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Federal Communications Commission
Office of Secretary
NEW YORK
LONDON
SINGAPORE
TOKYO

WRITER'S DIRECT NUMBER
202-736-8119

September 22, 1998

ORIGINAL

VIA HAND DELIVERY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Room 222
Washington, DC 20554

ORIGINAL

Re: Ex Parte Presentation
In the Matter of Advanced Television Systems and
Their Impact Upon the Existing Television
Broadcast Service; MM Docket No. 87-268

Dear Ms. Salas:

On Friday, September 18, 1998, Marvin Born and Thomas Van Wazer representing the Dispatch Broadcast Group ("Dispatch") and its affiliated stations WBNS-TV, Columbus, Ohio and WTHR(TV), Indianapolis, Indiana met separately with the following Commission personnel: Paul Misener and Helgi Walker of Commissioner Furchtgott-Roth's office; Richard Chessen of Commissioner Tristani's office; Jane Mago of Commissioner Powell's office; Anita Wallgren of Commissioner Ness's office and Roy Stewart, Renee Licht, Clay Pendarvis and Gordon Godfrey of the Mass Media Bureau. During these meetings, the parties discussed Dispatch's request that the Commission reconsider its requirement regarding the minimum number of hours that a licensed DTV station must operate in the early phase of the transition from NTSC to DTV. Copies of Dispatch's request, which was filed as a Written Ex Parte Presentation in MM Docket No. 87-268 on September 17, 1998, and an article from Broadcasting & Cable about a recent Dispatch DTV broadcast were distributed to each meeting participant and are attached hereto.

In the course of these meetings, Dispatch proposed a
an alternative to its September 17, 1998, request for a change

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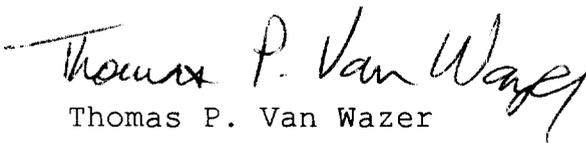
Ms. Magalie Roman Salas
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in the Commission's minimum operating hour requirement for DTV stations. Dispatch proposed that any DTV permittee filing an application to license and operate its DTV station **prior to** the start-up date specified in the Fifth Report and Order be permitted to operate its DTV station in accordance with the minimum operating hours specified in Section 73.1740(a)(2), which currently applies to new NTSC stations, rather than Section 73.624(b), which currently applies to new DTV stations.

Under Dispatch's revised proposal, a DTV licensee's minimum operating hour flexibility would end on the date that it was required to commence DTV operations as provided in the Fifth Report & Order. Under this proposal, any so-called early DTV adoptor would receive minimum operating hour flexibility to both serve its community and promote the new DTV service to the public while maintaining the Commission's interest in ensuring the rapid delivery of DTV service -- an interest manifested in the DTV build-out schedule designed to ensure that 53 percent of U.S. television households have DTV service by November 1, 1999.

Pursuant to section 1.1206 of the Commission's rules, an original and one copy of this letter are being filed in the above-referenced proceeding. Please direct any questions regarding this matter to the undersigned.

Sincerely,


Thomas P. Van Wazer

Attachments

cc: Paul Misener
Helgi Walker
Richard Chessen
Jane Mago
Anita Wallgren
Roy Stewart
Renee Licht
Clay Pendarvis
Gordon Godfrey

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Ms. Magalie Roman Salas
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1919 M Street, N.W.
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RECEIPT

Re: Advanced Television Systems and Their Impact
Upon the Existing Television Broadcast Service,
MM Docket No. 87-268
WRITTEN EX PARTE PRESENTATION

Dear Ms. Salas:

The Dispatch Broadcast Group ("Dispatch"), on behalf of its affiliated stations WBNS-TV, NTSC Channel 10, Columbus, Ohio (permittee of WBNS-DT, Channel 21) and WTHR-TV, NTSC Channel 13, Indianapolis, Indiana (permittee of WTHR-DT, Channel 46), hereby submits an original and a copy of the following written ex parte presentation in the above-referenced proceeding.¹ Dispatch hereby requests that the Commission reconsider its requirement regarding the minimum number of hours that a licensed DTV facility must operate during the early phase of the transition to DTV. Specifically, for the next six months or until such time as DTV sets are determined to be available for retail sale in sufficient supply and High Definition programming is available from its affiliated networks, Dispatch requests that the Commission require DTV permittees/licensees to operate their DTV stations in accordance with the Commission's policy set forth in Section 73.1740(a)(2) -- the rule that

¹ These materials are submitted pursuant to section 1.1206(b) of the Commission's rules 47 C.F.R. § 1.1206(b).

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specifies the minimum operating schedule for new NTSC television stations.

Dispatch is committed to providing free DTV service to viewers in Indianapolis and Columbus as soon as practicable. To that end, despite having a May 1, 2002, DTV construction deadline in Columbus (in Nielsen Market No. 35), WBNS filed its application for a DTV construction permit on February 20, 1998. On May 29, 1998, the Commission granted WBNS's DTV construction permit application. FCC Permit No. BPCDT-980220KG. Similarly, WTHR (an NBC affiliate in market 25) filed its DTV construction permit on February 18, 1998, which was also granted on May 29, 1998. FCC Permit No. BPCDT-980218KE. Following these grants, Dispatch spent a total of approximately \$5 million to construct initial DTV facilities for WBNS and WTHR. Dispatch is fully prepared to commence operating both WBNS-DT and WTHR-DT and to promote the availability of DTV service throughout the Columbus and Indianapolis viewing areas.

Before commencing DTV operations at both stations, however, Dispatch recognizes that Section 73.624(b) of the Commission's rules requires that once a DTV permittee/licensee commences operations, its DTV station must operate during the same hours it operates its NTSC station.² While recognizing that such a policy will some day encourage the purchase of DTV sets by consumers by ensuring the availability of free DTV programming, Dispatch submits that such a day is not yet here. Simply put, there are currently no DTV sets available for retail sale in the Columbus and Indianapolis markets and very few (if any) such sets available in the entire country. Moreover, the prospect for significant availability of DTV sets for retail sale in the Columbus or Indianapolis markets is a minimum of six to twelve months away.

Dispatch recently broadcast the Ohio State-West Virginia football game in full High Definition Television on WBNS. See "Dispatch fires up HDTV football," Broadcasting & Cable, August 31, 1998, at 50. In preparing for the broadcast, Dispatch uncovered a number of sobering facts about today's DTV

² Dispatch notes that the Commission explicitly rejected a request to reduce the required minimum hours for DTV operations for technical reasons in the Fifth Report Reconsideration Report & Order. Advanced Television Systems, FCC 98-23, MM Docket No. 87-268, ¶ 32 (released February 23, 1998).

Ms. Magalie Roman Salas
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market. First, despite intensive efforts to find even a few DTV sets that it planned to locate in various public places throughout its market to publicize and promote the availability of DTV service, Dispatch learned that there are virtually no DTV sets available for retail sale to consumers anywhere in the country, much less Columbus, Ohio. Second, when DTV sets reach the retail market, they will likely not be made available in the Columbus or Indianapolis markets for some time. Consistent with the Commission's accelerated DTV build-out schedule, Dispatch understands that DTV set manufacturers intend to focus their initial deliveries and marketing efforts in the top-10 markets.

Third, there is virtually no high definition programming available for broadcast. As a CBS affiliate, WBNS expects to receive some high definition programming sometime later this fall. However, WBNS understands that the network will initially offer somewhere between 2-4 hours of prime time DTV programming to its affiliates. Fourth, while Dispatch is pleased with the DTV channel assignments and coverage potential for both WBNS-DT and WTHR-DT, the cost of running these DTV facilities full-time (given their UHF DTV power levels) is approximately \$10,000-\$12,000/month for WBNS and \$12,000-\$15,000 for WTHR.

Although Dispatch is certainly prepared to incur the costs to provide maximum coverage to Columbus and Indianapolis area viewers, it submits that it is senseless to incur these monthly costs now when there are no DTV viewers because there are no DTV sets available in either market. As noted above, Dispatch is prepared to broadcast and aggressively promote high definition television in both Columbus and Indianapolis. These plans include broadcasting in high definition for free and promoting its availability using DTV sets placed in as many publicly accessible locations as possible throughout each market.³ Dispatch believes that such efforts represent one of the best ways to encourage and develop demand for high definition television among consumers.

Dispatch's DTV promotion plans are limited, however, by DTV set availability and are a far cry from operating its DTV stations on the same basis as its NTSC stations (which both

³ For example, Dispatch plans to broadcast the upcoming Notre Dame-Purdue football game in full 1080i high definition television in the Indianapolis market.

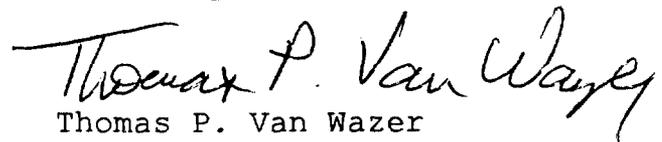
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operate 24 hours per day, 7 days a week). While such a requirement may ultimately be necessary to build momentum in the transition to DTV, Dispatch submits that such a requirement is currently premature and will discourage early construction and operation of DTV facilities as well as HDTV experimentation and promotion in the early phases of the transition to DTV.

Dispatch submits that there is little risk to the Commission's ultimate goal of encouraging a rapid transition to DTV from the policy change proposed herein. After having made the significant capital investment to construct their DTV stations, permittees/licensees will have every incentive to operate their stations full-time once the market develops. The Commission recognized these very same market forces when it rejected a simulcasting requirement for DTV stations in the early part of the transition to DTV, "[b]ecause the DTV channels represent valuable resources with large opportunity costs, we believe licensees will have economic incentives to provide programming and services that will attract consumers to DTV."⁴ The only question is whether the Commission will immediately require those stations to operate as if the market for DTV has already developed -- a requirement that will, conversely, delay the transition to DTV by discouraging broadcasters from operating their DTV stations and promoting the service to the public until they are required by the rules to commence DTV operations.

For the foregoing reasons, Dispatch submits that the instant request is in the public interest. Please direct any questions regarding this proposal to the undersigned.

Sincerely,


Thomas P. Van Wazer

⁴ Advanced Television Systems, Fifth Report & Order, 12 FCC Rcd. 12809, 12834, ¶ 55 (1997).

Dispatch fires up HDTV football

Group's CBS and NBC affiliates to air Ohio State/West Virginia, Notre Dame/Purdue

By Glen Dickson

Small-station group Dispatch Broadcast Group of Columbus, Ohio, is making a large effort to get HDTV on the air this fall. Two of its stations will produce and broadcast Division I college football in HDTV.

WBNS-TV, Dispatch's CBS affiliate in Columbus, will produce the Ohio State/West Virginia football game on Sept. 5 in Morgantown, W.Va., in 1080-line interlace HDTV and backhaul it via satellite. Then, on Sept. 25, WTHR(TV), Dispatch's NBC affiliate in Indianapolis, will do a hi-def produc-

tion of the Notre Dame-Purdue game in South Bend and backhaul it to Indianapolis for 1080I broadcasts.

For each of their 1080I broadcasts, the Dispatch stations are renting a high-definition production truck from HD Vision of Irving, Tex., and satellite uplink and downlink equipment from Global Broadcasting of Plano, Tex. Both WBNS-TV and WTHR plan to backhaul a 70 mhz satellite feed, downlink it locally and convert it to 1.5 Gb/s uncompressed HDTV, then feed it into a Harris/Lucent hi-def encoder for broadcast at 19.4 Mb/s. WBNS-TV also is setting up a closed-circuit satellite path to display the HDTV feed at Dispatch's corporate retreat just outside Columbus.

"We have an HD projector there, a couple of 50-inch Sony gas plasma displays and several Panasonic direct-view monitors," says Marvin Born, Dispatch vice president of engineering. "We're going to put on a technology show."

Born adds that the Ohio State game also will be recorded on Panasonic D-5 tape at the game site and on Sony HDCAM tape back at WBNS-TV.

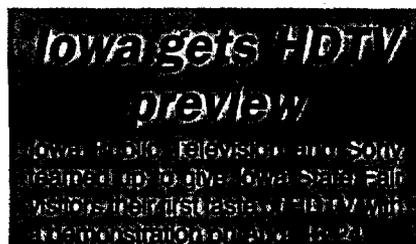
WBNS-TV is one of the first two stations to receive a production-model HDTV encoder from Harris; the other is ABC O&O KGO-TV San Francisco, which will use it for 720P broadcasts. Harris began shipping production units

last week and is scheduled to deliver 16 more by the end of September.

Dispatch's WTHR has received a prototype 1080I-only unit from Harris, which it used to launch HDTV broadcasts in Indianapolis last Wednesday by upconverting its NTSC signal with a Snell & Wilcox unit and feeding it into the encoder. The station expects a production unit from Harris in September.

Born says that WBNS-TV has spent some \$2.64 million on its DTV conversion so far. Al Grossniklaus, WTHR director of engineering and operations, says his station has spent about the same on its DTV conversion and will be spending \$100,000-\$150,000 to produce and broadcast the Notre Dame game. Grossniklaus adds that WTHR is working with local consumer electronics retailers to procure HDTV receivers for public viewing of the broadcast.

WBNS-TV secured the hi-def rights to the Ohio State/West Virginia game from CBS, which has the rights to Big East football (West Virginia is a Big East school), while WTHR got its rights for Notre Dame/Purdue from Notre Dame football rights holder NBC. Both stations say they will make their HDTV feeds available to their respective networks for national distribution, but so far neither CBS nor NBC has taken them up on the offer. ■



Using a Sony HDW-500 high-definition VTR for playback, PBS member station KOIN-TV Des Moines displayed the hi-def production *Over America* on two Sony PFM-500A 1WU widescreen flat panel displays and a prototype Sony 32-inch high-definition ED Trinitron Wega flat-screen TV. Iowa Public Television also recorded scenes at the fairgrounds and throughout Des Moines with a Sony HDW-700 digital HD camcorder for display at the fair.

The demonstration is the first in a series of activities planned by Iowa Public Television to educate Iowans about HDTV.

—Karen Anderson

Pappas makes \$2.7M DVCPRO purchase

Station group owner takes steps toward DTV conversion

By Karen Anderson

Pappas Telecasting of Visalia, Calif., has spent \$2.7 million on a second-round purchase of Panasonic's DVCPRO equipment to convert three of its stations to digital ENG.

The station group



Panasonic laptop editors are part of the Pappas buy.

took on a large-scale acquisition of Panasonic DVCPRO gear for its KPWB-TV Sacramento, Calif., in 1995 when DVCPRO was a new and "promising" digital format, says Dale Kelly, Pappas senior vice president/director of engineering. Based on its success with DVCPRO,