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MCDERMOTT, WILL & EMERY

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August 5, 1998

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VIA MESSENGER

EX PARTE OR LATE FILED FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie R. Salas
Federal Communications Commission
Office of the Secretary
1919 M Street, N.W.
Room 222
Washington, DC 20554

**Re: Notice of Oral *Ex Parte* Presentation; In the Matter of
Carriage of the Transmissions of Digital Television
Broadcast Stations; Amendments to Part 76 of the
Commission's Rules: CS Docket No. 98-120**

Dear Ms. Salas:

This is to notify the Office of the Secretary that on July 24, 1998, at the invitation of Commission staff, Alan McCollough, President and COO of Circuit City Stores, Arpad G. Toth, Chief Technical Officer of Circuit City, and Robert S. Schwartz of McDermott, Will & Emery, counsel to Circuit City, made an oral *ex parte* presentation to a group of Commission staff members. The subject matter of the presentation concerned answers to staff member questions with respect to compatibility between anticipated consumer HDTV receiver product configuration, and potential non-broadcast media services.

Mr. Toth explained the functionality and signal paths of potential digital and analog inputs to HTDV receivers, and of ports and outputs from converter devices for various media. He also reviewed paths and systems for control information not included in signal content. Mr. McCollough explained, in answer to questions, that

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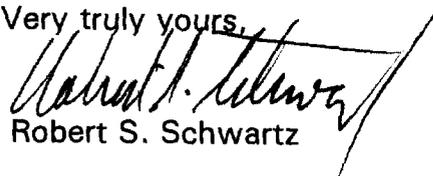
some HDTV receivers are expected to contain built-in circuitry for reception of satellite, as well as terrestrial, broadcasts, so in these first-generation HDTV receivers no consumer compatibility issues as to ability to receive premium services ought to arise. As to other first-generation receivers, consumers would be aware that compatibility in this respect would depend on subsequent actions by media providers. Both Mr. McCollough and Mr. Toth emphasized that, where there are separate display and media conversion devices, it is important, from Circuit City's perspective, that the design of the media conversion device permit control capability to be shared by the display device and the conversion device, rather than residing in the converter alone.

Mr. Schwartz pointed out that as a result of multi-industry technical activities (as to which Circuit City has not been a primary participant), technical means do exist to "secure," for copy protection purposes, any of the potential analog, as well as digital, signal paths from media converter devices to HDTV receivers. Various policy issues, beyond the scope of the meeting, would arise as to circumstances in which protection would or should be assured.

The FCC staff present were: Dale Hatfield, Chief, Office of Engineering and Technology (OET) ; Alan Stillwell, Economic Counsel, OET; William Johnson, Deputy Chief, Cable Services Bureau (CSB); John Wong, Chief, Engineering and Technical Services, CSB; Karen Kornbluh, Deputy Chief, Mass Media Bureau; and Stan Trost, Office of Plans and Policy

In accordance with the Section 1.1206 of the Federal Communications Commission rules, a copy of this notice has been hand-delivered to the parties listed above.

Very truly yours,



Robert S. Schwartz

Enclosure

cc: Dale Hatfield
Allen Stillwell
William Johnson
John Wong
Karen Kornbluh
Stan Trost