

frequencies is not justified in light of the potential impact upon free television. The Commission may not also close its eyes to the potential impact of satellite communications upon the television industry and the public at large. While it is not clear how satellite communication might be used to bring service to the public, this kind of technical innovation no doubt will permit a greater number of television services to be brought to the public. In sum, the Commission is proposing at this time to permanently authorize a controversial and little needed auxiliary broadcast service in the face of widespread changes in the television industry which may become necessary or unavoidable within the near future. At a minimum, the Commission should defer further consideration of an off-the-air Pay-TV service.

**VII. ASSUMING ARGUENDO THAT THE COMMISSION IS PREPARED TO AUTHORIZE A NATIONWIDE PERMANENT PAY-TV SYSTEM, ANY SUCH AUTHORIZATION MUST BE COUCHED IN TERMS OF A REGULATORY PATTERN DESIGNED TO INSURE THE SURVIVAL OF FREE TELEVISION**

If Pay-TV is to be authorized on a nationwide basis, it must be in the context of a regulatory pattern designed to protect free television and the public. The Commission has never suggested that it would permit Pay-TV to supplant free TV. The grant of a permanent authorization rests upon the assumption that the two techniques can coexist. This assumption cannot be left to chance and must be incorporated as best as possible in an overall regulatory pattern.

We have attempted to set forth below the minimum restrictions which we believe appropriate if any authorization is to be made at the present time. Each proposed rule is set forth separate and apart from the others as well as part of a complete regulatory system.