The ARB net weekly circulation figure may be pertinent for purposes of comparing subscription television service with penetration prior to the commencement of Pay-TV operations. For purposes of determining the penetration of Pay-TV, however, it is even more appropriate to note that the market in question contained 1,524,600 television households.[22] The actual penetration, consequently, was in the order of 0.3%.[23]

1. The Statistics Of Failure Are Not A Rational Basis For Estimating The Audience Of A Successful System And Its Impact On Free TV

The test, consequently, was conclusive evidence of public rejection and the Commission was sufficiently disturbed by this failure and the prior failures in Etobicoke and California to question the economic viability of Pay-TV (par. 17). Nevertheless, without identifying the failure as such or relating the limited penetration to the poor programming that was offered, the Commission conjectured concerning the overall impact of Pay-TV on free television. Thus, in paragraph 13 of the Further Notice, the Commission recited the facts developed in Hartford — the penetration of less than 1% (.6%) of the market and an average per program audience of 5.5% of the subscribers; it thereafter concluded that even if the penetration were 10% and the average per program audience 10% of the subscribers, this could have little or no effect on free TV since, at most, this would result in a penetration of 1% of the television homes in the United States.

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[22] Television Factbook, 1966 Edition, p. 38-a.

[23] Even if the base be limited to the City of Hartford alone, the 4,851 subscribers represent in the order of 2.2% of the 220,000 television homes in the city (Television Factbook, 1966 Edition, p. 108-b).