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Lowell W. Paxson / Chairman

June 5, 2001

The Honorable Michael K. Powell
 Chairman
 Federal Communications Commission
 The Portals
 445 12th Street, S.W.
 Room 8-A204C
 Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARYRe: WT Docket No. 99-168

Dear Chairman Powell:

On March 16, 2001, the Spectrum Clearing Alliance filed a Petition for Clarification and Reconsideration with the Commission seeking certain changes in the band-clearing rules and policies adopted by the FCC in its Third Report and Order in WT Docket No. 99-168 released on January 23, 2001. Since that filing, the parties to the Spectrum Clearing Alliance's Petition have increased from 42% of the existing analog stations in the Channels 59-69 band to slightly more than 60% of the existing analog stations in that band. Members of the Alliance have also met with Commission personnel to brief them on the requested rule changes.

Among other things, the Alliance's Petition requests that any incumbent broadcaster clearing either its analog or digital allotment in the Channels 59-69 band be permitted to operate in an analog format (on a digital assignment if compatible with FCC technical requirements) and convert to digital at any time up until the end of the DTV transition. The broadcasters would construct their new analog facilities with dual purpose antennas so that they would be able to flash-cut from an analog to a digital operation upon making a few minor technical alterations.

As you know, the Balanced Budget Act of 1997 set a deadline of December 31, 2006 for broadcasters to complete the transition to digital broadcasting but further provided that a broadcaster would receive an extension of that deadline if it could demonstrate that less than 85% of the television households in its market are capable of receiving digital broadcast signals via either an over-the-air digital television set or an analog set equipped with a digital receiver to convert the signal to an analog set.

The Alliance continues to believe that permitting the band-clearing broadcasters to delay their transition to digital operations is appropriate and fully justified in these circumstances. First, such a station would have already returned its paired channel for potential use by

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telecos in the introduction of new 3-G services. Second, there would only be a limited number of affected stations (most likely 80-90 at most) and this would not have a significant negative impact on the conversion to digital. Third, these broadcasters would otherwise be reluctant to clear the band because of the absolute loss of their analog service long before their competitors would cease such analog operations. Finally, this accelerated band clearing will benefit the many public safety organizations eager to utilize the portion of the 700 MHz set aside for such use. The Alliance's band clearing plan will free up this spectrum at no cost to the public safety organizations.

Nevertheless, the Alliance is herein proposing that broadcasters clearing the Channels 59-69 band be permitted to operate in an analog-only format (if they should so choose) and not have to convert their stations to digital until December 31, 2005 or when 70% of the television households in their markets are capable of receiving digital broadcast signals over-the-air using a digital television set or an analog set equipped with a digital receiver to convert the signal to an analog set. This TV household penetration level would be reduced to 50% if full digital multicast must carry rules are implemented by the Commission providing that all free, over-the-air video programming services provided by a digital broadcast station, electing must carry, are carried by all multichannel video programming providers, i.e., cable, DBS, DSL, in its market.

We trust that this proposal of the Spectrum Clearing Alliance is responsive to the issues of the compatibility between the Alliance's band-clearing proposal and the transition to digital by the broadcast industry.

Very truly yours,

A handwritten signature in black ink, appearing to read "Lowell W. Paxson".

Lowell W. Paxson
Chairman
Paxson Communications Corporation