

be a new development in the marketplace. This is why we are interested in subscription television programing.

You gentlemen are very familiar with the FCC's proposed rule authorizing subscription television programing, and I know you have heard much about it from many witnesses during the past week, so there is no need for me to discuss it in detail. There are parts of it, however, which I would like to see modified.

For example, the five-station-market rule would have to be modified or waived in our case to permit us to broadcast subscription television programs in Atlanta, since, as I have indicated, we are presently only the fourth station on the air. However, I believe the proposed rule is basically sound and provides a good point of departure for further experimentation and innovation in subscription television programing—and I earnestly hope that the Commission will proceed to issue the rule.

Now, let's assume that the Commission does issue the rule and either as a result of modification or waiver of the five-station provision, channel 17 can commence to offer subscription television programs. What's going to happen? Well, for the first year there would be no significant change in our operation because I assume it would take at least that long to negotiate a contract with an equipment manufacturer who could provide us with the studio scrambling devices and the decoders required for subscription television broadcasting. But, at some point in the following year, I would hope we could commence some subscription programing. What our penetration of subscribers in the Atlanta market might be is obviously a matter of conjecture at this time.

I believe, however, it is reasonable to expect that at the end of 2 years, after we commence subscription programing, we might achieve a 10-percent penetration. In the Atlanta market, this would be about 80,000 homes. With this as my box office, I assure you will be able to provide a type of programing that is not now—and I do not believe ever will be available on the so-called free or conventional system. Operating within the framework of the proposed rule, we could provide our subscribers with the very best movies within a few months after their release.

As you know, Atlanta is very proud of its newly acquired status in professional football and baseball, and the Atlanta Falcons and the Atlanta Braves keep our new stadium filled, or nearly so, when they are playing at home. I would hope that we could bring to our subscribers the home games of the Falcons and the Braves which are not presently available on TV, with the exception of two or three out of 80 baseball games played at home each year.

I realize that, in the case of baseball, this would require a waiver of the Commission's 2-year rule on sports programing, but I would hope that, with the assurance of the Braves that they would continue to provide on "free" television at least the same number of games as they are now making available to the public, that the Commission would grant such a waiver.

Atlanta is a great community for college and high school sports, particularly football and basketball. Presently, with few exceptions, these games are not available for televising, for the simple reason that