

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of:)
)
Authorizing Permissive Use of the “Next) **GN Docket No. 16-142**
Generation” Broadcast Television Standard)

COMMENTS OF WATCHTV, INC.

1. Introduction. WatchTV, Inc. (“WatchTV”) hereby submits these Comments in response to the Commission’s *Further Notice of Proposed Rulemaking* (“FNPRM”) in the above-captioned proceeding, 32 FCC Rcd 9930, 82 FR 60350 (2017). WatchTV is the licensee of seven Class A television broadcast stations serving Portland, Bend, and Eugene, Oregon.¹ These comments will focus on two issues: first the “lighthouse” requirement that ATSC 3.0 stations continue to provide ATSC 1.0 service during a transitional period, and second whether vacant television channels should be made available temporarily for lighthouse operations.

2. Summary. WatchTV urges the Commission to exempt Class A stations from any lighthouse requirement. Because those stations for the most part do not have the right to distribution by any multichannel video program distributor (“MVPD”), they are sufficiently privately motivated that they can be relied on to preserve service to over-the-air viewers without regulatory intervention. With respect to vacant channels, the Commission should do whatever it can to facilitate the transition to ATSC 3.0 but should stop short of allowing full power and Class A stations to occupy vacant channels to the point where low power television (“LPTV”) stations are left with no home.

3. Lighthouse Requirement. The Commission has suggested that full power and Class A stations wishing to convert to ATSC 3.0 operation be required to maintain ATSC 1.0 service on a

¹ WatchTV is also the licensee of eight low power television stations and the permittee of four additional new LPTV stations, all in Oregon.

separate channel during a transitional period. The intent is to minimize any loss of service to viewers that might occur if a station flash cuts from ATSC 1.0 to ATSC 3.0, in light of the fact that the two standards are incompatible in the sense that the ATSC 1.0 receivers currently in use cannot display an ATSC 3.0 signal. WatchTV urges that regardless of what the Commission decides with respect to full power stations, it should exempt Class A television stations from any lighthouse requirement, because most of the rationale behind the lighthouse proposal does not apply to Class A stations.

4. Private Incentives are Sufficient. Because full power stations have MVPD carriage rights, virtually all of them have access to a substantial majority of their subscribers through MVPD facilities. Because the percentage of their viewers who rely exclusively on over-the-air reception is relatively small (though by no means insignificant), some full power stations might feel that the benefit of maintaining ATSC 1.0 service to reach all over-the-air viewers during a transitional period is not worth the cost; so some over-the-air viewers might lose service if there were no lighthouse. Class A stations are in a very different position. Except in markets below the top 160 and in counties with no full power service, Class A stations have no MVPD carriage rights;² and most of them (including all of WatchTV's stations) do not enjoy MVPD carriage. These stations rely on over-the-air signals to reach virtually all of their viewers. Therefore, they have a strong motivation to avoid doing anything that would cut off any of their over-the-air viewers; and the Commission can rely on strong private marketplace incentives to motivate Class A stations to provide ways to reach their viewers without any need for regulatory intervention.

5. Innovation Should Be Allowed and Encouraged. There is more than one way to ensure continuity of service to viewers; and given their clear motivation to preserve service, Class A stations

² See §§ 614(h)(2)(E) and (F) of the Communications Act of 1934, as amended; 47 U.S.C. §§ 614(h)(2)(E) and (F).

should be allowed, and indeed encouraged, to be imaginatively innovative. WatchTV currently operates four of its five Portland stations in the ATSC 3.0 mode pursuant to an experimental authorizations.³ It is quickly gaining knowledge and experience with the new technology. One thing it has learned is that contrary to what many people seem to be claiming, it will *not* be necessary for consumers to replace their ATSC 1.0 receivers to receive ATSC 3.0 signals. Unless they wish to receive features beyond those available in ATSC 1.0, they will be able to view ATSC 3.0 by simply adding a set-top box or USB dongle to their ATSC 1.0 receiver. The prospects for early development of add-on equipment are excellent,⁴ even to the point where WatchTV contemplates being able to acquire dongles for as little as \$10 in quantity, so that a station may sell them for a nominal amount or even simply give them away to viewers as a promotion. In other words, there may be other ways to retain access to over-the-air viewers without the cost, logistical difficulty, and bandwidth loss involved with lighthouse operations. If Class A stations are left free to innovate, new ideas are likely to emerge that may help all stations in the transition.

6. Special Class A Logistical Problems. Beyond the desirability of allowing fully motivated innovation, there are logistical problems in requiring lighthouse service by Class A stations. Full power stations occupy channels in a Table of Allotments that was constructed based on the assumption that most stations can increase power to the maximum for their class, and most stations' signals will cover the entire Designated Market Area. In contrast, Class A stations are licensed based on interference studies, with the result that signal coverage varies significantly from one station to

³ LMS File Nos. 0000021317, 21318, 21319, and 23121.

⁴ ATSC 3.0 set-top converter boxes are available in Korea today at reasonable prices. “[Both LG and Samsung are making available set top boxes that interface to their existing UHD TV product lines via the TV’s HDMI port. The set top boxes are inexpensive, and are priced even more attractively right now — 39,000 Korean won (about \$34 USD) in June, going up to 69,000 Korean won (about \$60) as of July.” <https://nabpilot.org/whats-going-on-in-korea-with-uhd-broadcasting/>, visited January 26, 2017.

the next in the same market. Finding a sharing partner for lighthouse service would be especially challenging, if possible at all, for Class A stations, because there are fewer Class A stations than full power stations in any given market to begin with; and among whatever stations may exist, it is likely that coverage replication for lighthouse service will often be difficult or impossible to achieve.⁵

7. Use of Vacant Channels for Lighthouse – Impact on LPTV. The Commission has just concluded a major and complex exercise to repack full power and Class A channels that were spread across 50 television channels into the 35 channels that remain available after the incentive auction. LPTV stations, a majority of which operate on Channels 38-51 that will no longer be available, now face an enormous challenge to achieve basic survival, without the guarantee of the ultimate home that the Commission afforded to full power and Class A stations. LPTV stations provide many innovative and otherwise unavailable services, including specialized programming for minority groups and interest groups whose economic power as a viewing audience is not sufficient to sustain the cost of operating a full power station. For the Commission to reduce further the already small number of channels available for displaced LPTV stations would be to impose hardship on the least finally able licensees and the least served audiences. There is no good reason to do that just because the Commission may fear that full power stations might not be adequately incentivized to avoid neglecting their over-the-air viewers without regulatory compulsion.

8. The video marketplace is intensively competitive today. Full power television broadcasters do quite well, considering their widely recognized ability to demand and to receive rapidly increasing retransmission consent fees from MVPDs. The Commission needs to stop

⁵ The Commission proposes to exempt LPTV stations from any lighthouse requirement. WatchTV strongly urges the Commission to adopt that exemption, as LPTV stations are much less financially able than full power and Class A stations to finance dual simultaneous operation. Moreover, like Class A stations, most LPTV stations do not have MVPD carriage rights; and they will have trouble finding channel sharing partners with comparable coverage.

worrying about ensuring that any TV broadcasters, but especially Class A stations, continue to reach and serve their viewers. They all make their money from selling advertising to a maximum number of viewers and from retransmission fees based on numbers of viewers. They have more than enough incentive to avoid any reduction in their audience reach without governmental mandates.⁶

9. In conclusion, WatchTV urges the Commission to impose regulation sparingly and to avoid putting burdens on broadcasters where, as in the case of the ATSC 3.0 transition, broadcasters have sufficient private incentives to protect service to the public. A light touch will be the most effective way to encourage rapid deployment of the new ATSC 3.0 technology.

Respectfully submitted,



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⁶ While it may be acceptable for broadcasters to use channels that are truly vacant, the Commission should also take care not to allow such operations to destroy important wireless microphone operations, many of which involve support for the production of broadcast programming as well as support for important entertainment and other public venues of many kinds.