

SUBSCRIPTION TELEVISION

MONDAY, OCTOBER 16, 1967

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COMMUNICATIONS AND POWER,
COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to notice, in room 2123, Rayburn House Office Building, Hon. Torbert H. Macdonald (chairman of the subcommittee) presiding.

Mr. MACDONALD. The hearings will come to order.

The first witness is Mr. William Putnam, accompanied, as I understand it, by Mr. Stevens and Mr. Firestone.

STATEMENT OF MARTIN E. FIRESTONE, COUNSEL, ALL-CHANNEL TELEVISION SOCIETY

Mr. FIRESTONE. Mr. Putnam and Mr. Stevens did not make it down, Mr. Chairman. I will appear.

My name is Martin E. Firestone and I am appearing today as counsel for the All-Channel Television Society, an organization representing some 100 UHF television licensees and permittees.

UHF operators support the proposition that the Federal Communications Commission has the authority to provide for a national subscription, pay, television service. In general, they believe that the authorization of such a system will, under proper regulatory conditions, aid in the economic development of marginal UHF stations in the larger television markets; and will encourage the lighting up of presently dark UHF allocations.

In reaching this conclusion, however, UHF operators are aware of several unresolved questions concerning subscription television which can drastically condition their conclusion.

First, there is no real evidence that a public demand exists for a subscription television service. They are aware of this in the same degree that there was no way of ascertaining whether there was initially a public demand for radio service or for television service. You had to take your chances and get in before you know whether people were going to buy your service. Therefore, they are aware that UHF operators entering this phase of broadcasting will be engaging in a highly speculative operation.

Second, subscription television, regardless of attempts to the contrary, will, to a degree, be a competitor of over-the-air free broadcast services. Subscription television will compete with the over-the-air free services for both audience and program material.

This is an unavoidable conclusion. Anybody who watches subscription service will not be watching over-the-air service. The lat-