

Mr. BROWN. What would a station need to get on the air with UHF at a minimal cost? The other question after that is what does it cost to get this 10 percent of your market where they could watch pay TV?

Mr. McKINSEY. The cost of getting on the air with equipment you are talking about and plant, that sort of thing?

Mr. BROWN. I don't want to ask you what it cost you to get on the air because you may not want to reveal that figure. What does it cost a UHF station to get on the air as a minimal figure?

Mr. McKINSEY. The only direct experience is mine and I don't mind telling you it cost \$1.2 million. There would be additional cost, not great, in the nature of maybe 6 or 8 percent more to provide our equipment with the necessary scrambling devices.

Let us say \$1.25 million to put a station on the air with the maximum power which would be required.

Mr. BROWN. A minimum to get on the air, let us say, a very low cost UHF station, is about a million dollars, is that right?

Mr. McKINSEY. Yes

Mr. BROWN. Another \$75,000 to get into the STV business?

Mr. McKINSEY. That is correct. Of course, that does not count the cost of decoders and that sort of thing which is a matter entirely—

Mr. BROWN. The subscriber bears that cost, does he?

Mr. McKINSEY. The decoders would cost, I don't know what the market price might be at the time they are ready but anywhere from \$75 to \$120.

Mr. BROWN. Let us say \$100. You want 80,000 of them. So you are going to have a cost of a considerable amount.

Mr. McKINSEY. That is right. We would certainly pass along part of this cost. With the experiment in Hartford they tried it several different ways, charging the whole cost, I believe, a portion of that cost and in some instances not charging them at all to install the decoder.

We would have to arrive at some compromise here and probably arrive at maybe half of the cost as a so-called installation charge to the customer.

Mr. MACDONALD. I have just one last question.

Everyone always has one last question. Everyone says "My Fair Lady" could be seen by only hundreds of thousands of people. That would be true but how many "My Fair Lady's" will ever happen. You know it is hard to keep good programs on.

Mr. McKINSEY. That is correct. On the other hand there was a show that opened and closed one night on Broadway this past season. If that had been available to subscription television, sight unseen, there would have been sufficient subscribers watching that brandnew Broadway musical, written and produced by top people, it had top stars, with just the advanced promotion they could have paid off what they call the net on that production in that one night and it could have continued to run on Broadway. Maybe they could have gotten over that hump. We might help the creative arts that way.

Mr. MACDONALD. Thank you very much.

Mr. McKINSEY. Thank you, sir.

Mr. MACDONALD. At long last the hearings are closed.