

Where stations which are network affiliates engage in pay TV operation, particularly during prime evening hours, network clearance of programing could be severely affected with serious effects upon the economic viability of network television. This problem is particularly sensitive for ABC, which has fewer primary affiliates, has the greatest difficulty in obtaining clearances for its programs, and is most likely to be hurt by any erosion of advertiser support.

The FCC Committee's report relies on the very limited Hartford experiment and on the claims of prospective pay television entrepreneurs as justification for the conclusion that a system of pay television would serve the public interest.

As to the Hartford experiment, the one thing that it established conclusively is that a pay television service cannot be developed on a national scale unless it acquires exclusive broadcast rights to the very programs now commanding the largest audiences on free television. Only the hit attractions of established popular appeal—motion pictures of unusual story and star value, sports of major importance, and variety shows with big names—drew meaningful numbers of subscribers.

We should also point out that the claims of prospective pay television entrepreneurs have consistently proven wrong. When television was in its infancy, they claimed it could not possibly become economically viable by relying exclusively upon advertiser support. When the experience of the late 1940's and early 1950's proved this incorrect, they shifted their ground. What is needed now, they claimed, is not a system to supplant free television, but rather a system which would supplement it. They then asked for an opportunity to experiment, and to prove that they could provide a service not then available on free television.

Although pay TV's supporters originally urged that program diversity, in the form of opera, ballet, symphony, and Shakespeare would be the kind of fare pay TV could and would offer—and the Commission in the past has considered such alleged diversity to be among pay TV's principal assets—the Hartford experiment demonstrated, and the Committee's report largely concedes, that such diversity is unlikely from pay TV. There is a very understandable reason for this. The public simply refuses to pay for such attractions on a meaningful scale.

The FCC report now takes the tack that even if pay TV does not offer significant amounts of programing of a different kind from that available on free television, it may still provide a beneficial supplement. ABC believes it is significant that the case for pay TV has fallen from the lofty heights of program diversity to the present level of whether the supplemental service is of such value of significance as to offset the anticipated adverse effects.

The issue is not whether the public is to be denied a nightly diet of symphony and Shakespeare. The issue is simply whether access to a few more current motion pictures and limited additional sports exposure is of sufficient benefit to offset the tremendous destructive potential of pay television.

The FCC's Subscription Television Committee report recognizes that pay television, unless sharply restricted and regulated, would drastically undermine free television. To avoid this pitfall, the report