

As was indicated earlier, we do not believe the Commission has the data upon which to conclude that any nationwide authorization was warranted — the data necessary to determine the economic viability of Pay-TV as well as the impact of a successful pay television system on free TV. Nevertheless, if Pay-TV is to be authorized, the rules set forth herein constitute the minimum necessary to protect the public interest.

**A. Pay-TV Applications in the Top 100
Markets will be Granted Only After
a Hearing**

The basic question permeating the Commission's Notice of Proposed Rule Making in both the CATV and Pay-TV matters pertain to the impact of those respective services on the national television structure. With respect to CATV, hundreds of systems were operated in all types of markets prior to the adoption by the Commission of rules intended to assure the orderly integration of CATV with free television. Extensive studies of CATV were conducted by Drs. Seiden and Fisher, the National Community Television Association (NCTA), CBS, and AMST (*Second Report and Order*, Docket Nos. 14895, 15233, and 15971, paragraph 44). Consequently, prior to the adoption of the CATV rules, exhaustive data was available to the Commission concerning the potential impact of this service on free television. Despite the voluminous information available to the Commission on CATV, despite the recognition by the Commission of significant contributions made by CATV (*Second Report and Order*, *supra*, paragraph 139), the Commission adopted rules which require an evidentiary hearing where a CATV system proposes to extend the signal of a television broadcast station beyond its Grade B contour into the top 100 markets. In contrast to this mass data on CATV, the Commission has very little material on Pay-TV — one test in one market, and a test conducted under controlled