

Under conventional practice and FCC rules and regulations, color signals broadcast in a manner to be translated by color receivers include the following. At the broadcasting station the video signals include a luminance component, a chrominance component, the line synchronizing signals, and what are known as color burst signals. Without these color burst signals, the chrominance or color signals for production of the color picture cannot be translated into color. If the color burst signals are absent, the color receiver (whether owned by a non-subscriber or a subscriber to the system) will translate the received broadcast signals as a monochrome picture. It is therefore evident that when the color burst signals are not included in the transmission broadcast from the sending station, all color receivers (as well as all monochrome receivers) tuned to that station will translate the signals as a monochrome or black and white picture.

Since, as I have explained, the subscriber may receive the program in color by making pay or subscription operation, it then becomes necessary to make provision for supplying the color burst signals locally to the color receiver of any particular subscriber who desires to have the special or pay program rendered in color and is willing to pay for it. Accordingly, my system makes provision for locally delivering to the color receiver of each subscriber properly synchronized color burst signals when such a subscriber operates either a prepayment device or a device for recording charges.

All of the foregoing special operations are produced without entering the circuitry of the subscriber's color receiver. This result is obtained by the use of a small receiver supplemental unit, including a color burst generator, which is attached inductively to the antenna of the subscriber's receiver, or to the line extending from such antenna to the r.f. input element of such receiver.

To sum up, pay or subscription television operations need not deprive the general non-paying public of the use and benefit of available television broadcasting channels. I submit that this is a fundamental consideration in the whole field of authorizing and regulating television service, including subscription television service. While certain possible applications of some of my developments relating to subscription television would not require free monochrome reception of any program receivable in color for a charge, the particular development I have outlined to you today affords one entirely feasible method whereby subscription television operations can be commenced on a basis which, beyond question, is beneficial to all of the public. Beyond question, it would result in a greater variety and quality of programming being available to all of the public than would be the case if no subscription television service were permitted.

I am not stating any conclusion that other systems of subscription television are not in the public interest. Nor am I stating any conclusion that FCC regulation of other systems would not adequately safeguard the quantity and quality of available free television. Further, I am not attempting here to project for various localities and various future periods the economic feasibility and attractiveness of the system I have outlined to you today. What I am urging is that (1) here is one system which clearly would not harm but rather would benefit all of the public and (2) any investors willing to risk their capital in endeavoring to establish a market for the subscription television system I have outlined should not be barred from doing so.

In conclusion, it is my sincere hope that the Federal Communications Commission and the Congress will recognize that it is in the public interest to give due weight to the foregoing considerations when providing for and regulating the future development of subscription television in the United States.

Thank you, gentlemen.

CHART SHOWING VARIOUS BROADCASTING OPERATIONS POSSIBLE UNDER THE PROPOSED BANNING SYSTEM FOR SUBSCRIPTION TELEVISION ("STV"), AND SHOWING THE VARIOUS RECEPTION RENDITIONS POSSIBLE UNDER SUCH PROPOSED BANNING SYSTEM

A. *Conventional broadcast Non-Pay Program:*

1. Broadcast in Monochrome:

- (a) Rendered in Monochrome by Monochrome receiver.
- (b) Rendered in Monochrome by Color receiver.
- (c) Rendered in Monochrome by STV receiver.

2. Broadcast in Color Signals with Color Bursts:

- (a) Rendered in Monochrome by Monochrome receiver.
- (b) Rendered in Color by Color receiver.
- (c) Rendered in Color by STV receiver (Free).