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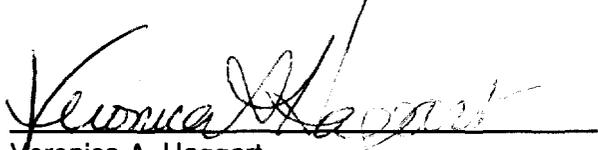
In the Matter of)
)
Review of the Policy Implications)
of the Changing Video Marketplace)

MM Docket No. 91-221

COMMENTS

Motorola Inc. is pleased to submit the attached comments in the proceeding captioned above.

Very respectfully submitted,



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COMMENTS

SUMMARY

1. The Commission is to be applauded for initiating this very significant inquiry. The changes in the video marketplace, however, are broader than the competitive position of broadcasters vis a vis other programming providers. These changes should be examined within the context of the Commission's overall spectrum management responsibility.
2. The inquiry should be broadened to examine the opportunities which the video marketplace changes create to divert more spectrum to growth markets such as mobile communications. As the Notice indicates, a dramatically increasing percent of the public in major markets now receive video entertainment by cable rather than over the air. With the waning need for over the air television, and with the increasing requirement for spectrum to support other services, the Commission cannot afford to ignore the linkage between video marketplace change and spectrum management.
3. The need to foster greater competitiveness between broadcasters and competitive video providers should be balanced with the needs of the emerging mobile telecommunications services, such as PCS. The most significant need is spectrum, in view of the lack of non-rf alternatives for these services.
4. A more broadly focused inquiry may bring into question the continuing relevance of the traditional four goals for broadcasting (enumerated below). The actions taken as a result of this inquiry should not automatically be premised on preserving the traditional goals for broadcasting. Instead, these goals should be balanced against the Commission's overall responsibility to manage the spectrum.
5. At a time when competitive video providers are satisfying many of the needs formerly provided almost exclusively by broadcasters, the FCC should re-examine two factors:
 - (a) the four core goals for broadcasting, which may have been heavily premised on over the air television being the public's only video service option, and
 - (b) alternatives to the continuing allocation of major portions of spectrum for over-the-air broadcasting of video services. These alternatives should include making spectrum available to the emerging mobile telecommunications services.

BACKGROUND

6. In this Inquiry, the Commission undertakes a review of the policy implications behind the sweeping changes which have taken place (and continue to do so) in the video marketplace. In general, the changes described are the following:
 - (a) increasing competition in, and fragmentation of, the video marketplace
 - (b) technology advances such as digital compression techniques
 - (c) broadcasters' competitors can rely on additional revenue sources beyond advertising
 - (d) the rapid increase in the availability of national programming.
7. In view of these changes, the Notice of Inquiry asks what will be the impact on the following factors (which have served as the Commission's core goals for broadcasting):
 - (a) localism
 - (b) diversity
 - (c) nationwide availability of broadcast service
 - (d) the public interest standard for broadcasters.
8. A recent FCC study recommended the following actions:
 - (1) Eliminate the FCC's broadcast multiple ownership and network cross-ownership rules
 - (2) Relax the duopoly rules
 - (3) Relax the cable-broadcast crossownership prohibition (Congressional authority would be required)
 - (4) Reexamine the current policy of forced sale of broadcast programming to cable operators.
9. The Notice calls for public comment on the above four recommendations and also invites comment on any other event, policies, or rules that may be implicated by this general inquiry into the future of the video marketplace.

DISCUSSION

10. The inquiry should be broadened beyond its current scope. The inquiry should examine the implications of video marketplace changes as they apply to the Commission's overall spectrum management policies. As the video marketplace changes, spectrum-related decisions concerning broadcasting services should change as well. This transition is consistent with the Commission's overall responsibility, pursuant to Section 303(g) of the Communications Act to "...encourage the larger and more effective use of radio in the public interest." The increasing growth of the mobile telecommunications services has precipitated a corresponding increase in need for spectrum to support these applications. Making adequate spectrum available in a timely fashion contributes to the nation's productivity and global competitiveness.
11. These increasing spectrum need for mobile telecommunications services occur at the same time that there is a decreasing need for spectrum to assure a wide range of video service to the public. Because of the current emerging video alternatives to over the air broadcasting, past assumptions about spectrum allocations for broadcasting should be reexamined.
12. The four core goals (listed above) for broadcasting may have been premised on certain assumptions which are no longer pertinent; specifically, (a) that broadcasters were the sole providers of video programming and (b) that the public receives video services only through programming distribution channels (such as broadcasting). Neither assumption is the case today. The Notice of Inquiry, however, addresses only assumption (a). In fact, assumption (b) is equally significant.
13. Today and in the future many important video services are and will be provided to the public through non-mass media channels. These alternative sources of video services should be considered in this inquiry. Video services are increasingly a part of telecommunications services which traditionally featured only voice and data services. For example, wireless personal communications services (PCS) will include video services. Public safety services, for example, will use video services to enhance medical rescue services in the field. To give another example, members of the public will rely on video screens for family communications whereas up to now they may have relied on video screens only for entertainment. The business community will also use these video services, which will be transmitted over RF channels similar to the means whereby today's cellular services are made available.
14. It is also significant to note that the public increasingly relies on non-video services for information for which they may previously turned to their televisions. For example, today's user may (instead of relying solely on the nightly news) receive business updates, stock quotes, and weather reports from a display pager or a laptop computer screen. These data and voice services are available on a twenty-four hour basis in a format which is frequently more convenient and more useful to the public than that which broadcasters have traditionally offered. In the future, news commentary and various forms of public

interest programming may also be offered over these non-broadcast systems.¹ The erosion of the broadcasters' market share is from more factors than the emergence of cable operators and digital signal compression techniques (factors which were singled out for discussion in the notice).

15. In short, "video" no longer means only entertainment and news programming. And the "video marketplace" is no longer the sole province of either broadcasters or their emergent competitors for programming. The changes in the video marketplace are more profound than the increased competition which traditional broadcasters face from cable and other alternate programming providers. They face even broader competition as today's users meet their personal communications needs from non-mass media sources.
16. In view of these changes, the question arises as to the continuing relevance of the four core goals for broadcasting. They may need to be revised to focus instead on those more narrow factors which can be anticipated to relate uniquely to broadcasting.
17. A second question is whether it is appropriate to foster greater competitiveness between broadcasters and competitive video providers. This issue should be balanced with the increasing need for spectrum for emerging personal communications services - and the lack of non-spectrum alternatives for these latter services.
18. The Commission may conclude, at the end of such a broad inquiry, that the changes in the video marketplace are due, not to regulatory constraints which have artificially hindered broadcasters but instead to legitimate advances in technologies and to changes in how the public meets its personal communications needs (including video services). In cases where some broadcasters are no longer economically viable, the Commission may conclude it does not make sense to attempt to protect these entities from competitive pressures. The Commission should explore reallocation alternatives, as a part of this inquiry, within the context of broad spectrum management. Certainly the growth area of mobile telecommunications is a very significant candidate for spectrum whose current use may no longer be competitive with advancing technological and economic trends.

CONCLUSION

19. The Commission is to be applauded for initiating the inquiry into the implications of the changing video marketplace. The inquiry should be broadened to include all the changes which are currently taking place and should not be confined to the emerging competition from non-broadcasting video providers. Instead, the inquiry should be conducted in terms

¹ It is even possible that at least some candidates for political office will choose to reach potential voters through those users' personal communications systems. Such candidates may select a mix of video messages over computer screens, text messages on pagers, voice messages over cellular telephones, etc. It seems highly unlikely that the political campaign process will remain preeminently linked to traditional broadcasting when all other arenas of communication have rushed to embrace the alternatives of new technology.

of the Commission's overall spectrum management responsibility. The emerging world of personal communications service (PCS) is meeting many of the needs which traditionally were provided only by broadcasters and other video programming providers. The inquiry should ask, not whether the competitiveness of broadcasters should be enhanced vis a vis their programming competitors but what is the most appropriate use of the spectrum at issue. The traditional core goals for broadcasting may in fact be met today (and tomorrow) through non-broadcast and non-programming services.

20. The Commission should examine alternatives to regulatory changes designed to foster broadcasters' competitiveness. The increasing need for spectrum for PCS may well be more urgent than retaining the same broadcast allocations, particularly if it appears that over the air broadcasters' commercial viability is in question. In such case, the spectrum should be reallocated to the growth area of mobile telecommunications, where it is needed for services which do not have non-rf alternatives.