

I am contacting the FCC to comment on the recently announced Direct Broadcast Satellite Public Interest Obligations, MM Docket No. 93-25.

Our company distributes documentary and educational programming and also develops and packages TV channels, internationally. When the FCC Public Interest ruling came to light last November, we had already been developing an adult education-oriented channel for launch offshore, but had assumed there would be no cost-effective way to gain carriage for such a channel domestically. As you know, U.S. cable and satellite systems customarily charge a very high premium to new channels wanting carriage. The effect is to place a barrier to entry which only the very richest players can surmount. Meanwhile, systems in other countries around the world are just now expanding their line-up of channels, and often provide hefty incentives to developers like us in order to access new programming sources.

Emboldened by the Public Interest measure, we set out several weeks ago to gauge the disposition of the most prominent U.S. DTH providers, Echostar and DirecTV, with respect to their plans for compliance with the FCC's wishes. It is clear that, with respect to educational programming, Echostar is by far the more developed. In fact, they had already made this area of programming a priority long before last November. They just recently launched their Electronic Schoolhouse K - 12 vehicle and have a host of other new channels in varying stages of planning and development right now. DirecTV, on the other hand, appears to just now be formulating what it might do in this area.

We have now received expressions of interest from both of the above mentioned satellite operators, in mounting our channel on a non-commercial basis under the FCC initiative. However, it appears that the intent of the operators is not necessarily to afford carriage of such a channel at the orbital slot that most of their subscribers are presently able to receive. For example, we have been informed that Echostar will mount all of their educational channels at the 61.5 degree orbital slot, and not at 119 degrees where they have all of their commercial channels. What this means is that only something on the order of 200,000 of Echostar's 2.2 million subscribers, primarily institutional customers, could watch our channel because their dishes are trained at 61.5 degrees. The remaining 2 million subs, most of them residential customers, would have to either move their dishes and forsake all of the other programming they currently are watching at 119 degrees, or install a second dish to look at the 61.5 degree slot.

If the FCC's intent is indeed to serve the worthy goal of providing non-commercial television services to the general public, then it seems crucial to require transmission of these channels in such a manner that the bulk of the satellite viewing public can see them. As it is, the FCC's ruling stands to benefit perhaps only a few hundred thousand subscribers, nationwide. At that, these are mostly institutions that are subscribing to special, propriety services geared just to their particular business. It follows that most of these subscribers, who are viewing from their place of work, would not have the ability to invest their paid-for time in watching other channels, however much of interest they might find them.

As a result of these realities, we are once again questioning whether it is even economically viable to mount our adult, continuing education channel in the United States. If one removes, as sources of funding, income from advertising and subscriptions, what is left? Our intent had been to seek funding in much the same way as PBS, from a combination of corporate underwriting and foundation giving. However, the feedback we have received so far suggests that corporations are motivated to give not just by public-mindedness but by their ability to have their company benefit from the public's recognition of their involvement. If their underwriting message is virtually unseen, what would be the motivation? Likewise, foundations generally see an important part of their purpose as benefiting as many as possible. They tend to grant funding where it will serve the greatest good. Here again, if we are without the ability to get our message out where people can see it, how important is the service we're providing?

We feel it's necessary to work with the DTH providers on these issues. On the one hand, they are just now breaking even after years of investment and should be entitled to reap a reward. At the same time, channel capacity in widely-accessible orbital slots is expected to expand in the months and years immediately ahead. At the very least, as commonly viewed channel capacity is expanded, the Public Service Obligations should be met, and met in such a way that the public is indeed served.

Thank you very much for your time and attention.

Sincerely,

Jim Hayden
President
PLANET PICTURES