

It is also to be noted that one of the principal claims advanced on behalf of Pay-TV is its alleged ability to promote the growth of new stations by providing additional economic and program resources. Since, as a practical matter, this relates almost exclusively to UHF stations, any authorization of Pay-TV should, we believe, be limited to such stations.

PROPOSED RULE

No license shall be granted to a television broadcast station proposing to carry Pay-TV programming except to a station operating on a UHF frequency.

F. Pay-TV Programming Should Be Limited In Total Hours of Operation and to Certain Segments of the Broadcast Day

The necessity of restricting Pay-TV authorizations to communities within the Grade A contour of four commercial television stations has been previously discussed and such arguments are equally applicable here. Bearing significantly on this question is the matter of restricting the broadcast hours of a Pay-TV station. While conditions imposed upon Pay-TV authorizations must not be so burdensome as to unreasonably fetter operation, the objective of preserving free television as it is recognized today, remains the paramount consideration.

The data available from the carefully controlled Hartford test simply does not provide any basis for assessing the impact on free television either as related to audience diversion or "siphoning-off" of programs. The matter of impact is prospective. Nevertheless, the Commission must be cognizant that a miscalculation on its part could wreck havoc on free television as it presently exists. In the absence of knowledge concerning the underlying factors affecting free television, in all types of markets, the Commission must proceed with caution and adopt rules which will avoid catastrophic results.