

87-268



Federal Communications Commission
Washington, D.C. 20554

November 14, 1995

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

John M. Llewellyn
President and General Manager, WNWC-TV 36
1001 Wood Ridge Center Drive
Charlotte, NC 28217-1901

Dear Mr. Llewellyn,

Senator Helms asked me to comment on your letter to him regarding digital television auctions. The Federal Communications Commission does not currently have authority to auction radio or television broadcast licenses. Congress, however, is considering proposals that would require the Commission to study auctions for digital television licenses.

The Commission shares your concerns for the outcome of the spectrum auction debate, and in response to this and many other issues surrounding digital television, issued a Notice of Inquiry in August. In the document (Fourth Further Notice of Proposed Rule Making and Third Notice of Inquiry, MM Docket No. 87-268, Released August 9, 1995), the Commission sought comment on a number of issues, including several raised in your letter. Among the issues set forth for comment in the NOI are the appropriateness of the rules put in place by the Commission in 1992, including those that grant incumbents licenses and set a 15 year transition period, as well as the impact those rules would have on the development of advanced television in light of the current marketplace and recent technological advances.

The filing date for comment had been extended to November 15, but due to the government shut down, that date will be further extended by the number of days of the shut down. Reply comments will be due on January 12, 1996. The letter you sent to Senator Helms will be placed in the docket (MM Docket No. 87-268), and we encourage you to direct other comments on the issue to the Commission. You may do so by filing an original plus five copies to Office of the Secretary, Federal Communications Commission, 1919 M Street, N.W., Washington, D.C. 20554.

Sincerely,

Robert M. Pepper
Chief, Office of Plans and Policy

cc: Honorable Jesse Helms

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JESSE HELMS
NORTH CAROLINA

United States Senate

WASHINGTON, DC 20510-3301

MMB
AUC-HHV
428

August 24, 1995

Respectfully referred to:

Lou Sizemore
Federal Communications Committee
Room 808
1919 M Street, NW
Washington, D.C. 20554

Because of the desire of this office to be responsive to all inquires and communications, your consideration of the attached is requested. Your findings and views, in duplicate form, along with return of the enclosure, will be appreciated by


JESSE HELMS, U.S.S.

Please direct to the attention of:

Shannon Roley
Office of Senator Jesse Helms
403 Dirksen Office Building
Washington, D.C. 20510
(202) 224-6342



1001 WOOD RIDGE CENTER DRIVE
CHARLOTTE, NC 28217-1901
(704) 329-3636

Shannon

VIA-FAX AND U.S. MAIL
55 SEP 13 4:43

September 5 1995

Honorable Jesse Helms
United States Senator
SD-403 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Helms:

I am writing to urge you to oppose spectrum auctions for assigning digital television spectrum. Such auctions would preclude the development of advanced television and would destroy America's system of free, over-the-air television.

Broadcasters want to offer digital television, including HDTV. We want to compete with cable operators, telephone companies and others in providing digital technology. Viewers should not be forced into choosing programming for which they must pay because over-the-air broadcasters cannot provide comparable picture quality.

The spectrum for digital television is a transitional channel that will be loaned to broadcasters during the transition to digital broadcasting. During this transition period, television stations will simultaneously broadcast both analog and digital signals. When the transition is completed, the transitional spectrum will be returned to the government for auction at that time. There will be no net gain of spectrum for broadcasters. Broadcasters should not be forced to pay for this loaned transitional spectrum which will be returned to the government.

The cost for a television station to convert to digital television will be between \$8 and \$10 million. Stations in medium and small markets will not be able to expend these funds and additionally bid for the transitional spectrum. Many would be forced out of business. If broadcasters are unable to provide digital television, that would invariably lead to the demise of the free, over-the-air television system on which so many people depend.

Broadcasters should not be singled out in this increasing competitive environment. If there are to be payments for spectrum, then all spectrum users, including cable operators, telephone companies, satellite companies, cellular telephone companies, paging companies, taxis and others, should pay for the over-the-air spectrum which they use. To require otherwise would put broadcasters at a competitive disadvantage.

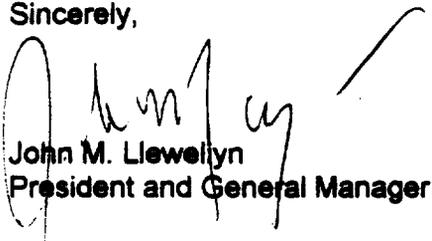
Equally devastating would be a proposal to arbitrarily accelerate the return of the loaned transitional spectrum. Under this proposal, the transitional spectrum would be auctioned in 2002, and in 2005, analog broadcasting would end and the transitional spectrum would be returned. (Under the current FCC plan, analog transmission would terminate in 2011.) The effect of this new proposal would be to make prematurely obsolete more than 200 million television sets now in use. Under this plan, consumers who want to watch television just ten years from now would have to purchase a new television set or a set-top converter for each analog TV set. Rather than adopt this proposal, Congress should allow an orderly, market-driven transition to digital television to occur.

Honorable Jesse Helms
Page -2-
September 5, 1995

As an alternative to the proposals discussed above, I urge you to look to the spectrum now held by the government. The government controls 94% of all spectrum and 65% of the spectrum below 30,000 MHz (where most current technologies operate.) By contrast, broadcasters use only approximately 2% of the spectrum. Privatizing and auctioning a small amount of the government controlled spectrum could generate billions of dollars for deficit reduction.

Thank you for giving me the opportunity to express our views on what we consider a very important situation facing the broadcast industry. I will follow up with your office in a few days to ascertain your position.

Sincerely,



John M. Llewellyn
President and General Manager

/dm