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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

June 21, 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, Mr. James F. Goodmon, Capitol Broadcasting Company, Inc. ("Capitol"), and Teresa Artis, Esquire, Local TV on Satellite, LLC, met on June 20, 2000 with Commissioner Powell and Marsha J. MacBride, Esquire, Legal Advisor. In this meeting, Capitol presented a demonstration on the versatility of digital television. Capitol also provided Commissioner Powell with a handout entitled "Television Works Like This," a copy of which is attached hereto.

Capitol is currently the licensee of WRAL-DT, Channel 53, Raleigh, North Carolina. Capitol was also granted the nation's first experimental digital television authorization and began transmitting a digital signal on July 23, 1996 on station WRAL-HD, Channel 32, in Raleigh. From July 1996 until sign-off in April of 2000, the experimental station, WRAL-HD, broadcast a digital signal 24 hours per day in high definition. From its years of on-air digital experience, Capitol has discovered that television stations can use their single digital

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Magalie Roman Salas, Esquire

June 21, 2000

Page 2

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.

Recreated from actual events, the demonstration was recorded on a server after being broadcast over-the-air (WRAL-DT) to an indoor antenna. 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.

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.

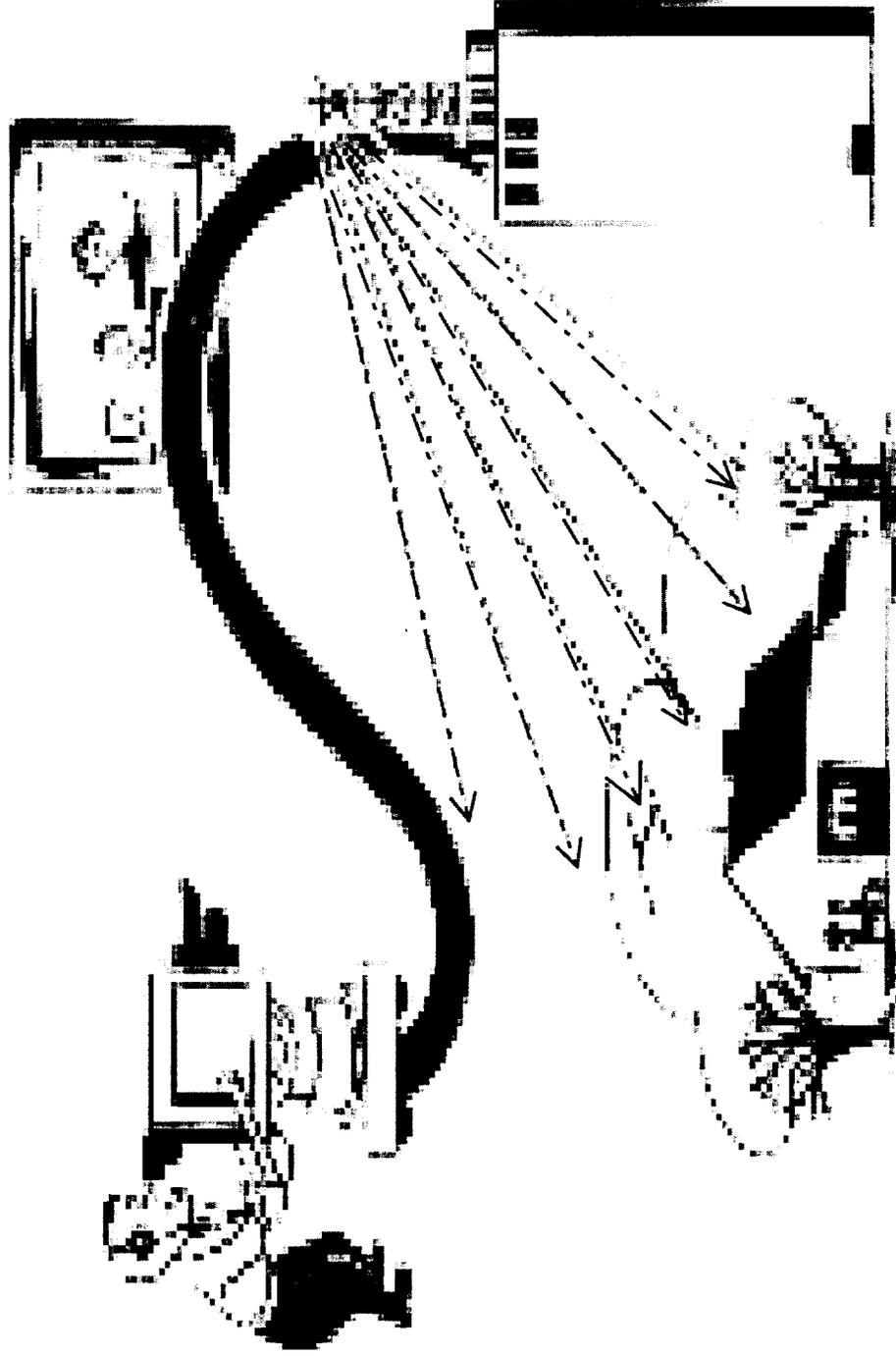
Very truly yours,

A handwritten signature in cursive script that reads "Patricia Y. Lee". The signature is written in dark ink and includes a small mark at the end that appears to be "JSL".

Patricia Y. Lee

Enclosure

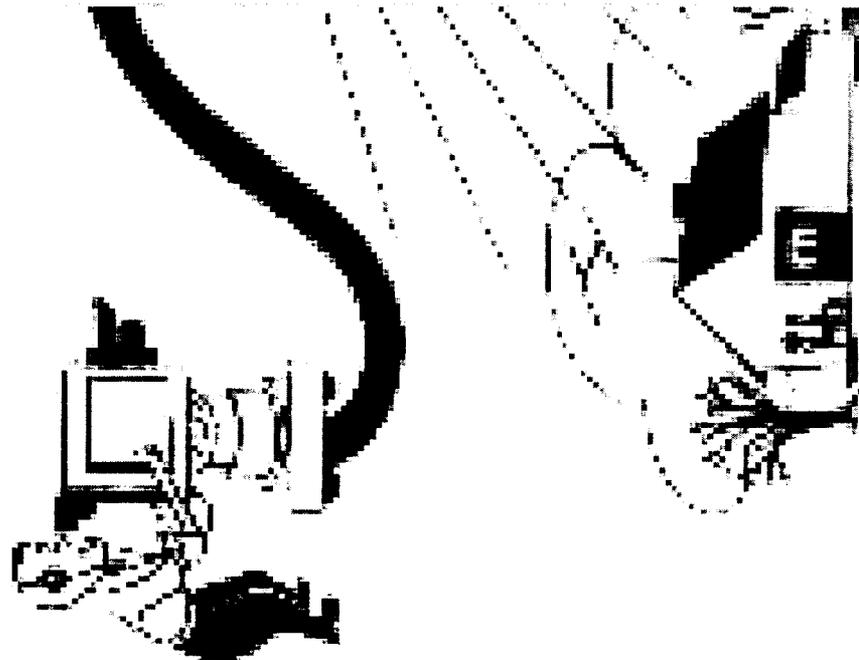
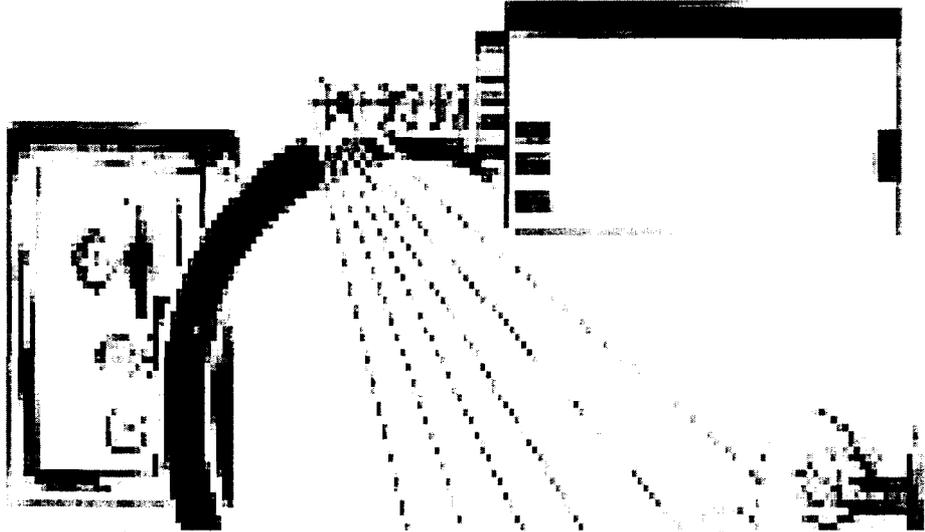
For 50 Years...



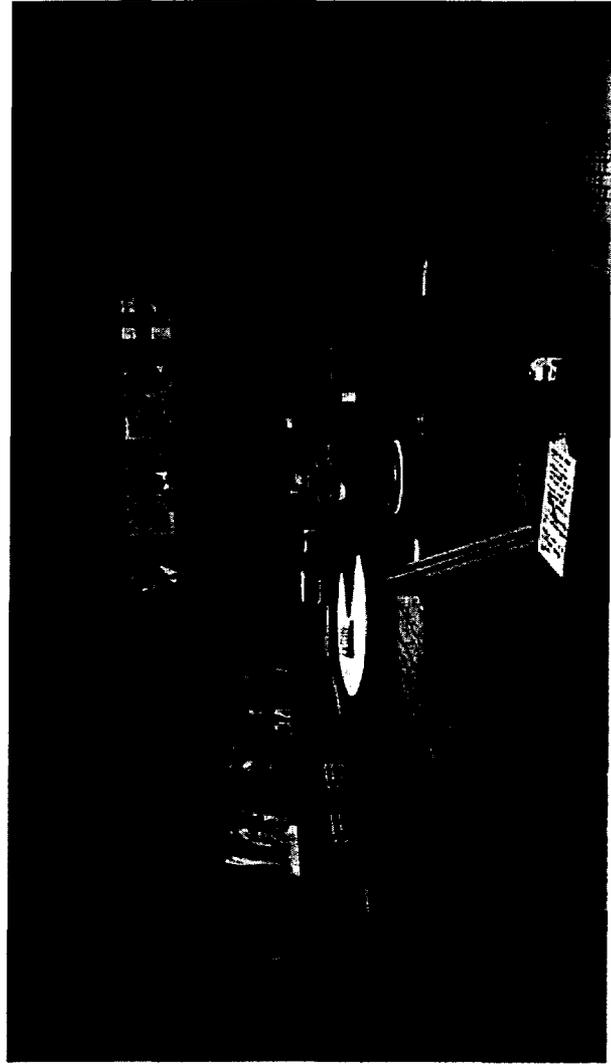
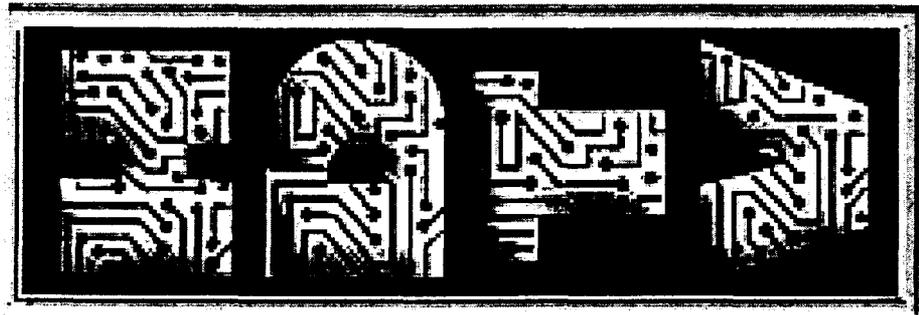
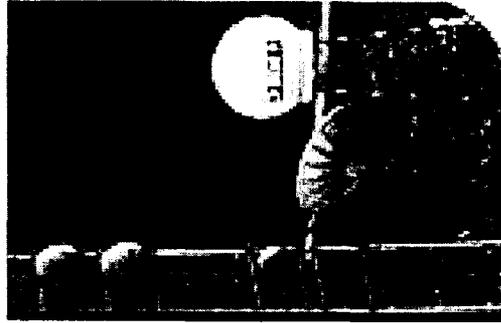
...Television Worked Like This



Multi-
channel
Gatekeepers
control
access to
70% + of US
TV Homes



Now a new standard for the next 50 years.





What is HDTV?

- New delivery system included by law
- Different format - ATSC
- A periodic retooling
- Requires all new equipment
 - TV stations
 - Syndicators/producers
 - Consumers

- ***Ensures competitive future for Broadcasters***

Benefits of DTV (19.4 Mbps)

- DTV is more than just a better signal and pretty pictures

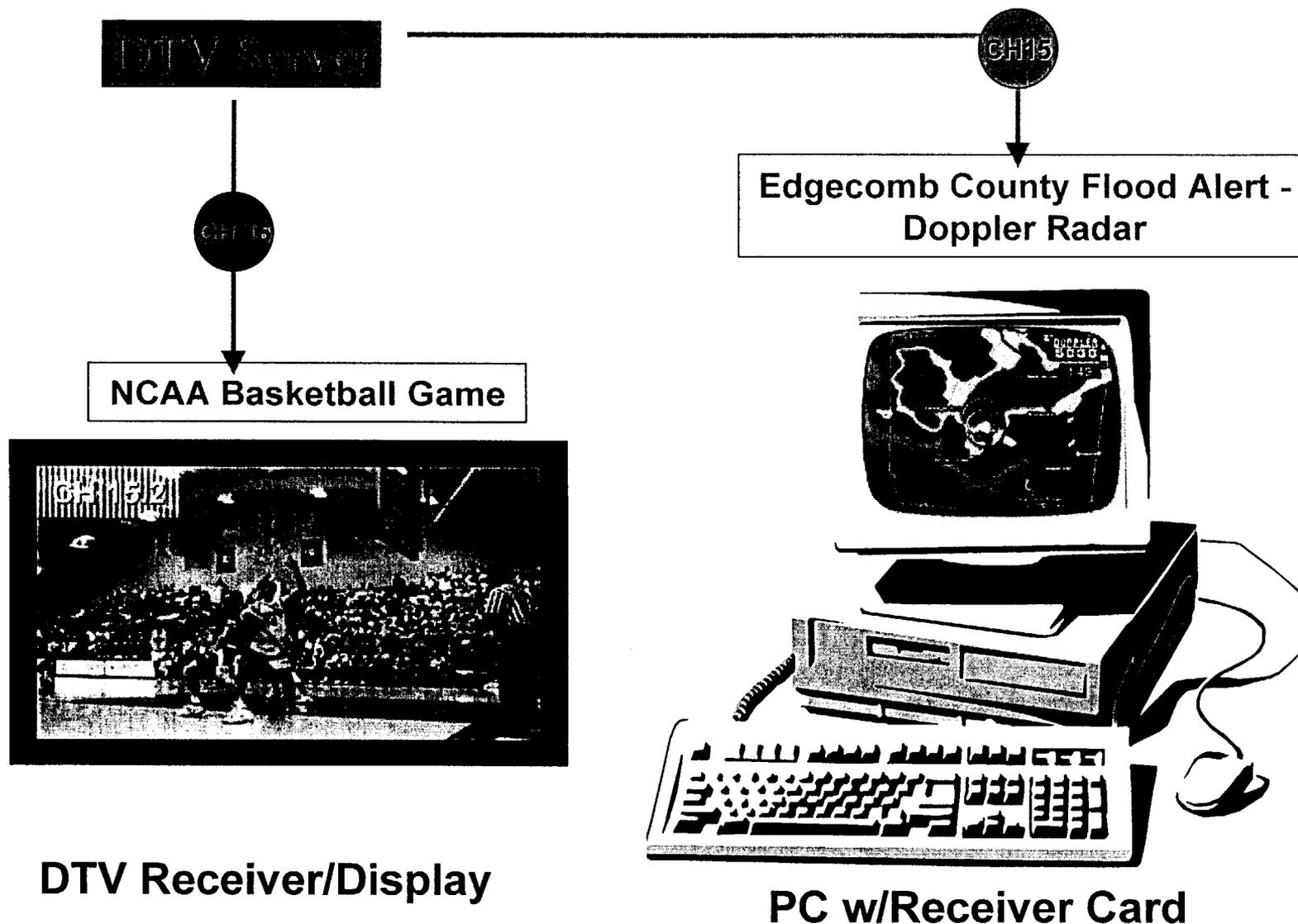




The Future of Digital-TV (19.4 Mbps)

- Convergence of TV and PC (multi or datacast)
- Multi-cast (Nov '99) WRAL-DT simulcast HD Duke Basketball, and 3 SD wide-screen broadcasts - NC State Football, Carolina Hurricanes NHL Hockey and NASCAR Racing
- WRAL-DT - 13 Mbps HD, plus Local Doppler Weather Radar, and streaming for audio, video, text, graphics and interactive web site

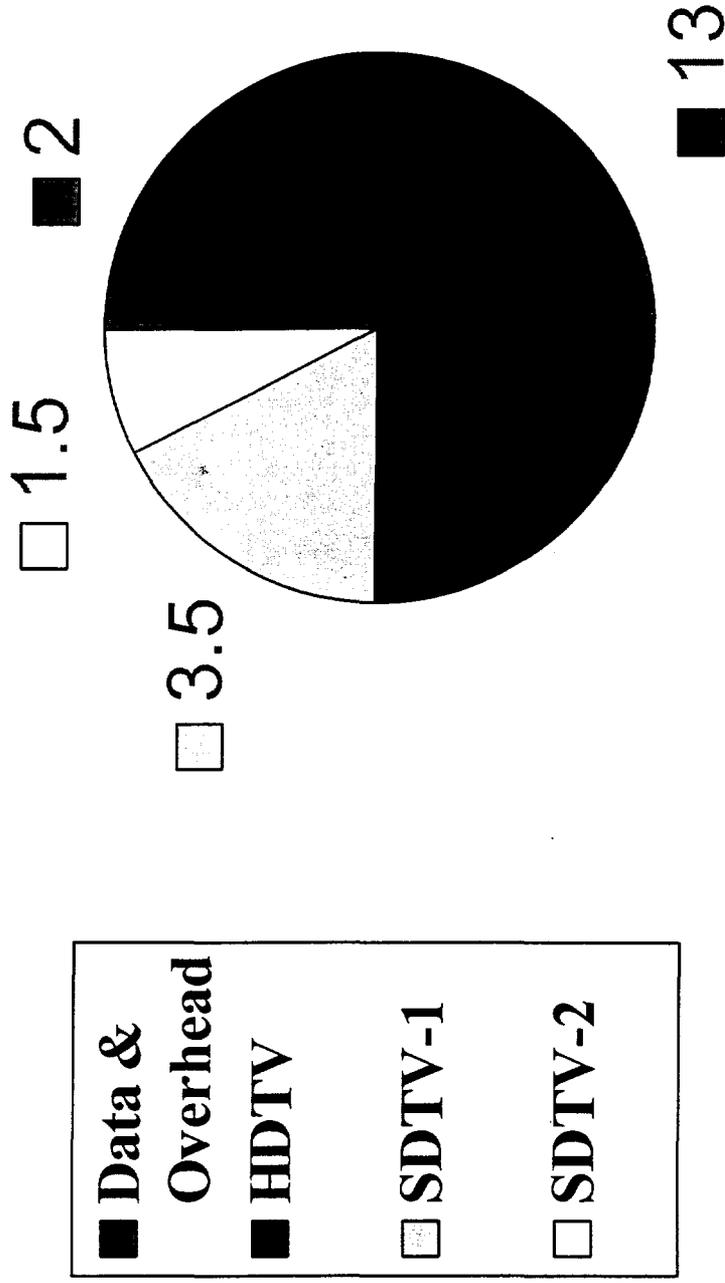
DTV Applications Demo



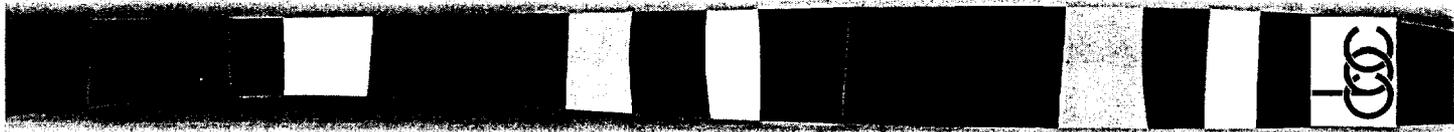
DTV Receiver/Display

PC w/Receiver Card

19.4 Mbps



Broadcasters can and will 'Fill The Pipe'





19.4 Mbps

Expanded TV Programming Choices

- Interactive Sports Broadcasts - access to all cameras
- Interactive Electronic Newsrooms
- Time-shifted Local News or Entertainment
- 24 hour Local Weather Radar
- Expanded Syndicated Entertainment
- Interactive Live Events - school board to town meeting
- Expanded Local Sports Coverage
- Multi-cast Partnerships
- Expanded KIDS Networks
- Zoned Local News and Community Events

19.4 Mbps

Uses of Digital Spectrum

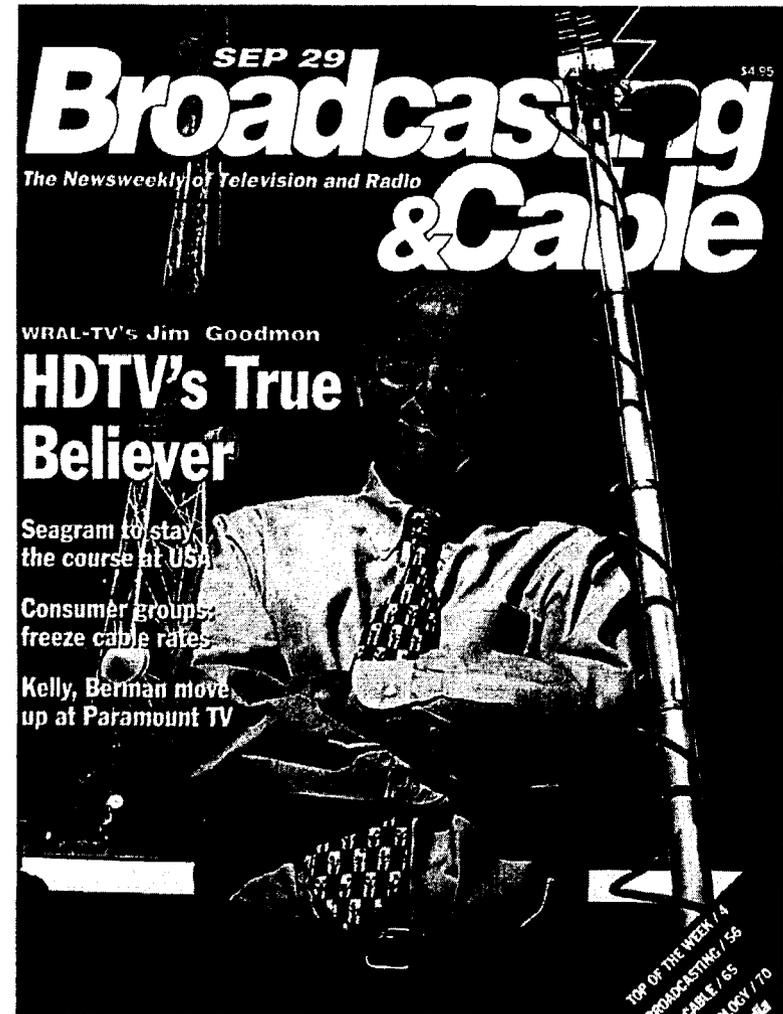
- Data-casting
- E-Commerce
- Distance learning
- Archives
- Interactive Public Forum
- Interactive Advertising
- Multi-casting



Better Local Broadcasting

“The Main Thing
is to keep
The Main Thing,
The Main Thing.”

James F. Goodman
CEO, Capitol Broadcasting

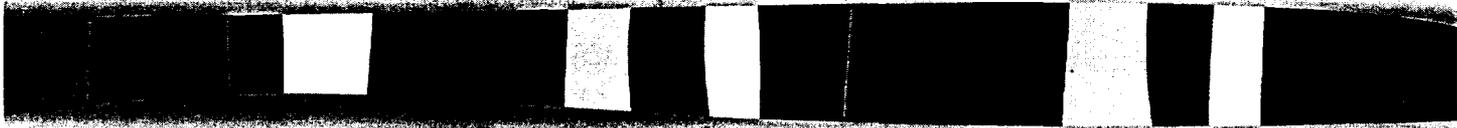




We Ask The FCC To Consider

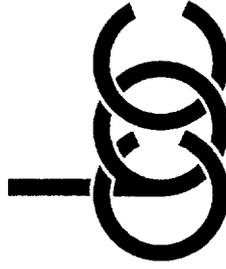
- The availability in the home of the new mandated digital signal
- Reception barrier for consumers
- *Phased-in digital must-carry by 2004*
- *All new sets to include a digital tuner by 2003*

By making DTV readily available -
the FCC can facilitate roll-out of the digital standard.



19.4 Mbps

Delivers the promise of digital television.



Capitol Broadcasting Company