

Former Chairman Oren Harris of the House Committee on Interstate and Foreign Commerce has stated:

Now I think we are kidding ourselves when we try to say that Pay-TV is limited to dropping a coin in a box and getting a program out of the whirl. I think a lot of people in this country are going to wake up one of these days and find themselves in the midst of a new policy or program that they cannot get out of. (Hearings on H.R. 7715, *supra*, at 185.)

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Now what we are doing, I must say in all frankness and candor, in my judgment we are sitting around here and watching a nationwide Pay-TV operation develop (*Id* at 186.)

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[W]hether you talk about collecting on a monthly basis or per program basis, whatever method it is, it is still Pay-TV. (*Ibid.*)

It is true that the Commission has already expressed its concern over the possible impact on free television service from a hybrid CATV-Pay-TV operation. Thus, in the *Second Report and Order* in Docket 15971 at Paragraph 128, the Commission stated (2 F.C.C.2d at 777):

Whether a form of Pay-TV operation will result from CATV is uncertain and would appear to depend again very largely upon the growth factor, particularly in the larger cities which would naturally be the backbone of any wire Pay-TV operation. But we would agree that in the circumstances its authorization should stem from the Commission (or the Congress) after appropriate proceedings. For, what is involved is not the strictly wire Pay-TV proposals such as recently attempted in California. A hybrid CATV-Pay-TV operation would be based, in an integral and substantial fashion, on use of broadcast signals (to provide the economic base for the Pay-TV "frosting"), and such use of broadcast signals should be allowed only if it is found to be in the public interest. We have petitions now under consideration, which seek the authorization of Pay-TV on a regular basis using broadcast