

May 16, 2000

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VIA HAND DELIVERY

Magalie Roman Salas, Esquire
Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Room TW-A435
Washington, D.C. 20554

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

Dear Ms. Salas:

Pursuant to Section 1.1206 of the Commission's Rules, this letter is submitted, in duplicate, to advise the Commission that the undersigned and Marvin Rosenberg, Esquire, Holland & Knight LLP, and Mr. James F. Goodman, Mr. Sam Matheny and Mr. Tom Beauchamp, Capitol Broadcasting Company, Inc. ("Capitol"), presented a demonstration on the versatility of digital television on May 15, 2000, in the Commission's Meeting Room.

Capitol is the licensee of WRAL-DT, Raleigh, North Carolina. Capitol has been broadcasting 24 hours per day in high definition for almost four years. Capitol was the first broadcaster in the nation to receive an experimental digital television authorization. From its years of on-air digital experience, Capitol has discovered that television stations can use their single digital channel (*i.e.*, the same digital bandwidth used to broadcast HDTV; the full 19.4 Mbps) to transmit multiple video sub-channels and companion data simultaneously. Capitol's demonstration showed how television stations can use multiple channels and datacasting to better serve the public, and thereby be better local broadcasters.

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Recreated from actual events, Capitol demonstrated how a local flooding emergency is broadcast first as a news bulletin interruption to a high-definition basketball game in progress, followed by options to tune instantly to various digital sub-channels for (a) continuous local news reporting of flood conditions, (b) continuous live sweep of local Doppler radar showing areas where rainfall is the most severe and where the storm is moving, and (c) data broadcast alongside the station's video services that enables home personal computer access to specific county-by-county rainfall, road, and other emergency conditions.

The demonstration showed that broadcasters need not choose between high definition, multicasting and datacasting. Rather, with transmission of the entire digital signal, television stations have the flexibility and opportunity to use multicasting and datacasting simultaneously to adapt to changing program priorities and local conditions. Capitol also demonstrated how the formerly "one size, fits all" single channel broadcast television medium is now capable of providing multiple, special interest programs simultaneously with high quality pictures. For this aspect of the demonstration, Capitol replayed WRAL-DT's March 17th broadcast of four different NCAA basketball games over its single digital channel.

From time to time during the demonstration, and more frequently at the conclusion of the demonstration, there were question-and-answer exchanges between various Commission staff and Mr. Goodmon, Mr. Matheny and Mr. Beauchamp.

At the close of the demonstration, Capitol expressed its concern that only minimal DTV penetration could be achieved without digital must-carry. Capitol stated that digital must-carry is necessary to enable the DTV transition to proceed on the government-mandated timetable. Moreover, Capitol added that the demonstrated benefits of digital television will never reach the public unless cable systems are required to carry the full (19.4 Mbps), unaltered digital signals.

If you have any questions, please do not hesitate to contact us.

Very truly yours,

Patricia Y. Lee

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