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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY
July 5, 2001

Notice of Ex Parte Communication

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

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Re: *DTV Biennial Review*, MM Docket No. 00-39

Dear Ms. Salas:

On Tuesday, July 3, Edward O. Fritts, Henry L. Baumann, Valerie Schulte, Karen Fullum Kirsch, and the undersigned met with Susan Eid and Bill Quirk of Chairman Powell's office; Roy Stewart, Robert Ratcliffe, Rick Chessen, Barbara Kreisman, Jamilla Bess Johnson, David Brown, and John Morgan of the Mass Media Bureau; Peggy Greene and Steve Broecker of the Cable Services Bureau; and Joel Kaufman of the Office of the General Counsel, to discuss the transition to digital television. We first reported on the results of the recent NAB Board meeting and the Television Board's adoption of a far-ranging program to advance digital television, including cooperative efforts with the consumer electronics industry to promote digital television to consumers.

We then discussed issues relating to the Commission's build-out schedule for television stations. We pointed out that a number of stations would have difficulty meeting the current May 2002 requirement for putting a digital signal on the air. Further, the Commission's decisions requiring stations that sought to "maximize" their signals to construct those facilities by May 2002 and its 2004 analog service replication decision, we pointed out, had exacerbated those difficulties by increasing costs and straining limited tower and crew resources. We described how a television group's plans for financing its digital conversion had been adversely affected by the Commission's maximization and replication schedules.

We recognized that the Commission did not want to send a signal to the industry that it was delaying the transition. To date, the DTV stations on the air operate in markets that include over 68 percent of all television households. A recent NAB survey which asked stations to predict when they would be on the air in digital showed that stations on track to be operational by May 2002 would bring that figure to over 90 percent. Nonetheless, we pointed out that some

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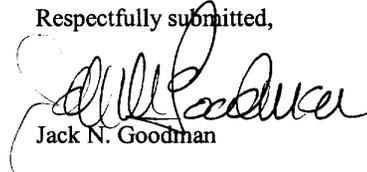
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steps needed to be taken to provide a way for stations that would not be able to meet the build-out schedule to obtain extensions.

We proposed several steps that the Commission could take to deal with these stations. They are described in the attached memo, which we provided to each attendee. We requested that the Commission provide a simplified way for stations to seek extensions of the build-out deadlines, and that the Commission allow stations to provide a short narrative statement of reasons, such as financial hardship, that were not specified as reasons for extensions in the Commission's earlier proceedings.

Please direct any questions concerning this matter to the undersigned.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jack N. Goodman", is written over a circular stamp or seal that is partially obscured.

Jack N. Goodman

Attachment

cc: Attendees



Issues Concerning the Build-Out of Digital Television

- Current deadlines: May 2002 – all commercial TV stations must have a DTV signal on the air; May 2003 – all noncommercial TV stations must have a DTV signal on the air; May 2002 – stations which have applied to “maximize” their facilities must construct them (even if their DTV signal is not operating on that channel); December 2004 – stations must replicate their analog service area or lose interference protection.
 - The FCC should reconsider its decisions requiring maximizing stations to build out by 2002 and all stations to replicate their analog service areas by 2004. Both of those decisions exacerbate the difficulties of meeting the 2002 build-out schedule.
 - DTV stations already on the air reach markets covering 68% of all U.S. TV households. An NAB survey indicates that additional stations scheduled to be in operation by May 2002 will mean digital will be available in markets with 90% of all TV households.
 - Nonetheless, there are stations – particularly in smaller markets – that will be unable to meet the 2002 deadline.
 - The Commission should provide a simple form for stations to use in asking for an extension. For reasons such as equipment availability, tower problems and the like, the form should allow stations to “check-off” the reason and provide supporting material. The FCC should also allow stations to make a showing that they need an extension due to financial hardship.
 - The FCC should delegate additional authority to the Mass Media Bureau to grant extensions of the build-out deadlines.
 - The Commission should also permit DTV stations, at least until DTV set penetration becomes more significant, to operate with reduced hours and thus save electric costs.
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