icy of this magnitude and impact on the future of our media of communications and the emerging non-entertainment communications services certainly requires Congressional action.

The awarding of exclusive franchise rights to commercial stations for the development of STV, the precursor of a national system of public payment electronic communications, would constitute a shocking give-away of our public domain to private interests which have proven to be virtually unregulatable.

Pre-emption as an Evil: Granting the public interest in reserving four full-time channels per market for "free" programming (advertiser sponsored), it does not follow that STV should be authorized for only one channel in five, six, seven, or ten channel markets, thus unnecessarily creating a monopoly situation. A more reasonable rule would authorize STV service on any number of active or inactive channels per market provided it did not reduce the number of "free" channels below four, or exceed the total number of free channels.

Siphoning as an Evil: Granted the wisdom of reserving a minimum of four full-time "free" stations in each area, the imposition of further direct FCC controls over STV programming for the purpose of controlling competition between public-payment and advertiser-payment systems violates basic American principles of free press and free competition.

FCC Consideration of Broadcaster Profitability: Throughout the Report, an assumption is clearly made that commercial licensees are entitled, as a matter of right, to freedom from the possible competitive effects of STV on their profitability. This doctrine has no sanction in law or in the free market-place. Even if commercial licensees were to pay franchise taxes for the use of a public domain, profit protection has no place in public policy.

Minimum Free Time per STV Channel: Granted the reservation of a minimum of four full-time "free" stations per area, the requirement that an STV station must find advertiser sponsorship, or pay for sustaining time to meet the minimum "free" time requirements of commercial stations, is irrelevant, uneconomic, and an unworkable intermixture of two incompatible forms of broadcasting. A broadcast channel divided against itself cannot function in the public interest.

Block-booking: The sanction, on request, of STV's contracts to procure the entirety of their programming from a single source is a pernicious invitation to suppliers of programs and technical systems to constrain block-booking. (73.642: (e) (3)).

STV on cable or CATV: ADA can find no reason for not mandating the carriage of STV by CATV systems on an optional-to-the-CATV-subscriber basis. However, the far-reaching future potentials of cable distribution may doubtless justify ample time and fact-finding opportunity to study the potentials of a system whose ultimate revenues will surpass all present broadcasting revenues by ten times and exceed those of A.T. & T.

CATV loophole: Assuming the prudence of delaying STV carriage, there is no justification for exceptional treatment of private agreements for carriage between STV stations and CATV operators (paragraph 309 of the "Report"). The effect of such agreements would be to aid and abet the common ownership of CATV and broadcast stations and give improper commercial advantage to such combines, which ADA opposes as a matter of principle.

FCC direct responsibility for rates and terms to the public: A broadcast license is a franchise for use of a public domain for private gain. While broadcast advertising rates are restrained by inter-media competition (print, mail, display, radio, TV, etc.), there will be no effective competitive restraint over STV rates. There would be no restraint whatsoever under the Committee's proposal for single STV station market monopolies. For this reason alone, common carrier utility regulation is essential to the public interest.

Common ownership and control of technical systems and program sources: With diversified, highly competitive program sources available, there is no justification for permitting, even on an exception basis, restrictive agreements between systems operators and program sources. ADA has already affirmed its conviction that STV stations should be operated as common carriers, assured fair return on capital, and regulated to ensure carriage to all program and services suppliers at uniform, regulated rates and terms. Moreover, the precedent of technical system control over programming will have unfortunate consequences when cable carriage of STV is authorized, since proprietary and patented technical systems are not required for control of cable services.

Non-uniform technical systems: The proposal that a multiplicity of technical systems be authorized for various markets can readily lend itself to use as an instrument for furthering the growth and concentration of station chain systems.