

10-17 of its Further Notice of Proposed Rule Making to which these comments are addressed.

34. The fact is that subscription television is not even an infant industry. Its opponents have attempted, by raising false issues, to stifle it before it can be born. Any regulations which the Commission makes at this time should recognize the essential truth of this statement.

35. The elements of a subscription television industry have not yet emerged in any clear-cut form. There are no subscription television programming companies, syndicators, maintenance companies or other needed components. The elements of the existing structure which constitutes commercial broadcasting, or which constitutes the motion picture production, distribution and exhibition industry, do not yet exist. The Commission must therefore proceed with caution in adopting rules to regulate an industry whose essential character has not yet begun to emerge, lest its natural and successful growth be unduly restricted and inhibited.

36. The subscription television business, regardless of the form which it will ultimately assume, will have at its core today the subscription television entrepreneur. He is the man, or the corporation, which must bring all of the elements required for successful subscription television into existence. At some time in the future, after the business has been started, there will be producers, maintenance firms, syndicators, broadcasters and others, but these elements do not exist today. It serves no useful purpose, therefore, to talk about separating the components and establishing regulations to govern their relationships. If a single firm is not allowed to start a total subscription television business including everything from the production of entertainment through its broadcasting, through its sale to the public, through installation of decoders, and through the collection of money, and every other aspect of the enterprise, subscription television is unlikely to come into existence.

37. Subscription television, in its present stature, is analogous to the motion picture industry in its beginnings. A motion picture theatre, like any other theatre, is an enclosure containing means for exhibiting entertainment for which the patron must pay. The enclosure of a theatre may be analogized to the scrambling and unscrambling means of the broadcast subscription television system, and the box office to its credit or cash charging system. The projection equipment constitutes a means of communicating the entertainment