

SEPARATE STATEMENT OF
CHAIRMAN REED E. HUNDT

Re: *Digital Television Systems and Their Impact Upon the Existing Television Broadcast Service*, Sixth Further Notice of Proposed Rule Making,
MM Docket No. 87-268

I am pleased that we are moving forward on launching digital television.

The staff of our Office of Engineering and Technology has worked long and hard on the allotment plan we issue today for comment. They have developed a plan that they strongly believe serves the public interest, and I'm certainly inclined to agree.

The plan accommodates every eligible full-service broadcaster. It replicates broadcasters' current service areas. It uses both the VHF and UHF bands. It is neutral as between interference caused to digital and analog stations, as opposed to disfavoring analog stations. This is a series of reversals from the Commission's position in 1992. Between then and now, broadcasters presented facts and arguments during regular meetings with our staff that persuaded them to change course. And I'm inclined to support the staff plan in those respects.

On one issue broadcasters have failed to persuade our staff: whether we should attempt to place as many digital licenses as possible in what ultimately will be the core digital broadcast spectrum. The staff believes that we should maximize digital allotments in the spectrum at channels 7-51, the core, and minimize digital allotments elsewhere. Again, I'm inclined to agree.

Doing so has important benefits. It limits the amount of "repacking" the Commission would have to do later on. Repacking would involve moving broadcasters from one channel to another, which could be costly for broadcasters and distracting to viewers.

An even greater benefit is that the OET approach carries with it the possibility of rapid recovery of a substantial amount of spectrum. It would allow us to recover in the near future the vast bulk of the 60 MHz of spectrum at channels 60-69, which is lightly used by analog broadcasters. We could auction that spectrum for flexible use, generating funds that could be used for many purposes, including rebuilding schools and funding PBS. We could also use a portion of that spectrum to solve the serious spectrum needs of the public safety community. We've had great luck traveling this road before. Roughly 20 years ago we recovered UHF TV channels 70-84 and reallocated them for cellular telephone service, a decision that helped jumpstart an industry and that has paid enormous dividends.

For these reasons a diverse collection of organizations has urged us to give serious consideration to the OET core-spectrum plan with a view toward adopting it: the Association

of Public Safety Communications Officials, the National Governors Association, the Association of Public Television Stations, and the National Taxpayers Union.

The benefits of the OET plan appear to be enormous. And the costs appear to be minimal.

None of the broadcasters now at channels 60-69 will be harmed, nor would the handful of digital broadcasters that would be placed there. These broadcasters' channels would not be auctioned and their operations would be protected against interference. If the Commission ultimately decides -- as it did in connection with PCS -- to require new licensees to pay for relocating incumbents, the OET plan could be enormously beneficial to broadcasters at channels 60-69.

The difference in interference and replication between the OET plan and one that would put many digital broadcasters at channels 60-69, as MSTV has advocated, appears to be extremely small. The difference is a maximum of 1.4% for replication and 0.7% for interference. Using even more precise calculations (Longley-Rice calculations), the OET plan achieves 99% geographic and population replication. It is virtually impossible that any other plan could do noticeably better.

It is true that the OET allotment plan raises some difficult issues with respect to low power television and translator stations. But that is true of the approach that MSTV has advocated, and it is true of any plan that attempts to find spectrum for more than 1600 broadcast licensees. We will work closely with the low power and translator industries to find creative solutions to these problems.

The NPRM specifically asks for comments on the costs and benefits of the OET approach as compared to the MSTV approach or any other approach. I look forward to thorough comments and hard data on costs and benefits. The Commission should, of course, adopt a DTV allotment plan that maximizes social benefits and minimizes social costs.

Two last points. In addition to the principles that animate the allotment plan on which we seek comment, the NPRM contains as an appendix a draft Table of Allotments.

Let me stress that this is a draft. Our staff will continue to improve on it, and it will do so working cooperatively with the broadcast industry.

Also, our Notice anticipates industry-generated deviations from the Table both before and after its adoption. It encourages broadcasters in a community to propose alternative plans before adoption of the Table, and -- accepting a suggestion from MSTV -- it proposes that the Commission look to a "frequency coordinator" after adoption of the Table to help address modifications to it. This flexibility could, for example, allow broadcasters in a community to choose to share a single transmitter, reducing the costs of building a digital system and perhaps facilitating the development of over-the-air broadcasting as a multichannel competitor to cable.

OET has worked extremely long, extremely hard and extremely well on this delicate and difficult task. They should be commended for their diligence in striving to put together a plan that will fully serve the public interest.