

- b) A successful Pay-TV system is essentially incompatible with free TV. In the competition for audience and product, Pay-TV would endanger free TV and would achieve its greatest success with the destruction of free TV. The public interest could not, consequently, and should not be determined solely on the basis of an assumption of failure. The public interest required a careful evaluation of the impact of a successful Pay-TV system on the economy and, specifically, on free television.

The inability of the proponents to attract subscribers in Hartford, we believe, demonstrated that Pay-TV was a failure. We are also of the opinion that the test itself was a failure in that the number of subscribers was too small to produce any probative evidence concerning the nationwide impact of Pay-TV on free TV. Certainly it produced no evidence concerning the nationwide impact of a successful Pay-TV system on free TV.

Nevertheless, the proponents urge upon the Commission that conclusions on this subject can be based on the test, and their contentions are made in such a manner as to intertwine success and failure beyond logical recognition. The benefits alleged to follow from Pay-TV are measured on the basis of "Business Projections," projections which assume a successful system. The impact of Pay-TV on free TV, however, is assessed in terms of what actually happened in Hartford.