



July 10, 2020

Marlene H. Dortch, Esq.
Secretary
Federal Communications Commission
445 12th Street SW
Washington DC 20554

Re: Notice of *Ex Parte* Communication, MB Docket Nos. 19-311 and 13-249

Dear Ms. Dortch:

On July 8, 2020, Lynn Claudy, David Layer and the undersigned of the National Association of Broadcasters spoke by telephone with James Bradshaw, Christine Goepp and Jerome Manarchuck of the Media Bureau, Audio Division, to discuss the Commission's recent Notice of Proposed Rulemaking (NPRM) to allow AM radio stations to voluntarily transition to all-digital broadcast operations.¹

Specifically, we discussed a recent request by the Digital Radio Mondiale (DRM) Consortium that the Commission modify its proposal to permit AM broadcasters to provide all-digital service using DRM technology,² in addition to the well-established HD Radio digital radio system that the Commission authorized as the exclusive digital solution for radio broadcasting nearly 18 years ago.³ The DRM representatives claim that DRM technology offers a number of advantages compared to HD Radio technology, and urge the FCC to compare the two standards in a test that would "open the possibility" of approving DRM as an alternative or complement to HD Radio.⁴

The NPRM could not be clearer that the DRM representatives' request is ill-advised and contrary to the FCC's intent, stating that the FCC "decline[s] "to revisit [its] earlier conclusion that HD Radio IBOC is the exclusive digital technology approved for AM radio."⁵ NAB supports this approach for several reasons, including those discussed below. The claimed advantages of the DRM system are debatable but notwithstanding those claims, the DRM representatives wholly ignore the extremely disruptive effect that

¹ *All-Digital AM Broadcasting, Revitalization of the AM Radio Service*, Notice of Proposed Rulemaking, MB Docket Nos. 19-311 and 13-249, 34 FCC Rcd 11560 (2019) (NPRM).

² Letter from Ruxandra Obreja, Chair, DRM Consortium, to Ms. Marlene H. Dortch, Secretary, FCC, MB Docket Nos. 19-311 and 13-249 (June 18, 2020) (DRM Letter).

³ *Digital Audio Broadcasting Systems and their Impact on the Terrestrial Radio Broadcast Service*, Report and Order, MM Docket No. 99-325, 17 FCC Rcd 19990 (2002).

⁴ DRM Letter at 1.

⁵ NPRM, 34 FCC Rcd at 11578 n. 141.

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testing, never mind authorizing, DRM would have on the efforts of both the Commission and industry to revitalize AM radio service. In 2013, the FCC launched its proceeding to introduce a range of policy and technical changes designed to enhance AM service.⁶ The FCC noted that AM service is an important source of local news and information, but has suffered the migration of listeners to higher fidelity and newer media services. Accordingly, the FCC has taken steps over the years to expand the success of AM-on-FM translator broadcasting, facilitate station improvements and generally relax or eliminate rules that hinder AM broadcasting.

These actions have led to increased investment in AM radio, including robust participation in the FCC's windows for applications to obtain a new translator or relocate an existing one.⁷ The next step in this evolution is permitting AM stations to voluntarily transition to all-digital operations.

Although HD Radio is a mature and proven technology, there will be important considerations that will enter into a broadcaster's decision to transition, such as the equipment costs to convert, the potential loss of listeners who do not obtain an HD Radio receiver, and perhaps most importantly, regulatory certainty. Before pulling the trigger on such a fundamental change to one's operation, AM broadcasters need every confidence that HD Radio technology will remain the exclusive technical solution for all-digital transmission.

Any moves to test or otherwise consider DRM as an alternative technology will undercut such confidence, discourage greater adoption of HD Radio technology and jeopardize the viability of all-digital AM. The Commission should follow the lessons learned during the so-called "AM Stereo Wars" in the 1980's.

At the time, there were five systems competing to become the AM stereo technology "standard," and the Commission elected to let the marketplace decide between them. However, as the Media Bureau's current website states: "As neither broadcasters nor receiver manufacturers wanted to invest in what could be a losing system, effective implementation of AM stereo in the USA was delayed."⁸ Ultimately, the Commission did eventually select a single system in 1993 after Congress required the FCC to do so but the momentum for deploying AM stereo had already been lost and AM stereo service never flourished. This is a relevant example of the need for regulatory certainty and the negative effect of multiple technology standards in the broadcast realm. The DRM representatives also state that modern, software-defined radio receivers will support multiple digital audio standards, and claim that this will promote the

⁶ *Revitalization of the AM Radio Service*, Notice of Proposed Rulemaking, MB Docket No. 13-249, 28 FCC Rcd 15221 (2013).

⁷ [Final FM Translator Window for AMs Attracts Hundreds](#), Inside Radio (Feb. 2, 2018).

⁸ See <https://www.fcc.gov/media/radio/am-stereo-broadcasting>.

introduction of DRM-ready reception in the US market.⁹ However, this is an extremely optimistic view of manufacturer behavior, and in our view, the market is unlikely to bear out the predictions of DRM stakeholders.

Of particular interest is the potential behavior of automakers as most HD Radio listening takes place using automotive receivers. Given the long product design cycle for automobiles, even if the DRM representatives were correct in their assertions regarding deployment of multi-standard receivers, it would take two years or more for DRM receivers to become available in the US, and this clock would only start once DRM became an authorized service, which would also be a several years-long process (and one that the FCC has repeatedly declined to initiate, including in the NPRM).

Meanwhile, the number of HD Radio receivers in the marketplace, all of which include all-digital AM reception capability, will continue to increase. In 2020, 10 million additional receivers were put into the hands of consumers, for a total of over 70 million units.¹⁰ Currently, HD Radio receivers are in approximately 25% of automobiles, on track for industry's goal to include HD Receivers in nearly half of all vehicles within 5 years. It is hard to imagine any automaker (or broadcaster for that matter) deciding to invest in an alternative digital radio technology when HD Radio technology is already so well-established.

However, it is easy to predict the chilling effect that consideration of DRM for the AM band in the US could inflict on what industry anticipates could be the start of a new era for AM radio. Approximately half of AM broadcasters now have FM translators pursuant to the Commission's various cross-service translator initiatives. These stations in particular are poised to take advantage of HD Radio all-digital AM service because they can continue to serve listeners with analog receivers via the AM station's FM translator signal. This is the path to success which Frederick, MD station WWFD has followed under experimental authority, serving listeners with improved all-digital AM services and, for the first time with their current music format, attracting enough listeners using all-digital AM to achieve Nielsen ratings in their market.¹¹

⁹ The DRM representatives further claim that DRM is superior to HD Radio because broadcasters will not incur any annual costs. DRM Letter at 1. To the contrary, Xperi makes clear that, "with regard to all-digital AM operations, Xperi's contracts currently stipulate that an AM station transitioning from analog to all-digital MA3 mode would pay no licensing fee in perpetuity. Accordingly, licensing costs should not serve as a barrier to stations considering whether to convert to all-digital operations." Comments of Xperi Corporation, MB Docket Nos. 19-311 and 13-249 (Mar. 6, 2020), at 18.

¹⁰ *Id.* at 5.

¹¹ Comments of Hubbard Radio, LLC, MB Docket Nos. 19-311 and 13-249 (Mar. 9, 2020), at 3.

Consideration of a second digital radio technology for the AM band at this time can only be harmful to similar transitions by other AM stations. Regulatory certainty is vital to this process, and the FCC's goals to revitalize AM radio can only be furthered if it stays the course and rejects DRM's requests to re-open the question of which systems to authorize. To this end, NAB again urges the Commission to finally incorporate the NRSC-5 In-band/on-channel Digital Radio System Standard into its rules, making it clear the one and only digital radio system approved for use in the US.

NAB appreciates the opportunity to provide our views on this matter.

Respectfully submitted,



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