

within this broad frame of reference, no restrictive agreements in this field be permitted.

56. On the other hand, Telemeter emphatically disagrees with the petitioner who would preclude exclusive franchise agreements between Telemeter and television station licensees. As we have indicated previously, an exclusive franchise may well be the only vehicle for instituting service in the early days of the subscription television industry. Moreover, at least in the formative stages of the industry, the subscription franchisee will need help and assistance in program procurement. The individual franchisee in many, if not most, cases will not have adequate financial or bargaining strength to obtain the type of box-office attractions so necessary for the success of a subscription operation. It may well be that the help of Telemeter will be required to obtain such programming fare as major sporting events or Broadway shows. The experiments to date prove that a subscription system is not an easy business to start. For these reasons Telemeter urges that, at the outset at least, there should be no limitations placed upon the system proponent, such a Telemeter, or upon the franchisees in terms of their ability to produce, acquire, obtain or supply subscription television programming.

(7) What Requirements Should Be Imposed Upon Subscription Licensees To Assure Licensee Control?

57. Telemeter urges that the rules designed to assure licensee control over subscription programming be no more restrictive than necessary to assure that the licensee retains the power to reject programs which it deems unsuitable and to substitute other programs, whether subscription or conventional, which it deems of greater public interest. Telemeter believes that the rules proposed by the Commission in Section 73.642(e) of Appendix C to the Notice would assure adequate licensee control. It would support the proposed rules provided it is made clear that they do not preclude exclusive franchise arrangements and do not impair the contractual arrangements thereunder whereby the franchisee undertakes to broadcast a minimum of subscription programs within specified time segments.

(8) The Nature of the Technical Rules That Should Be Adopted.

58. As previously asserted, Telemeter urges that subscription service not be limited to a single technical system. In its technical comments, filed June 17, 1966, Telemeter set forth in detail the technical nature of its system. Zenith and other system proponents have done likewise. Telemeter does not believe that it should undertake