

E. Closed-Circuit Subscription Television Takes No Spectrum Space From Other Uses. The Commission Does Not Have Jurisdiction Over Closed-Circuit Subscription Television and the Public Interest Requires That It Be Permitted To Grow, Irrespective of the Role of CATV.

6. Experience in existing subscription television systems shows that only about five percent of public viewing time goes to the medium. In view of this figure, the arguments urging the regulation, or prohibition, of closed-circuit subscription television border on the ludicrous. Its viewers spend such a small percentage of their viewing time watching subscription television that it is not truly competitive with existing commercial television—it is a new entertainment medium. Closed-circuit subscription television results in no diminution of existing or potential services because it does not use the air-waves. Obviously, the same remarks are applicable to closed-circuit subscription television in conjunction with community antenna television. Here the opponents of subscription television have used the argument that such closed-circuit operations ought to be prohibited because, with CATV operations sharing the expense, the ultimate cost to the public will be lower. It is a strange doctrine that something which costs the public less should, for that reason, be made illegal.

F. Recommendation.

7. Telemeter recommends that subscription television be instituted as a regular service without delay and that, to the extent that it is consistent with the public interest, there be no limitations on the ability of subscription television operating companies to do everything necessary to develop successful operations, all to the end of providing a new, vital and viable service to the public.

II. TELEMETER'S PREVIOUS SUBMISSIONS

8. This proceeding was commenced in 1955, over eleven years ago, by the issuance of a Notice of Proposed Rule Making inviting comments as to whether the public interest would be served by the adoption of rules authorizing and governing subscription television operations. Under date of June 9, 1955, Telemeter submitted extensive comments directed to the various aspects of the proposed rules originally under consideration. On May 25, 1965, Telemeter submitted additional comments in support of the Joint Petition of Zenith Radio Corporation and Teco, Inc., which urged the prompt authorization of subscription television service. On June 17, 1966, Telemeter filed with the Commission a technical description of its system.