

SN/DS

MM87-268

October 30, 1996

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BY FACSIMILE AND U.S. MAIL

Honorable Susan Ness
Commissioner
Federal Communications Commission
Room 832
1919 M Street, NW
Washington, DC 20554-0001

NOV 14 1996

Federal Communications Commission
Office of Secretary

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OFFICE OF
COMMISSIONER
SUSAN NESS
OCT 31 11 35 AM '96

re: Industry Negotiations on the Proposed FCC ATV Standard

Dear Commissioner Ness:

This letter is in response to your request that we report to you a schedule of meetings with representatives of parties interested in the ATV standards issue. Our companies plan to hold our initial meeting with broadcasters and consumer electronics manufacturers on Monday, November 4th, and a follow-up meeting on Wednesday, November 6th. Other meetings, if necessary, will be scheduled at that time and will be reported to you.

As shown in the enclosed press release, we have taken seriously your call to meet with the other parties and to work in good faith to resolve our differences in a manner that provides the American consumer with a world-class, computer-friendly broadcasting system. In contrast to our commitment to negotiation and compromise, there were deeply troubling public statements issued earlier this week by the National Association of Broadcasters (press release enclosed). Indeed, the broadcasters strongly implied that they are not willing to negotiate in good faith or compromise.

Although we sincerely hope that, in the best interests of American consumers, broadcasters will negotiate and compromise as necessary to agree to the optimum technical solution, we ask that you maintain close contact with our ongoing discussions to ensure that this excellent opportunity for solution is not lost.

Sincerely yours,

Jim Burger for
Apple Computer, Inc.

Jeff Campbell
Compaq Computer Corporation

Paul Misener
Intel Corporation

Jack Krumholtz
Microsoft Corporation

cc Chairman Reed E. Hundt
Commissioner James H. Quello
Commissioner Rachelle B. Chong

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Americans for Better Digital TV

FOR IMMEDIATE RELEASE

Monday, October 28, 1996

FOR MORE INFORMATION

See attached contact list

ENTERTAINMENT, HIGH TECH, AND CONSUMER GROUPS CALL FOR RESOLUTION OF DIGITAL TV STANDARD

WASHINGTON, D.C., October 28, 1996 – A coalition of film and entertainment leaders, high technology companies, and consumer advocates today called on TV broadcasters to modify their controversial digital television proposal.

The coalition is endorsing calls by the White House and FCC for a cooperative solution that would give consumers greater choice, pictures and sound faithful to the original, and better technology at a more affordable price.

Meanwhile, supporters of the “Grand Alliance” standard today are in closed-door sessions in Washington, D.C. organized by the broadcast industry.

“The White House and FCC have sent a clear message to all sides: get together and agree on digital TV standards that are good for consumers,” said Oscar Award-winning actor Richard Dreyfuss. “It’s time for broadcasters and TV set manufacturers to work with us to resolve the serious problems with the proposed ‘Grand Alliance’ standard.”

Leaders from film, entertainment, high tech and consumer groups have warned that adoption of the entire “Grand Alliance” proposal would unnecessarily cost consumers billions of dollars, lock-in inferior technology, slow the convergence of television and personal computers, reduce competition, and continue showing movies on TV in an inferior fashion.

The coalition, Americans for Better Digital TV, reads like a “who’s who” list of entertainment and high technology companies and organizations.

The Americans for Better Digital TV coalition includes: the Directors Guild of America; the Computer Industry Coalition on Advanced Television Service; the Media Access Project; the International Photographers Guild, Local 600, AFL-CIO; the American Society of Cinematographers; Digital Theater Systems, LP; the Todd-AO Corporation; Artist Rights Foundation; Panavision International, LP; the American Homeowners Foundation; the Computing Technology Industry Association; the Business Software Alliance; and a number of computer hardware and software companies including Compaq Computer Corporation, Apple Computer, Inc., Intel Corporation, and Microsoft Corporation.

Hundreds of Hollywood directors, cinematographers, actors and producers have joined the effort, including Steven Spielberg, Clint Eastwood, Arthur Hiller, Martin Scorsese, Dustin Hoffman, Sydney Pollack, and Robert Zemeckis.

“We are ready to work with other industries to find a common approach,” said Eckhard Pfeiffer, President and Chief Executive Officer of Compaq Computer Corporation. “I feel certain we can find solutions that are broad enough to suit the needs of all the players, and forward-looking enough to enable future applications.”

Senior Administration officials, including President Clinton, have called on both sides to resolve their differences. “The best standard would be one developed by and supported by all the affected industries, which could then be endorsed by the FCC,” the President said in the September 23, 1996 issue of *Broadcasting & Cable*. “We want to make sure that there are no roadblocks to future compatibility between television and computers.”

“This new technology will let us show movies at home as they are seen in the theaters,” said distinguished director Martin Scorsese, a vice president of the Artist Rights Foundation. “We will no longer have to tolerate the mutilation of films when they are shown on TV.”

“We strongly support efforts to bring digital television to American homes,” said Bill Gates, Chairman and CEO of Microsoft. “Unfortunately some critical parts of the ‘Grand Alliance’ proposal would unnecessarily slow the convergence of PCs and televisions. Getting these standards right is vital to achieving the digital future where consumers will be able to watch television on their PCs or access the Internet from their TVs.”

“Making the right decisions on audio and video standards are not only in the best interests of consumers and the creative community but will be essential to the continuing competitiveness of broadcasters as technology advances. The failed attempt to establish a conventional analog HDTV standard in a rapidly evolving technical environment should be a lesson to all concerned,” said Terry Beard, Chairman of Digital Theater Systems.

“Progressive scan is already the standard for the computer industry and we expect it to also become the standard for other consumer electronics, such as television,” said Dr. Donald Norman, Vice President of Research at Apple Computer, Inc. “Rather than lock in old technology, new digital TV standards should allow the greatest flexibility for innovation and technological development.”

###

Americans for Better Digital TV

Contact list:

<http://www.dga.org/dga>

American Society of Cinematographers, Bob Fisher – (619) 438-5250

Apple Computer, Inc., Russell Brady – (408) 974-6877

Artist Rights Foundation, Chuck Warn – (310) 289-5333

Business Software Alliance, Diane Smiroldo, – (202) 872-5500

Compaq Computer Corporation, Nora Hahn – (713) 514-8316

Computer Industry Coalition on Advanced Television Service, Kevin DiLallo –
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Digital Theater Systems, LP, Susie Golin – (818) 706-3525

Directors Guild of America, Chuck Warn – (310) 289-5333

Intel Corporation, Paul Misener – (202) 626-4382

International Photographers Guild, Local 600, AFL-CIO, Bob Fisher –
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Media Access Project, Gigi B. Sohn – (202) 232-4300

Microsoft Corporation, Mark Murray – (206) 936-3306

Panavision International, LP, John Farrand – (818) 316-1000

Todd-AO Corporation, Karen Gold – (818) 905-8818

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NEWS

National Association of Broadcasters
1771 N Street, NW
Washington, DC 20036-2891

DIGITAL TELEVISION PROPONENTS CHARGE THAT OPPONENTS OF UNIVERSAL STANDARD ARE ANTI-COMPETITIVE

Urge FCC To Adopt Proposed Standard By Thanksgiving

WASHINGTON, DC, October 28, 1996 — Broadcasters, electronics manufacturers and consumers today charged that Microsoft and a handful of other computer companies are blocking competition and progress in digital television. They called upon the Federal Communications Commission to approve by Thanksgiving a consensus universal broadcast standard developed over the past decade.

"It's been eleven months since the FCC Advisory Committee on Advanced Television Service submitted a flexible digital TV plan that addresses private sector concerns. Now we are being held up at the eleventh hour by a single group that wants to stifle competition," said National Association of Broadcasters President/CEO Edward O. Fritta. "Until the FCC adopts a digital standard, America's lead in digital television technology is at risk, and so are the tens of thousands of jobs for Americans who will bring the new technology to the public."

The flexible digital plan was developed by the Advanced Television Systems Committee (ATSC) in response to an FCC request for an industry consensus on a broadcast transmission standard for digital television (DTV). The ATSC standard is based on three basic video scanning formats (each with several screen-shape and picture-rate options). Those formats accommodate both the progressive scanning used by the computer industry and television's international standards, which all use interlaced scanning. The combination of formats allows broadcasters to smoothly make the transition to high definition television (HDTV), while providing consumers with the most flexible data and picture transmission technology known to mankind.

"Free broadcast television is perhaps the last great common American experience," said Neil Braun, president of the NBC television network. "For 50 years, Americans have known that the set they buy in Los Angeles will work in New York and will keep working for years no matter how technology changes. We stand at the threshold of a breathtaking advancement in the quality and potential of television to bring even more information, entertainment and now interactive services into American homes."

"I believe adoption of the digital TV standard will unleash a new wave of technology investment as did the addition of color to television," said Joseph P. Clayton, executive vice president of Thomson Consumer Electronics and chairman of the Consumer Electronics Manufacturers Association.

- more -

Representatives of the computer, cable and broadcast industries fully participated in the development of the ATSC universal digital TV standard. The decision to forward the standard to the FCC for adoption was made without a dissenting voice on November 28, 1995.

Recently, a handful of computer companies and Hollywood film makers objected to the large number and diversity of transmission formats included in the ATSC standard. Yet ATSC added many of the additional progressive scanning formats specifically at the behest of the computer industry. The ATSC standard actually includes three times as many progressive as interlaced formats (the type now used by broadcasters). In fact, the ATSC standard is the most computer-friendly digital television system on the planet, far more so than the European Community's competing Digital Video Broadcast standard (interlaced only) that is being heavily marketed around the world while the FCC delays approval of the ATSC standard.

Microsoft and few other computer companies are now promoting a separate, untested and ill-defined proposal that is intended to support video transmission to today's computers but makes no attempt to provide interoperability with other video service providers, such as cable, satellite and home playback devices. The biggest problem with the computer companies' proposal is that it has no proven capability or even a viable concept for incorporating HDTV - in fact, similar approaches in Europe and elsewhere have been abandoned as too complex and technically inefficient. As a result, the computer companies' proposal would threaten viewers' access not only to digital-quality free broadcast programming, but also to future information services that could be offered over the airwaves to compete with services now available through computer technology.

The NAB's Fritts added, "This 11th-hour attempt by Bill Gates and a few computer companies to scuttle this standard is anti-competitive and self-serving. Consumers want the certainty of free TV. They don't want to be forced to buy new computers and software every year just to watch their favorite TV programs, and they don't want to be left wondering if their computers will crash in the middle of the evening news. That could happen if computers ultimately become the delivery vehicle for American television."

Digital tv provides an extraordinary improvement in picture and sound quality. It also offers the potential for vastly expanded broadcast formats, interactive services and the eventual return to the public domain of large amounts of the analog spectrum currently used by broadcasters.

The ATSC standard is not a government-created standard. It is the result of the unprecedented cooperation of a team of 1000 experts from all the various sectors affected.

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Contact: Dennis Wharton
Patti McNeill
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MM 87-268

R. KENT REPLOGLE
VICE PRESIDENT/GENERAL MANAGER

October 30, 1996

The Honorable Susan Ness
Commissioner
Federal Communications Commission
1919 M Street, N.W. Room 832
Washington, DC 20554

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NOV 14 1996

Federal Communications Commission
Office of Secretary

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Dear Ms. Ness:

This letter is to support adoption of the ATSC-DTV standard.

For nearly a decade, the television broadcast industry has been working to develop the next generation of free, over the air broadcast television. With bipartisan support from Congress and the Federal Communications Commission, the broadcast and television set manufacturing industries spent a half a billion dollars developing the most advanced digital television system in the world. Our technology beat the Japanese and the Europeans. The FCC's Advisory Committee on advanced television presented the system to the FCC nearly ten months ago. Free, over-the-air digital television is ready to go.

The FCC must adopt the ATSC-DTV digital television transmission standard. Without it there will be no free, over-the-air digital television. Television is an open system. My station has no control over television receivers, and set manufacturers have no control over my signal. Set manufacturers will not build new digital sets unless they know what type transmission system broadcasters will use. A television station will not invest multiple millions of dollars for new digital equipment unless television sets can receive the new digital signal. This "chicken and egg" problem leads to economic paralysis. This is precisely what happened when the government failed to adopt an AM stereo standard. We should not repeat this mistake with digital television.

The computer industry is now trying to derail nearly a decade of work at the last minute. It's urging the government not to set a transmission standard for digital television. Alternatively, the computer industry is seeking to change the standard to fit its own business plans, while ignoring the needs of television viewers across America.

Adopting the computer industry's so called "baseline" approach will doom free, over-the-air digital television in America. This standard has never been tested. Compare this to the ATSC-DTV standard which has been subject to exhaustive tests for nearly a decade. The computer industry will send digital television back to the drawing board, wiping out years of effort. Because all of the FCC's proposed digital channels are based on the ATSC-DTV standard, the entire table of digital allotments will have to be reworked. Any delay will have significant negative consequences for America.

- It would delay the time when the government can reclaim and subsequently auction broadcast spectrum. Recapturing spectrum depends on local television stations shifting to digital transmission.

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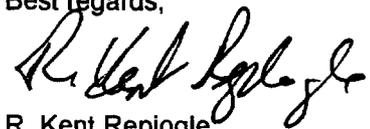
- It will destroy true High Definition Television. At this point in time, the digital interlaced formats in the ATSC-DTV standard are essential for broadcasting live action high definition sporting events. The computer industry wants this option eliminated. If high definition is not available, many consumers may decide not to purchase digital sets. This will undermine transition to digital television.
- It will cost consumers billions. The computer industry's plan calls for basic monitors that will receive digital signals. If you want better quality pictures or formats, you will have to buy additional software. For example, imagine a world where you will have to purchase "NFL-2000" software in order to watch a football game. For over 50 years broadcast television has been universally available to all Americans. We are about to lose this heritage and replace it with the computer industry's "pay as you go" model. This will destroy universal broadcasting as we know it.

The ATSC-DTV standard being debated today is a broadcast **transmission** standard. It applies only to the types of digital signals that are broadcast from my tower. It simply does not impose legal obligations on the manufacture of computer monitors. The computer industry remains free to manufacture computer monitors and combined computer monitor/TV sets with progressive scan displays. If a computer manufacturer wants to build monitors capable of receiving broadcast signals, all it need do is include an inexpensive chip into the set to decode the signal.

Today, WHNS must survive in a very competitive video marketplace. Direct satellite services, cable television and telephone video services are rapidly shifting to digital transmissions. Unless my station shifts to digital broadcasting, it simply will not survive.

I urge you to reject this eleventh hour attempt to undermine free, over-the-air digital television. The computer and cable industries have been part of the process from the beginning. Their concerns have been evaluated by the best engineers in America. In many instances, the needs of the computer and cable industries have been accommodated and incorporated into the ATSC-DTV standard. The time has come to move forward. The government should adopt the ATSC-DTV broadcast transmission standard as soon as possible.

Best regards,



R. Kent Repiogle

RKR:d



October 18, 1996

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The Honorable Susan Ness
Federal Communications Commission
1919 M Street, N.W. Room 832
Washington, DC 20554

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Page Two

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Sincerely,



Steve Marks

Regional Director, WNUV-TV



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OCT 28 5 14 PM '96

October 21, 1996

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Federal Communications Commission
Office of Secretary

The Honorable Susan Ness
Commissioner
Federal Communications Commission
1919 M Street, NW, Room 832
Washington, DC 20554

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Baltimore (WNUV-TV), Inc.
a *Glencairn, Ltd. Company*
711 West 40th Street, Suite 301
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410-662-0816 FAX

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Sincerely,



Eddie Edwards
President/CEO
WNUV-TV 54
Glencairn, Ltd. Broadcasting Properties

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Citizens For HDTV

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October 28, 1996

Honorable Susan Ness
Commissioner
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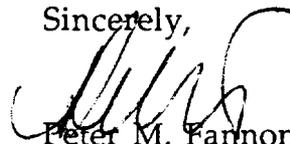
Dear Commissioner Ness:

On behalf of the members of our Coalition, thank you for your efforts, through your letter last week to interested parties, to help conclude the important matter of digital television broadcasting standards.

Once again you have taken the lead, as you have from the outset of this proceeding. We are deeply grateful for this leadership, and we appreciate very much that you are targetting the earliest possible resolution. The Coalition's participants and I will do whatever possible to help you achieve this goal.

Thank you again for your interest and advice, and for your time and work and that of your staff. The leaders from several of our member organizations look forward to our meeting with you on November 8.

Sincerely,



Peter M. Fannon
Chairman

MM 87-248

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October 17, 1996

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Federal Communications Commission
Office of Secretary

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FCC Delay Threatens U.S. Jobs

Three Union Leaders Urge FCC Adoption of HDTV Standards

Washington, DC – Three union leaders warn that if the Federal Communications Commission (FCC) does not adopt national standards soon for the digital television industry, thousands of high-tech American manufacturing jobs will be lost. "The new digital television technology that is available to boost high-tech manufacturing in this country and provide high-quality entertainment and information is not being swiftly encouraged. This lack of foresight is leaving another opening for high-tech foreign competitors to fill the void in American markets," the union leaders warned.

In a letter to Vice President Gore, union presidents from the International Brotherhood of Electrical Workers (IBEW), Communications Workers of America (CWA) and the International Union of Electronic Workers (IUE) wrote in support of the speedy adoption of the digital video technology standards agreed to by the Grand Alliance – the group of computer industry manufacturers and consumer electronic broadcasters responsible for studying the emerging technology.

"The Grand Alliance ATSC Standard should be adopted now. The delays already incurred since the standard was recommended last November by the FCC Advisory Committee have already cost American business both credibility and economic opportunity," the letter stated.

"We want America to retain its technological leadership in digital video technology as well as to foster its valuable export opportunities. If we do not adopt these transmission standards now, other countries competing in this market will set the industry standard and the American market will not only be dealt an embarrassing blow, it will also lose thousands of high-tech job opportunities."

"Adopting these standards, however, would sustain our technological pre-eminence, harness further creative power in the U.S. and create untold export capabilities for manufacturing and software products and services."

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pg 2/ Union Leaders Urge FCC on HDTV

"Thousands of our members manufacture the finest television receivers in the world at numerous assembly and component facilities throughout the United States. Two of our major employers, Thompson and Philips, have pledged in writing to manufacture HDTV receivers in the U.S. if the FCC sets a transmission standard."

"Our members also work by the thousands in the free broadcasting industry. They have an equally large stake in the debate over transmission standards and channel allocation of new broadcast channels for digital television. It is estimated that as stations convert to digital, billions of dollars will be invested by manufacturers and broadcasters which will create tens of thousands of new 'high wage - high tech' quality jobs beginning in 1997!"

"If the FCC does not adopt this new standard, the broadcasting medium Americans rely on for information, education and entertainment will be dealt a devastating setback and all Americans will suffer from the inevitable diminution of a key media competitor mired in the analog world. Our country will fall behind in the larger digital world."

Conservative economists and some in the business community have been critical of any FCC action, claiming that the marketplace should be allowed to determine standards for digital television. However, the union leaders stressed that "government is occasionally needed to set the framework so that innovation can occur within the private sector. With established government standards, investors gain the confidence they need to invest, so that, in turn, consumers can enjoy better products at reasonable prices and new jobs can be created."

NEWS



National Association of Broadcasters
1771 N Street, NW
Washington, DC 20036-2891

DIGITAL TELEVISION PROPONENTS CHARGE THAT OPPONENTS OF UNIVERSAL STANDARD ARE ANTI-COMPETITIVE

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"I believe adoption of the digital TV standard will unleash a new wave of technology investment as did the addition of color to television," said Joseph P. Clayton, executive vice president of Thomson Consumer Electronics and chairman of the Consumer Electronics Manufacturers Association.

Representatives of the computer, cable and broadcast industries fully participated in the development of the ATSC universal digital TV standard. The decision to forward the standard to the FCC for adoption was made without a dissenting voice on November 28, 1995.

Recently, a handful of computer companies and Hollywood film makers objected to the large number and diversity of transmission formats included in the ATSC standard. Yet ATSC added many of the additional progressive scanning formats specifically at the behest of the computer industry. The ATSC standard actually includes three times as many progressive as interlaced formats (the type now used by broadcasters). In fact, the ATSC standard is the most computer-friendly digital television system on the planet, far more so than the European Community's competing Digital Video Broadcast standard (interlaced only) that is being heavily marketed around the world while the FCC delays approval of the ATSC standard.

Microsoft and few other computer companies are now promoting a separate, untested and ill-defined proposal that is intended to support video transmission to today's computers but makes no attempt to provide interoperability with other video service providers, such as cable, satellite and home playback devices. The biggest problem with the computer companies' proposal is that it has no proven capability or even a viable concept for incorporating HDTV -- in fact, similar approach in Europe and elsewhere have been abandoned as too complex and technically inefficient. As a result, the computer companies' proposal would threaten viewers' access not only to digital-quality free broadcast programming, but also to future information services that could be offered over the airwaves to compete with services now available through computer technology.

The NAB's Fritts added, "This 11th-hour attempt by Bill Gates and a few computer companies to scuttle this standard is anti-competitive and self-serving. Consumers want the certainty of free TV. They don't want to be forced to buy new computers and software every year just to watch their favorite TV programs, and they don't want to be left wondering if their computers will crash in the middle of the evening news. That could happen if computers ultimately become the delivery vehicle for American television."

Digital tv provides an extraordinary improvement in picture and sound quality. It also offers the potential for vastly expanded broadcast formats, interactive services and the eventual return to the public domain of large amounts of the analog spectrum currently used by broadcasters.

The ATSC standard is not a government-created standard. It is the result of the unprecedented cooperation of a team of 1000 experts from all the various sectors affected.

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Virtual Myths About Digital Broadcast Standards

Eleven months after the development of a universal digital standard for broadcast television by all interested parties, a handful of computer companies have mounted an eleventh-hour effort to replace this consensus private sector proposal with an untested plan of their own. They have advanced many bits and bytes in support of their position, but few, if any, real facts. Before you buy their “vapor standard,” check out the reality:

The Standard

Myth: It's unnecessary and unwise for the government to set a standard for DTV.

Fact: The proposed Advanced Television Systems Committee (ATSC) standard is not a government-created standard. It is the result of the unprecedented cooperation of a team of 1,000 experts from all the various sectors affected. We seek only to have the government adopt what the private sector has already agreed to. Without the marketplace certainty that such a standard provides, manufacturers are reluctant to invest in new products that could be rendered obsolete by unpredictable market changes. Consumers, likewise, are hesitant to purchase major electronics with no guarantee of useful longevity or without knowing that a set purchased in Los Angeles will work in New York.

The ATSC standard does not just apply to new products but also represents a flexible transition for a medium that penetrates 98 percent of all households, with room for expansion and new technology. In the absence of FCC approval, manufacturers are likely to drift toward a competing — fully interlaced and thus non-computer compatible — standard that has garnered the support of the entire European Community and is being marketed aggressively in the rest of the world.

Myth: The ATSC standard was developed by a small club dominated by foreign equipment manufacturers, without considering the needs of the computer and film industries.

Fact: The long Advisory Committee process that developed the ATSC standard was completely open and included the American computer, motion picture, cable, satellite and telecommunications industries, as well as the broadcasting, broadcast equipment and U.S.-based consumer electronics sectors. Specifically, it included representatives from companies such as Apple, Compaq, Digital Equipment Corp., Hewlett-Packard, IBM, the Interactive Multimedia Association, Microsoft, Silicon Graphics, Sun Microsystems and Toshiba. One of the specified criteria of the Advisory Committee's endeavor was “interoperability.”

Myth: *The proposed ATSC standard is based on outmoded technology.*

Fact: The standard is the most flexible broadcast TV system ever devised, representing a combination of the best of all worlds: interoperability of state-of-the-art high-definition technology for broadcasters with computers, existing receivers, VCRs, camcorders, cable systems, and other applications, and plenty of "headroom" for future innovations. Its proven, tested performance and flexibility contrasts sharply with the unproven, ill-defined "vaporware" advocated by a few in the computer industry.

Transition to Digital

Myth: *Broadcasters will not make the conversion to digital television (DTV).*

Fact: The ATSC proposed standard has been endorsed by the entire broadcast industry, in contrast to the computer companies' proposal, which is not supported by a single station. That fact speaks for itself. Moreover, the conversion to full studio DTV operation can be phased in over a period of years with manageable premiums over ordinary capital budgets.

Broadcasters are enthusiastic about the business opportunities made possible by higher-definition television, six-channel surround sound, and the opportunity to combine video material with ancillary data and provide completely separate data services. Most importantly, broadcasters recognize that their competitive position will be seriously weakened if cable, satellite and other delivery media offer DTV and they cannot. In other words, they can't afford *not* to make the conversion to DTV.

Myth: *Only the wealthy will be able to afford DTV. The ATSC standard will cost consumers more than \$91 billion over the next 10 years.*

Fact: Most people replace their televisions within 8-10 years. That's the typical useful lifespan of a receiver, and it's worth noting that it's significantly longer than the average lifespan of computer hardware.

As is typical for new electronic product introduction, per-unit costs may be higher than traditional television sets at first, but countless examples of emerging technology (digital satellite broadcasting, VCRs, etc.) have demonstrated that industry competition and mass acceptance drive prices down quickly and dramatically (when color television was first introduced, a new set cost about the same as an automobile). Even in the early stages, the additional cost of digital television sets will be measurable in the hundreds of dollars.

Consumer/Industry Acceptance

Myth: *The public isn't interested in DTV.*

Fact: Fifteen years ago, the same argument was made about compact discs. Demonstration projects and other market research indicate strongly that the public is eager to invest in higher quality entertainment mediums.

Myth: *The ATSC standard is not computer interoperable.*

Fact: This is simply wrong. Of the 18 formats in the standard, 14 utilize progressive scanning for computer interoperability. The other four, which use television's traditional interlaced scanning, do not substantially interfere with computer performance. They simply provide interoperability with existing equipment and other video services, and are the only way to transmit digital television using current technology. In fact, the ATSC standard is the most computer-friendly digital television system on the planet, far more so than the European Community's competing Digital Video Broadcast standard (interlaced only) that is being heavily marketed around the world while the FCC delays approval of the ATSC standard.

Myth: *Specifying a 16:9 aspect ratio in the transmission standard will mean continued "butchery" of motion pictures shown on television.*

Fact: The 16:9 format reflects a broad worldwide consensus as to the best balance between resolution, bandwidth, receiver cost, and compatibility with existing formats. Accommodating an 18:9 broadcast in a 16:9 transmission would require only very marginal "letter-boxing" to present the whole picture, and as long as movies continue to be produced in a variety of formats, the letterboxing of some will be a fact of life. The Motion Picture Association of America (MPAA) was a party to the consensus on the 16:9 format and continues to support it.

Myth: *The ATSC standard will stifle innovation and development in related industries.*

Fact: Just the reverse is true: a common and flexible standard makes innovation possible by providing a secure environment for investment by industry in research, development and new production. Without it, manufacturers are unlikely to branch out into new areas, stifling the creation of new jobs in facilities that manufacturers have committed to building in the US if the ATSC standard is approved.

Of course, it also remains true that the standard applies *only* to broadcast transmissions. Computer companies, and everyone else, are free to build any kind of products they want, using any kind of technology they choose. The ATSC standard is only a broadcast transmission standard, not a receiver product mandate.

Interlaced vs. Progressive Scanning

A television signal consists of a rapid sequence of still pictures (frames) used to portray motion. Progressive and interlaced scanning are two methods of creating those still pictures. On computers, the picture is created "progressively" that is, line by line until the picture is complete at, for example, 72 times per second. On your television set, half the lines are displayed at 60 times a second and then the other half are woven in at 60 times per second in a process called interlace scanning.

Interlace technology was invented 50 years ago to reduce the bandwidth needed to transmit high quality pictures and to make television signal transmission possible within a 6 MHz wide channel. In digital television, broadcasters must still fit their digital signals within 6 MHz channels.

- Interlaced mode will accommodate higher resolution, higher quality, 1000 line scanning in a 6 MHz channel. In contrast, progressive only allows 720-line scanning.
- Broadcasters will migrate to an all-progressively scanned system when compression technology allows 1000 scan lines of progressive scan images to be squeezed into a 6 MHz channel.

It is imperative that the interlaced transmission options are retained in the ATSC standard primarily for three reasons:

- Interlaced transmission is essential for interoperability with the existing television service. All current broadcast signals, current analog and digital cable signals, digital satellite broadcast signals, home VCRs and camcorders are based on interlaced scanning.
- All current digital and analog television standards in the world are based on interlaced scanning.
- In a fixed bandwidth, interlaced scanning allows highest resolution pictures under current technology.

Square vs. Non-square Pixels

The ATSC digital standard includes both square and non-square pixel transmission modes. However, the computer industry standard would eliminate the modes with non-square pixels from the digital television (DTV) standard.

- Pixel is short for picture elements. A picture is represented by a matrix of tiny samples or picture elements--for example, 480 vertical pixels by 704 horizontal pixels, the current television standard.
- Square or non-square pixels refers to the spacing between pixels. Square pixel spacing means that the horizontal spacing between pixels is the same as the vertical spacing.
- Computers use square pixel spacing.
- In the ATSC standard, all the high definition (HDTV) modes use square pixels. However, several of the standard definition (SDTV) modes include non-square pixel configurations.
- Non-square pixel spacing must be included in the digital standard to ensure backward compatibility with the existing inventory of television programming (i.e., news, sports, movies).
- Non-square pixel transmission formats are needed for compatibility with the International Telecommunications Union international standard (ITU-R-601) for studio origination of digital video signals that has been in place for almost fifteen years and is the standard throughout the world.

Flexible Formats

The proposal of the computer companies would exclude all interlaced and non-square pixel display formats.

- Formats define the parameters of the shape, size, and location of pixels on electronic displays.
- The Advanced Television Systems Committee (ATSC) standard is designed to transport up to 18 different input formats--14 progressive and 4 interlaced. Nine of the formats were added to improve compatibility with computers and three with existing TV standards.
- There are only three fundamentally different formats -- 1080, 720, and 480 scan lines. The "18 formats" comes from counting each combination of frame rate and aspect ratio associated with these scan rates as a different format.
- ATSC's digital standard enables interoperability with other video media including computers and telecommunications (e.g., satellite, cable, Multichannel Multipoint Distribution Systems, digital video discs, and telco video).
- Supporting multiple formats greatly expands the functionality and value of digital television to consumers while adding very little to the price of consumer equipment.
- The ATSC digital standard allows a large range of receivers, from low-cost models to full feature high-end sets for all income levels.
- Hitachi America has demonstrated, and others are developing, effective techniques to process and display all of the digital TV formats with a cost-reduced decoder that can deliver lower-definition, lower cost receivers and converters.

Convergence With Computers Isn't an Issue; It Has Already Happened

The computer industry has railed long and hard that certain aspects of the ATSC digital television (DTV) Standard will prevent convergence of the television and computer industries. For example, Microsoft's filing with the FCC states that the inclusion of interlaced scanning in the standard "is outmoded and incompatible with today's computer applications." The computer companies that oppose the ATSC standard claim it would "stifle the convergence of television and computers and growth of the United States computer industry." Sounds like a serious problem. But consider a few examples of the actual status of "convergence" in the current marketplace:

- TV set manufacturers are offering product lines right now that allow viewers to switch seamlessly from tv (analog interlaced images from the television world) to the World Wide Web (progressive scan images from the computer world). Both Philips and Sony are offering WebTV™ Internet tv terminals at under \$350 that provide anyone with an ordinary analog interlaced tv set full access to the World Wide Web.
- Zenith is introducing NetVision (expected to hit store shelves in late 1996), a 27-inch tv set that allows selection and manipulation of the World Wide Web from the TV's remote control.
- Toshiba's new Infinia desktop computer comes complete with a TV tuner. Their press release announcing this multimedia unit claims that "Dad can catch the latest action in the basketball game while continuing to work on his presentation."
- Netscape and Progressive Networks have announced that 40 companies in the computer world have agreed on a standard for delivery of real-time video and audio over the Internet. Netscape says "this is the equivalent of the ATSC standard for television." No doubt that's where lots of the programming will come from.

Clearly convergence will not be stifled by the ATSC DTV standard. It's already here!