

By way of background, I am a graduate of Oklahoma State University, in three areas of study—in business administration, electronics, and music. During World War II, I was a major in the infantry, serving as communications director on the staff of the 2d Army.

I have been in broadcasting for the past 21 years, starting out in 1946 in Oklahoma where I built and commenced the operation of a radio station in Stillwater. Since then I have served in a variety of executive capacities with radio and television stations in Minneapolis, Baltimore, Rochester, San Antonio, and now in Atlanta.

I think it might be helpful in this discussion if I briefly describe the Atlanta market, a fairly typical one in which subscription television programing might develop if allowed.

We are the 19th largest television market, with over 800,000 television homes, according to the latest statistics. We have three VHF network-affiliated stations which have been on the air for approximately 20 years. There are three commercial UHF and two educational UHF channels allocated to Atlanta. One of the educational television channels has been operated by the Atlanta School Board for the past 9 years.

On September 1 of this year, we became the first commercial UHF station to go on the air. A construction permit has been issued for one of the other UHF channels, and an application is pending with the Commission for the third available channel.

Gentlemen, let me assure you that in a market like Atlanta it takes considerable nerve, courage, and financial resources to put a UHF station on the air in competition with the three established network affiliates. Our monthly cash requirements just to keep the station operating are approximately \$65,000. It will be many months—probably two and a half years—before our monthly billings or income will match that figure, and we expect to absorb losses in excess of \$600,000 before we cease to have a monthly cash deficit. How much longer it will take before we show an actual net profit on the books is anyone's guess. Is it any wonder then why we are looking for an opportunity to increase our income by providing the people of Atlanta with programing that is unavailable to them on the three network affiliates?

The most difficult part of a successful television operation is obtaining good programing that will attract viewers. If this is difficult for a network affiliate, think how much harder it is for me, under the circumstances and the present rules of the game which govern my operation. We are on the air from 4 to midnight, and while naturally we are trying to provide the most attractive programing available, I am frank to say that our present programing is not the type of program service we hope to render in the future.

When I go out shopping for programs, what is available on the shelf at a price we can afford to pay? I assure you, gentlemen, that shelf is rather bare, and all that's on it for me to buy are programs the network affiliates in Atlanta have rejected, very old movies which have been shown already five to six times in the Atlanta market, and reruns of old network serial and situation-type comedies.

I know you will agree that, if we are to perform a meaningful public service for the people of Atlanta by providing them with better programing than it is now possible for us to do, there must