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DOW, LOHNES & ALBERTSON, PLLC
ATTORNEYS AT LAW

JOHN R. FEORE, JR.
DIRECT DIAL 202-776-2786
jfeore@dlalaw.com

WASHINGTON, D.C.

1200 NEW HAMPSHIRE AVENUE, N.W. • SUITE 800 • WASHINGTON, D.C. 20036-6802
TELEPHONE 202-776-2000 • FACSIMILE 202-776-2222

ONE RAVINIA DRIVE • SUITE 1600
ATLANTA, GEORGIA 30346-2108
TELEPHONE 770-901-8800
FACSIMILE 770-901-8874

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OCT 22 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

October 22, 1999

Magalie Roman Salas, Esq.
Secretary
Federal Communications Commission
445 12th Street, S.W.
The Portals
Washington, DC 20554

EX PARTE OR LATE FILED

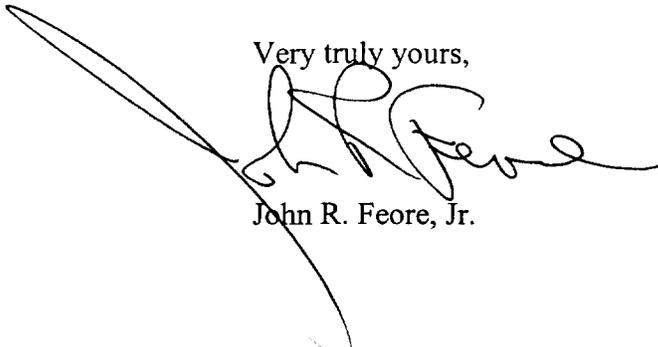
Re: *Ex Parte* Filing
CS Docket No. 98-120

Dear Ms. Salas:

On behalf of Paxson Communications Corporation, I am attaching a copy of a letter sent to each FCC Commissioner in connection with the above-referenced matter.

Pursuant to Section 1.1206(b) of the Commission's rules, an original and two copies of this letter are being submitted to the Secretary's office for inclusion in the above-captioned docket.

Very truly yours,


John R. Feore, Jr.

JRF/lis
Enclosure



EX PARTE OR LATE FILED

10/18/99 10:00 AM

October 18, 1999

Harry A. Jessell
Editor
Broadcasting & Cable
235 West 17th Street
New York, New York 10011

Dear Harry:

You recently reported on the public commitment of FCC Cable Services Bureau Chief Deborah Lathen to issue a decision on digital must-carry by the end of this year. Congress and broadcasters should take note of this commitment and do everything in their power to ensure that this is one promise the FCC keeps! While we acknowledge that this issue has generated controversy, the FCC cannot avoid its obligation to act.

Make no mistake, without must-carry broadcasters will lose the digital marketplace and the Supreme Court's prediction about the cable bottleneck will come true. The Congressional Budget Office last month released its report on the transition to digital television in which it concludes that "a strong must-carry requirement for cable systems to carry DTV signals... will be necessary to achieve the mandated market penetration level by 2006..."

It has been reported this week that the DTV digital strategy in this country is in disarray and, according to Strategy Analytics, the plan to return the analog spectrum by 2006 is "on the verge of collapsing."

The New York Times noted in a recent editorial reviewing telecommunications mergers, that there is a fear of "a world in which one or two companies take cover, concentrating control of the information that flows into a hundred million households"... potentially "squelch[ing] the variety of news, information and entertainment." The FCC has approved cable consolidation and has now engineered rules that will permit approval of AT&T's ownership of MediaOne. If the public is not to face "a couple of behemoths that can strangle the information flow" (to quote the New York Times) **digital must carry is a must requirement.**

Since July of 1998 the FCC has been reviewing the comments filed in the digital must-carry proceeding and, while voluminous papers were filed with the FCC, the issue is relatively straightforward:

First, the digital must-carry rights of television stations have already been guaranteed by Congress. In the 1992 Cable Act, Congress wrote into the law with regard to advanced television: At such time as the Commission prescribes modifications of the standards for television broadcast signals, the Commission



Harry A. Jessell
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shall initiate a proceeding to establish any changes in the signal carriage requirements of cable television systems NECESSARY TO ENSURE CABLE CARRIAGE OF SUCH BROADCAST SIGNALS OF LOCAL COMMERCIAL TELEVISION STATIONS which have been changed to conform with such modified standards.¹

Second, broadcasters will not gain digital must-carry through negotiations with cable operators. CBS and Time Warner may reach agreement and NBC and Fox may reach agreement with AT&T but the hundreds of television stations not owned by the four major networks will be left at the mercy of cable without must-carry implementation. The agreements negotiated by the major networks were designed to provide more subscribers for their cable networks, to increase fees for cable network carriage and to permit the carriage of broadcasters' 1080i signal in a 720p format.

Third, all broadcast stations are now planning their DTV construction; applications are being filed, plans are being finalized and equipment is being purchased, all on an FCC-mandated schedule. The Commission must not and cannot turn its back and require broadcasters to spend millions of dollars to upgrade their facilities without guaranteeing cable carriage in their market.

Mandatory signal carriage for broadcast television has been critical to the improved economic status of our industry and mandatory cable carriage of digital signals will be equally crucial to the continued economic viability and success of local digital television stations. Since the 1992 must carry law was enacted over 100 additional broadcast television stations have gone on-the-air. Prior to must carry there were four television networks and now there are nine. With must carry, broadcast television is now thriving and this is clearly in the public interest, convenience and necessity.

The industry and those who are appointed to regulate it in the public interest must not forget the conclusions of the Supreme Court in March of 1997 that it is "apparent must-carry serves the Government's interest in a direct and effective way" and that "must-carry ensures that a number of local broadcasters retain cable carriage, with the concomitant audience access and the advertising revenues needed to support a multiplicity of stations." The Supreme Court has spoken on must carry, as has the Congress. It is time for the FCC to implement the law of the land.

¹ 47 U.S.C. § 534 (b) (4) (B) (emphasis added). (The reference to modified standards refers to technical issues not the right to carriage).



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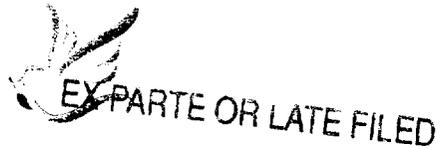
Broadcasters are well advised to keep their elected officials informed as to the paramount importance of this matter pending before the FCC.

Sincerely,

A handwritten signature in cursive script that reads "Lowell W. Paxson". The signature is written in dark ink and is positioned above the printed name.

Lowell W. Paxson
Chairman
Paxson Communications Corporation

P. S.: We would fully support the recommendations of the Gore Commission that additional public interest obligations be imposed on digital television stations if we are assured that our digital signal can be seen by our viewers. In short, we recognize and fully accept our public interest programming responsibilities but they must be linked with full cable carriage of our digital signal in our markets.

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