

Satellite Private Terminal Seminar
Washington, D. C.
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The attached recent article in the Washington Post Magazine should give you a good overview of the technology and most of the public policy issues involved in privately owned satellite receiving equipment.

It seems reasonably clear that the present ability of any one with \$8,000 to \$10,000 or so to receive dozens of TV channels without compensating those who produce the programming is destined to be either a very limited or a very short term phenomenon. As a policy matter, I don't believe the FCC should be in the position of encouraging the use of this kind of technology because, by doing so, the Commission would be threatening the underpinning of any mass communications system which is the incentive to produce quality programming. Clearly, home satellite technology is a great benefit to those relatively few individuals located in areas so remote that they do not receive regular television reception. If such home satellite reception were to become widespread, however, the technology could become a victim of its own success as suggested by Fritz Attaway in the article.

It should be kept in mind that there are significant differences between the home satellite service provided by the sponsoring group and that of the proposed direct broadcast satellite service. DBS will be provided specifically for the homeowner and mechanisms will be set up to finance the venture through payments made by those who benefit from the service. The folks who are advocating the ten foot backyard dishes, however, are appropriating "wholesale service" without compensating the wholesaler. I suspect that the only reason the use of the large-dish backyard receivers has not yet resulted in considerable turmoil is that they are in such limited use. Should such usage dramatically increase over the next several years, I would expect at least one of several things to happen. It seems likely that a legislative and/or regulatory attempt would be made to control the use of such equipment. Or, sufficient incentive will be present to develop very sophisticated scrambling and de-scrambling equipment which could render these privately owned systems useless. Obviously, Comsat believes that such scrambling devices can be effective since that technology would be very important to the success of any direct broadcast system plan.

To sum up, while it's fine to marvel at the technology satellite transmissions have made possible, it is also important to consider where this technology is likely to lead in the future and the very strong likelihood that the producers and owners of the "software" will be effective in protecting their rights and in restricting the use of their products.