Pay TV 10 years from now, even with my higher figure, will gross \$650 million; let us take the same 22-percent pretax profits. The pretax profits will reach \$143 million on the maximum optimistic projection of pay TV 10 years from now. This will compare with \$1.5 billion of pretax profits of commercial television. Would they really in the circumstances let sports events go to pay TV? It would really be ridiculous.

Now I would like to make an additional observation. Mr. Chairman we think that no restrictions by the Commission are really warranted or required but we accept them and, therefore, if it would appear that the 2-year provision of not showing on pay TV sports which have been shown regularly, I am quoting from the third report: "Sports events may not be broadcast on STV which were regularly televised in the community within the 2 years preceding proposed STV broadcast," is not adequate, if there is still any fear that the public may be deprived of the free sports events, I, for one, on behalf of my company would not object to even a more stringent provision on the part of the Commission.

Maybe the Commission in their wisdom will decide then to increase it from 2 years to 3, maybe 5 years. Now would there be sufficient money on the part of all the pay TV entrepreneurs in the country then to outbid the networks for the sports events? I think that I do not have to belabor this point any more.

I would like to refer to one question raised by one member of this subcommittee. With only one pay TV operation in a given market would there not be established a strong monopoly for this pay TV station?

We agree.

We made the suggestion to the Commission to authorize two pay TV operations in markets with six stations or more. And all the major markets have six stations or more.

Mr. BROWN. Mr. Sagall, may I interrupt you at this point?

Mr. SAGALL. Please.

Mr. BROWN. There are two principles here that I think we ought to be concerned with.

One is whether or not you are penalizing a portion of the stations already on the air, by not permitting everybody that wants to go to STV.

Then the other principle is this one of trying to encourage as many stations as possible to go on the air in an area where the advertising dollar has been pretty well sopped up by the stations which are on the air and the only way perhaps to get a new station on the air is with the principles of STV.

Would it make sense to you if the Commission were to say in its rules that STV is available only to stations not now on the air at this point for a certain time?

In other words, say, a 3-year or 5-year permission on that basis, and then to open STV up to anybody who wishes to go into the field including every station in the market if they want.

The idea I am suggesting here is aimed at increasing the number of stations on the air by giving the STV to new stations and then eventually not limiting STV to the stations in the market? Do you follow my thought?