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901 - 15TH STREET, N.W.
WASHINGTON, D.C. 20005-2301
(202) 371-6000
FAX: (202) 371-6279

Writer's Direct Dial:
202-371-6206

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

March 2, 1999

BY HAND DELIVERY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: Ex Parte Communication in CS Docket No. 98-120

Dear Ms. Salas:

On March 1, 1999, Lawrence R. Sidman and David R. Siddall of Verner, Liipfert, Bernhard, McPherson & Hand; and Bruce Allan and Sarah Foss of Harris Corporation, met with Susan Fox, Senior Legal Advisor to Chairman Kennard; Anita Wallgren, Legal Advisor to Commissioner Ness; Jon Wilkins of the Office of Policy and Planning; and David Fligor; concerning issues involved in the aforementioned proceeding. The discussion tracked Harris's written comments filed in this proceeding on October 13, 1998, as well as topics addressed in the attached documents, which were distributed at the meeting.

In accordance with Section 1.1206 of the Commission's Rules, 47 C.F.R. § 1.1206, an original and one copy of this letter, including attachments, are being filed with your office. Please direct any questions concerning this matter to the undersigned.

Respectfully submitted,

Lawrence R. Sidman

Lawrence R. Sidman

Enclosure

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Ms. Magalie Roman Salas
March 2, 1999
Page 2

cc (without enclosure):
Susan Fox, Sr. Legal Advisor to Chairman Kennard
Jon Wilkins, Office of Plans and Policy
Anita Wallgren, Legal Advisor to Commissioner Ness

HARRIS IS WORKING TO PROMOTE AND ACCELERATE A RAPID AND SMOOTH TRANSITION TO DTV.

Harris has designed and markets a complete line of DTV transmitters and associated equipment used by broadcasters to construct their digital broadcast stations. Of the 51 stations that have commenced digital broadcasting, the clear majority are using Harris transmission equipment and encoders. In addition, Harris, through the "HARRIS/PBS DTV Express," is serving the educational and technical needs of broadcasters by providing a mobile laboratory that broadcast stations can use to test and refine their DTV operations. In addition to the DTV Express, Harris has sponsored a number of high-visibility demonstrations and promotions, including the first live HDTV broadcast of a Major League Baseball game. On Oct. 29, 1998, Harris produced the unprecedented nationwide HDTV broadcast of the John Glenn shuttle launch, which was carried by 28 television stations across the country and offered tens of thousands of Americans their first exposure to high definition digital television. In short, through its sales and services, Harris is focused on accelerating broadcasters' transition to DTV, and is uniquely qualified to assess the status and success of the initial rollout of DTV.

COMMISSION ACTION IS NEEDED TO MAINTAIN THE RAPID PACE SET BY THE INITIAL DTV ROLLOUT, PARTICULARLY WITH REGARD TO ENSURING CABLE CONSUMERS' CONFIDENCE IN DTV.

The overarching goal of the initial launch of DTV has been to get the largest-market broadcasters to build their digital facilities according to the Commission's mandated schedule - in other words, to motivate broadcasters to invest in the critical infrastructure upon which the entire DTV transition will rely and move forward. Harris believes this initial goal has been successfully achieved. Today, fifty-one broadcast stations have completed construction of their digital facilities -- including several stations serving small markets (the lowest so far being Market No. 90), all of whom have met or beaten the FCC's deadline, some by as many as 12 months. In short, broadcasters have demonstrated their commitment to DTV, and are ahead of schedule in completing construction of the digital infrastructure that will have the potential to bring DTV to all Americans.

Whether the DTV transition is to be ultimately successful, however, depends not only on whether broadcasters can send their DTV signals, but also whether consumers can receive those signals, and specifically whether the seventy percent of American households subscribing to cable can receive those signals without interference by a gatekeeper. The vast majority of the American viewing public simply must be comfortable that they will be able to receive their local broadcasters' DTV signals before sufficient demand is created for both: (a) digital programming; and (b) digital receivers and set-top boxes. While a strong start has been accomplished with respect to equipment, much more needs to be done, particularly with regard to programming, if the pace of the initial rollout is to be maintained or surpassed, and the extent to which more is done depends first and foremost on obtaining consumer confidence in DTV. Although some major broadcast networks and larger market public broadcast stations have commenced or announced plans to commence digital HDTV broadcasts (including,

beginning March 1st, "The Tonight Show with Jay Leno" and, on April 1st, "48 Hours"), truly large-scale digital program production is awaiting broader consumer acceptance of DTV. Similarly, while consumers have for the first time been able to experience and purchase digital television at local consumer electronics retail outlets, and, as evidenced at the 1999 CES, while CE manufacturers intend to expand their digital product portfolios in 1999, healthy development of a mass market for these products requires that cable consumers -- 70 percent of American households -- are confident they will receive DTV signals via cable. In short, the extent to which every American consumer feels confident that he or she can participate in the DTV revolution will drive the pace and the overall success of the DTV transition from this point forward. Achieving that confidence requires immediate Commission action to require carriage of DTV signals by cable.

CABLE CARRIAGE OF DTV REMAINS THE LINCHPIN TO A SUCCESSFUL TRANSITION ON THE LONG TERM.

The initial rollout of DTV has concerned getting the largest market broadcasters' DTV facilities up and running. This aspect has been successful. The remainder of the transition -- the success of which will determine the ultimate success of DTV -- must focus on getting DTV to all consumers. The success of the DTV transition going forward depends upon the creation of a mass audience for DTV. A smooth and rapid transition will *not* be achieved unless and until all Americans, especially the vast majority who rely on cable to receive local broadcast signals, have unimpeded access to broadcasters' digital signals. For the current momentum to be maintained toward achieving a speedy transition, broadcasters (particularly smaller and public broadcasters) must be confident that cable operators will not act anticompetitively to block cable subscribers' access to broadcast DTV signals. Similarly, cable consumers must be confident that they can receive all available DTV programming and services before they can be expected to replace their analog receivers with more expensive digital equipment. Harris therefore urges the Commission to require cable carriage of local broadcasters' DTV signals during the transition. With retransmission agreements up for renewal this fall, it is imperative that the Commission rule on these issues this spring so that all parties have certainty with regard to the Commission's rules when they negotiate the new agreements.

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S P E C I A L R E P O R T

HDTV Guide New sets...

Here's what most distinguishes HDTV sets from regular TVs:

High price. Early models cost at least \$7,000, including the decoder.

Obligatory antenna. For now, you need an antenna to receive HDTV signals. A regular TV antenna will do, but it must be able to pull in a signal of sufficient strength for the set. If it can't, you'll get a blank screen, rather than the noisy reception a weak analog signal provides.

Digital decoder. HDTV sets need one to receive HDTV signals. Most current HDTV sets are *HDTV-ready sets*, which require a stand-alone decoder to receive digital signals. The cost: \$650 and up. *Integrated HDTV sets*, just hitting the market, have the decoder built into them.

Different screen. HDTV screens have a ratio of width to height--an aspect ratio--of 16:9, compared with the 4:3 ratio of a conventional TV (see illustration below). Also, all HDTV sets introduced so far have a screen that is flat, not curved, which heightens the picture's "photographic" look. (Some expensive conventional sets also have a flat screen.)

A very sharp picture. The HDTV sets we tested beat all regular sets we've seen for displaying detail. (See the illustrations below.)

Digital sound. HDTV signals offer the potential of CD-quality sound, provided that the speakers in the set or the sound system the set is connected to can deliver it.

Closer viewing distance. Because its image is more finely detailed than that of a regular set, you can sit closer to the screen without seeing lines or other annoying visual artifacts--so you can view a larger-looking image than on a regular set of the same size.



HD detail With its dense composition (top), an HDTV picture can display greater detail than a

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detail than a conventional TV image, which is composed more coarsely (bottom).

HDTV shape An HDTV screen that's using HDTV signals shows more of the image than a conventional TV screen. (Screen images are simulations.)

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