ottinger.

Mr. OTTINGER. Thank you, Mr. Chairman.

I am relatively sympathetic to the idea of permitting the pay TV system to go ahead and I think it is something that is going to come in the future and it has very exciting possibilities. However, I do have some reservations and feel there must be some controls to prevent abuses.

Along with our chairman I am a real sports enthusiast. I share some of his concern about some of the practices that might take place whereby subscription TV might preempt sporting events.

I don't buy for a minute your assertions of purity of heart with respect to preempting sporting events. I thought they were pretty shallow particularly in view of the fact of your association with RKO that in point of fact has been buying up sports events, particularly boxing championship fights, and excluding general television coverage of those events and putting them in effect on what is the existing pay TV system, in RKO-owned theaters. I understand, however, that the fight promoters rather than RKO are primarily responsible for the exclusivity of the arrangement.

On March 22, a specific event came to our attention very dramatically where RKO, owning a proprietary interest in the Madison Square Garden, bought the Clay-Foley fight and preempted television of that fight in the towns of the origin of the two principal contenders.

Why should we be at all sanguine that your associates, if not you personally, are not going to do the same kind of thing with sports promoters on this pay TV medium?

Are you going to outbid others on the sporting events or buy them up for 2 years as the chairman suggested and then exclude the public who would want to view the events on commercial television access to these events?

And indeed you could go beyond sporting events and do the same kind of thing with other major large attraction event. Isn't this the kind of thing that should be protected against by regulation?

Mr. WRIGHT. There were several questions there and the answer to the last question is Yes, I think that the FCC and this Congress both have the power to control this medium and to see that it operates in the public interest.