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

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FEDERAL COMMUNICATIONS COMMISSION  
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In the Matter of )  
 )  
ADVANCED TELEVISION SYSTEMS )  
AND THEIR IMPACT ON THE )  
EXISTING TELEVISION )  
BROADCAST SERVICE )

MM Docket No. 87-268

AT&T COMMENTS

American Telephone and Telegraph Company ("AT&T"), who is a partner with Zenith Electronics Corporation in the development of the Digital Spectrum Compatible all-digital high-definition television ("HDTV") system, respectfully comments on the Commission's Memorandum Opinion and Order/Third Report and Order/Third Further Notice of Proposed Rulemaking ("Third FNPRM"), FCC 92-438, released on October 16, 1992. The Third FNPRM (¶¶ 76-77, 81) seeks comments on proposals for allowing ancillary advanced services on the HDTV conversion channels and for requiring dual-mode (i.e., HDTV and NTSC-mode) television receivers.

In the prior round of filings, Fox proposed that the Commission allow broadcasters to use the conversion channel for other ancillary advanced video applications such as transmission of multiple compressed HDTV images.<sup>1</sup> The Third

<sup>1</sup> See Comments of Fox, Inc., p. 13 n.5 (July 17, 1992).

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FNPRM (¶ 76-77) seeks comments on the Fox proposal, which the Commission tentatively supports.

The Fox proposal would encourage the deployment and evolution of HDTV by providing broadcasters incentives to use the conversion channel as soon as possible. It would do so by giving broadcasters additional revenue from use of the conversion channel for ancillary advanced services, thereby making use of the conversion channel more attractive and allowing other, ancillary advanced services to bear some of the costs associated with the conversion channel.<sup>2</sup>

AT&T's support of the Fox proposal is subject to certain significant conditions. First, any ancillary advanced services offered over the conversion channel should be compatible with the selected HDTV system in order to ensure that the ancillary uses do not impede HDTV deployment. This means that there should be no interference with HDTV programming and no degradation of HDTV quality.

Second, AT&T supports the Fox proposal only if the Commission also adopts a minimum operating schedule period during which HDTV programming would be required. The Third FNPRM (¶ 77) seeks comments on such a requirement, which AT&T believes is essential to ensure that sufficient HDTV

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<sup>2</sup> AT&T does not advocate any subsidy of HDTV by other services. Instead, to the extent that the conversion channel is used for both HDTV programming and for other advanced services, all of these services appropriately would bear the costs associated with the conversion channel.

programming is broadcast to foster consumer acceptance. The minimum operating schedule will ensure that broadcasters are required to broadcast at least a core volume of HDTV programming. As a result, programmers and production equipment manufacturers will be assured a market for HDTV programming.

Offering a minimum volume of HDTV programming on the conversion channel could in turn provide consumers incentives to purchase HDTV receivers. Absent an assurance of at least some HDTV programming, consumers will likely refuse to purchase HDTV receivers. In short, with a minimum HDTV operating schedule, the Commission can ensure the availability of HDTV programming while allowing other advanced, economically beneficial uses of the channel.

The Commission also inquires (§ 81) whether it should exercise its authority under the All Channel Receiver Act to require dual-mode receivers capable of receiving both HDTV and NTSC broadcasts in order to encourage the deployment of HDTV requests. The requirement is unnecessary. As Zenith pointed out in its prior comments, it is likely that most receivers during the transition period in fact will be dual-mode. Consumers should be allowed to "vote with their dollars" on this issue, with the market determining whether and for how long the incremental cost of dual-mode receivers is warranted.

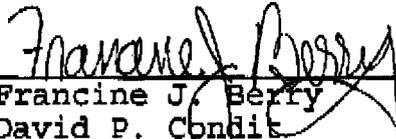
CONCLUSION

WHEREFORE, for reasons stated herein, the Commission should adopt the AT&T proposals described above, which are designed to ensure that HDTV technology is implemented effectively and achieves consumer acceptance.

Respectfully Submitted,

AMERICAN TELEPHONE AND TELEGRAPH COMPANY

By

  
\_\_\_\_\_  
Francine J. Berry  
David P. Condit  
Michael C. Lamb

Its Attorneys

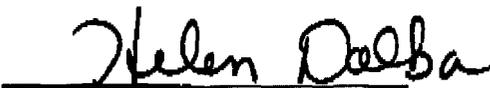
Room 3244J1  
295 North Maple Avenue  
Basking Ridge, New Jersey 07920

January 7, 1993

CERTIFICATE OF SERVICE

I, Helen Dalba, hereby certify that a true copy of the foregoing "AT&T Comments" was served this 7th day of January, 1993 by first-class mail, postage prepaid, upon the parties listed below:

Roy Stewart, Chief\*  
Mass Media Bureau  
Federal Communications  
Commission  
1919 M Street, N.W.  
Room 500  
Washington, D.C. 20554

  
Helen Dalba

\* Designates service by hand