

new UHF facilities.²⁴ Taft Broadcasting Co., in a June 1965 petition to deny a microwave application (file No. 6226-C1-P-65) to bring the three New York independent stations to CATV systems in the Wilkes-Barre-Scranton area of Pennsylvania, states that in the last 6 months 90 franchise applications have been filed in 54 communities in Lackawanna and Luzerne Counties. The Scranton-Wilkes-Barre area is served by three UHF stations, providing three full network services. [Footnotes omitted]

This current activity in the large cities by CATV interests is significant because it reflects the fact that CATV service no longer appears to be confined to its originally assumed purposes. Instead, despite the presence of numerous local signals, CATV systems now planned in the larger markets propose to provide an unusual number of additional broadcast programs.

Such activity in the large markets has the potential to threaten local free television service. This threat exists because CATV systems fragment the audience otherwise available to local stations by importing other broadcast signals. In addition they may be used as a vehicle for distributing programs which either originate with the CATV system or are made available to it on an exclusive basis. It is clear that substantial investments have been and are being made by CATV interests in the large markets of the country. There are currently on file with the Commission 112 requests for waiver of the Commission's new CATV rules requiring an evidentiary hearing before "distant" signals may be imported into the large markets. In addition, several significant CATV systems are in operation in the very largest cities of the country, such as New York, Cleveland, San Diego, etc. The economic pressure to utilize these systems in the maximum manner possible under the state of art, is likely to increase in the next few years. In addition, there is increasing interest in originating programming on CATV systems. These developments must be fully understood before a Pay-TV, off-the-air system should be authorized.