

- (11) Should Requirements Be Imposed To Insure That the Public Would Not Be Adversely Affected by Obsolescence of Subscription Television Equipment or Cessation of Service and Should the Commission Require That Such Equipment Be Leased Rather Than Sold?**

62. Telemeter proposes that decoders be placed in the homes of the public for a small monthly maintenance fee. The public should not be required to invest in this equipment. In this manner the public will not be adversely affected by obsolescence of equipment, nor will an individual subscriber suffer any penalty should he decide to change from one subscription television company to another.

- (12) What Restrictions Should Be Adopted Concerning the Nature of Arrangements Among Patent Holders, Patent Licensees, Franchise Holders, and Television Station Licensees, Concerning Such Matters as Whether and Under What Terms and Conditions, Patents on Any Particular Subscription Television System Will Be Required To Be Made Available to Franchise Holders and Station Licensees, and Whether Stations Engaged in Subscription Television Should Be Permitted To Enter Into Contracts That Would Give Them Exclusive Rights To Use a System in a Particular Community?**

63. Telemeter has already indicated its position on the question of exclusive franchises. As previously stated, it is premature for the Commission to decide at this point how subscription television will organize itself from a business and franchise standpoint. The only systems which have existed in this hemisphere have been franchise operations in which franchise holders were also patent licensees, broadcasters, and programmers. Regulation of the type required by a mature broadcast industry with a developed form should not be applied to an as yet nonexistent subscription television industry. Instead, the industry should be allowed freedom of growth, as we have stated above, and at an appropriate time, regulations may be formulated, as required, consistent with the form the industry has taken and the dictates of fairness and service to the public.

64. If the Commission adopts Telemeter's proposal not to limit subscription television to a single technical standard or system, it is possible that some cross-licensing and pooling of patents may occur. Moreover, some system proponents may engage in manufacturing while others may not. For these reasons, and until the shape of the industry becomes more definite, it is impractical to attempt to become specific about patent licensing terms and conditions.