§ 73.641 Subscription TV definitions.

(a) *Subscription television.* A system whereby subscription television programs are transmitted and received.

(b) *Subscription television program.* A television boadcast program intended to be received in intelligible form for a fee or charge.

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§ 73.642 Subscription TV service.

(a) Subscription TV service may be provided by:

(1) Licensees and permittees of commercial and noncommercial TV stations, and

(2) Licensees and permittees of low power TV stations.

(b) A licensee or permittee of a commercial or noncommercial TV station or a low power TV station may begin subscription TV service upon installation of encoding equipment having advance FCC approval. However, the licensee or permittee of a TV broadcast station (not applicable to low power TV stations) must send a letter to the FCC in Washington, DC, that subscription TV service will commence at least 30 days prior to commencement of such service. In that letter, to be entitled ''Notice of Commencement of STV Operations,'' the licensee or permittee is to state that it will comply with the provisions of paragraphs (e)(1) through (e)(3) and § 73.644(c) of this chapter and identify the make and type of encoding system to be used. A similar notice must be submitted if the licensee or permittee commences using another type of encoding system. (See section 644(h).) A notice must also be submitted to the FCC in Washington, DC, if encoded subscription TV service is to be discontinued, at least 30 days prior to such discontinuance.

(c) The station proof of system compliance measurement data (see § 73.644(c)) need not be submitted to the FCC, however, the measurement data must be available to the FCC upon request.

(d) The use of the visual vertical blanking interval or an aural subcarrier for transmitting subscriber decoder control code signals during periods of normal non-encoded programming may be used only upon specific FCC authorization. Letter requests to use either the video blanking intervals or aural subcarriers during periods of non-subscription programming are to be sent to the FCC in Washington, D.C.

(e) A licensee or permittee of a commercial or noncommercial TV broadcast or low power TV station may not transmit a subscription service if it has a contract, arrangement, or understanding expressed or implied, that:

(1) Prevents or hinders it from rejecting or refusing any subscription TV broadcast program that it reasonably believes to be unsatisfactory or unsuitable or contrary to the public interests; or substituting a subscription or conventional program that, in its opinion, is of greater local or national importance; or

(2) Delegates to any other person the right to schedule the hours of transmission of subscription programs. However, this rule does not prevent a licensee or permittee from entering into an agreement or arrangement whereby it agrees to schedule a specific subscription TV broadcast program at a specific time or to schedule a specific number of hours of subscription programs during the broadcast day (or segments thereof) or weeks; or

(3) Deprives it of the right of ultimate decision concerning the maximum amount of any subscription program charge or fee.

(4) Has provisions that do not comply with the following policies of the FCC:

(i) Unless a satifactory signal is unavailable at the location where service is desired, subscription TV service must be provided to all persons desiring it within the Grade A contour of the station broadcasting subscription programs. Geographic or other reasonable patterns of installation for new subscription services is permitted and, for good cause, service may be terminated.

(ii) Charges, terms and conditions of service to subscribers must be applied uniformly. However, subscribers may be divided into reasonable classifications approved by the FCC, and the impositions of different sets of terms and conditions may be applied to subscribers in different classifications. Further, for good cause, within such classification, deposits may be required