

It is difficult on the basis of the Hartford trial or any other information which we have to arrive at well-founded conclusions concerning siphoning of programs or talent.

Hartford provided no information concerning networking and it cannot be presumed that the Commission considered such a possibility in arriving at the 10% projected penetration. Moreover, proponents have never asserted that the benefits to be derived from Pay-TV required network type operations. Consequently, networking in any form should be prohibited to minimize the risk to free TV.

PROPOSED RULES

1. No license shall be granted to a television broadcast station having any contract, arrangement, or understanding, expressed or implied, with a network organization, providing for the furnishing of programs intended for Pay-TV use.
2. No license shall be granted to a television broadcast station having any contract, arrangement, or understanding, expressed or implied, with any other Pay-TV licensee, franchise holder, or agents thereof, for the purpose of purchasing Pay-TV programming.
3. No license shall be granted to a television broadcast station having any contract, arrangement, or understanding, expressed or implied, with any company, organization, etc., providing Pay-TV programming as a part of an interconnected system.

H. The Commission Should Regulate Charges, Terms and Conditions Concerning Pay-TV Operation

The Joint Committee does not believe that the Commission has the authority to regulate Pay-TV. In the event the Commission determines otherwise, however, the Commission should seek legislation from the Congress to regulate subscriber charges, terms and conditions.