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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

July 27, 2001

Ms. Magalie Roman Salas
Secretary, Federal Communications
Commission
445 12th Street Lobby
Counter TW-A325
Washington, DC 20554

Re: *Ex Parte* Meeting
Digital Must Carry
CS Docket 98-120

Dear Ms. Salas:

The Association of America's Public Television Stations ("APTS"), the Corporation for Public Broadcasting ("CPB") and the Public Broadcasting Service ("PBS") hereby notify the Commission of an *ex parte* meeting to discuss issues raised in the above-captioned proceeding. The meeting occurred on July 5, 2001, and was attended by Marilyn Mohrman-Gillis, APTS, Kathleen Cox, CPB, and Jonathan Blake, Covington & Burling. We met with the following persons: Commissioner Michael J. Copps and Susanna Zwerling.

We discussed in broad terms the need to develop a comprehensive plan for the conversion to digital television which includes a narrowly tailored, transitional cable carriage requirement for digital signals. The attached document reflects a summary of the plan which is laid out in more detail in the *Ex Parte* letter to Chairman Powell dated June 11, 2001.

Sincerely,

Marilyn Mohrman Gillis

Marilyn Mohrman-Gillis
Vice President, Policy and Legal Affairs

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List A B C D E

Attachment

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APTS
America's Public Television Stations

cpb

PBS

# SUMMARY OF PUBLIC TELEVISION'S DIGITAL TRANSITION PROPOSAL

Digital Transition Proposal –

Establish an FCC task force, headed by a Commissioner, to oversee the development of an comprehensive and coordinated plan for the digital transition.

The plan should coordinate voluntary commitments and regulatory obligations across all industries key to the transition – broadcasters, cable operators and equipment manufacturers.

Any regulatory obligations should be limited, minimally burdensome, market sensitive and carefully tailored to achieve the important government interests in: spectrum efficiency, recovery of channels above 51, recovery of analog channels, avoidance of indefinite dual analog/digital broadcast operation, expanded and improved service to the public, and the preservation of free over the air broadcast service.

Carriage Proposal

The Goal — Sunset of analog carriage requirement when a cable system deploys digital technology in all of its homes. A cable system may carry only the station's digital signal when it can pass through digital broadcast signals so that they can be received by all the system's subscribers.

> For subscribers with digital receivers, the signal is passed through and displayed in digital format.
>
> For subscribers with analog receivers, the signal is down-converted for display on the analog sets.

The issue is narrow: What carriage requirements should apply during the limited transitional period before digital technology has been deployed throughout the cable system.

Limited Transitional Carriage Requirement — During this transitional period, cable systems would be required to carry a digital along with an analog signal only under the following circumstances:

> The system has been upgraded to 750 MHz;
>
> It is not a small system,
>
> Carriage does not exceed the Turner requirement: 33% or less of usable cable capacity
>
> At least two stations in the market are broadcasting in digital.

- over -

A system is subject to the digital carriage requirement when it builds out to 750 MHz or within one year of the two-digital-station trigger in a market, whichever is sooner.

Receiver Proposal – Unless the industry promptly acts to address these with voluntary commitments by a date certain:

> Adopt phased-in digital tuner requirements in receivers (based on set size) after date certain
>
> Enact threshold requirements in receivers based on the technical performance assumptions on which the DTV table of allotments/assignments was premised
>
> Adopt requirements assuring full, convenient and prompt cable/receiver interoperability.

Build Out Proposal – Adopt market sensitive build out requirement applicable to non-network affiliates and PTV stations. For example, an agreed upon DTV receiver penetration level at the national level can be used as a proxy of marketplace development to trigger construction requirement in markets below the top 30.