

they would create pay TV as an odd sort of animal, as a result of which you will never get a true test of whether it can survive.

I do not think that we should have this strong set of restrictions on its ability to compete in the sense of what programing they can carry, what hours they can operate, where they can operate. I think those determinations can be made more properly by the marketplace. I do think that the FCC jurisdiction should be utilized to create a general scope of operation which will insure that all parties going into the arena go in properly equipped and equipped in the same manner and not permit one side or the other to carry a horseshoe in its glove.

I think without this free competition within the present framework of the Commission's broadcast policies, pay TV is not going to get a fair test.

Mr. BROYHILL. I thought the proposed rule wants the pay TV station in Hartford to permit free TV.

Mr. FIRESTONE. Yes; that would be a flat prohibition. I don't think that is the way it should be handled.

Mr. BROYHILL. I think more should be approved.

Mr. FIRESTONE. That is true. I think a question should be resolved under the Commission's broadcast regulations.

In a market where an applicant wants to add an additional broadcast service, an existing station in that market can raise an objection that the entrance of a new service will adversely affect them economically and that this will result in a deterioration of program service to the public.

Well, the Commission permits both the applicant for the new facility and the objecting existing facility to thrash it out and then on the basis of the evidence the determination is made whether or not the market can stand the additional service. I think this is the same way the question of whether one or two subscription services should be permitted in a particular market can be resolved rather than just flatly prohibiting the entrance of a second service.

I am sure New York could probably stand more than one service and probably some of the other larger markets.

Mr. BROWN. Will you yield at this point?

Mr. BROYHILL. Yes; I will be glad to yield.

Mr. BROWN. Is there a presumption of the FCC at that point in your experience in favor of expanding channels available to viewers? Isn't that the policy of the Congress, the FCC, and this committee?

Mr. FIRESTONE. Yes; it has been very rare that the Commission has denied the entrance of an additional service if the facility is available. It has been somewhat more stringent where someone is asking, say in the television field, to put in a totally new channel that was never allocated there to begin with.

But there is a general feeling on the part of the Commission—I would not say it is the policy, but the trend has always been to expand the service unless a very clear-cut showing was made that the additional service would result in a general deterioration of service to the public.

Mr. BROWN. Thank you.

Mr. BROYHILL. Thank you, Mr. Chairman.

Mr. MACDONALD. Mr. Brown.

Mr. BROWN. I would like to pursue this particular point.