

If CBS may be of any further assistance in connection with your Committee's consideration of these questions, please do not hesitate to let me know.

Very truly yours,

LEON R. BROOKS,
Vice President and General Counsel.

ATTACHMENT A

STATEMENT OF FRANK STANTON, PRESIDENT, COLUMBIA BROADCASTING SYSTEM, INC., BEFORE THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, JANUARY 22, 1958.

Mr. Chairman and members of the committee, my name is Frank Stanton. I am President of the Columbia Broadcasting System.

In the interest of conserving the time of this Committee, I ask permission to submit, for the record, the Comments that we have filed in the pay television proceedings before the Federal Communication Commission. I also ask permission to introduce into the record an analysis of pay television, "Free Television and the American People." We prepared this for a meeting last week with the affiliates of the CBS Television Network.

CONGRESS IS THE PROPER FORUM

With all deference to the FCC, I am comforted by the feeling that the issue of pay television is now in the proper forum. The Comments which I am submitting for the record set forth the reasons why our lawyers entertain profound doubts that the Commission has the power to authorize or regulate pay television. Quite apart from the legal considerations, however, pay television involves a question of national policy in which the public has an enormous stake. As I will develop in the course of this statement, public tests are inadequate to resolve the issues in this case. Therefore, we stand in the right place now when we ask the Congress, as the representative of the people, to decide the fundamental public policy question of pay television.

Now, let me state in most summary terms: first, the position of CBS on pay television and second, the reasons for that position. Then, I shall move as quickly as possible to a statement in somewhat more detail of the basic question before this Committee—the question of a public test, and why we believe that such a test, whether limited or unlimited, is fundamentally fallacious.

THE CBS POSITION ON PAY TELEVISION

The basic position of CBS is this: We are for free television. We are for it as it is today and as we are confident that it will develop and improve in the future.

Since we are deeply convinced that pay television and free television are incompatible, our stand for free television means that we necessarily must be against pay television. We believe that it is impossible to be for both, because there can be no coexistence between pay television and free television as we know it.

Therefore, we support legislative action which would prevent administrative authorization of the use of the free airwaves for pay television, until the Congress itself has granted that authority.

I should make clear that our position concerning closed-circuit or wired pay television—which I do not understand to be before this Committee and which is not before the FCC—is a little different. Closed-circuit pay television does not involve the use of the airwaves dedicated to free television. We feel that for us to seek prohibitory legislation would put us in the position of asking Federal protection from competition which does not use the airwaves which free television has done so much to develop. Therefore, we do not ask for legislation which would prohibit closed-circuit pay television. Nevertheless, I would point out (1) that closed-circuit pay television proposes to ride piggy-back on free television since it must use existing television sets which were bought to receive free programming; and (2) except for the fact that closed-circuit pay television would not directly black out the airwaves, it will have all the same injurious effects on free television as will over-the-air pay television.

THE REASONS FOR CBS' OPPOSITION TO PAY TELEVISION

We do not believe that our own ultimate economic interests are at stake in the resolution, one way or the other, of the issue of pay television. If the Con-