

A. The Extent of CATV Development

The rapid growth of CATV systems within the last several years must be considered a factor of prime significance to this proceeding. This growth appears to be concentrating in the large television markets of the country, the very areas which would be the first targets of Pay-TV operations. This activity formed much of the basis for the Commission's decision to assert jurisdiction over all CATV systems in the *Second Report and Order* in Dockets 14895, 15233, and 15971, 2 F.C.C.2d 725. Thus, at Paragraph 38 the Commission stated (2 F.C.C.2d at 741):

38. There is also widespread CATV activity within major cities. Our attention has been called to the asserted intent of CATV interests to wire up "almost all American cities — small and large" and 85 percent of all television sets — 40 million homes.²³ The December 1965 issue of *Television Magazine* (vol. 22, No. 12) states that franchise applications have been filed in San Francisco, Seattle, Pittsburgh, Baltimore, Fresno, Columbus, Tucson, Birmingham, Providence, and Sacramento. Two of the commenting parties in this proceeding are applicants for CATV franchises in Philadelphia. The comments of Columbia Broadcasting System (CBS) refer to applications for CATV franchises in Albany and Syracuse, N. Y.; Galveston, Tex.; and the grant of a CATV franchise in Wilmington, Del. D. H. Overmyer, permittee of new UHF station WDHO-TV in Toledo, Ohio, comments that local authorities have granted a CATV franchise for that city since the issuance of the joint notice herein. Toledo has two VHF stations, a UHF educational station, and — according to Storer Broadcasting Co., receives the signals of four Detroit-Windsor VHF stations, off the air and without reception difficulty. Telerama, Inc., an applicant for a CATV franchise in Cleveland, has filed comments describing its proposed cable operation for that city which has three VHF stations, a UHF educational station, and applications pending for two