

- (c) The Commission should defer authorization of a permanent Pay-TV system until the shape of CATV activity throughout the country has been established and the effect of such activity on the free local television service has been assessed. The impact of CATV activity, whether it involves the importation of large numbers of distant television signals or the carriage of programs which originate with the CATV system, may have a serious impact on the free local service. This type of CATV activity must be considered by the Commission before it can reach sound judgments with respect to the type of additional impact that a broadcast Pay-TV operation may have upon the free local television service.
- (d) The most that is warranted at the present time is the continuation of the Hartford authorization in the hope that it will produce the data necessary for a valid public interest determination.
- (e) If, for any reason, the Commission does permit a permanent nationwide pay television system, it must be under the most careful regulatory scheme embodying conditions and provisions calculated to protect the free broadcast system.

III. THE HARTFORD TEST DID NOT PROVIDE THE DATA THE COMMISSION MUST HAVE FOR A PUBLIC INTEREST DETERMINATION IN CONNECTION WITH A NATIONWIDE PERMANENT PAY-TV AUTHORIZATION

Stripped of excess verbiage, the public interest in the authorization of any Pay-TV test and, specifically, the Hartford authorization, was to determine essentially three factors: