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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 23, 2001, and was attended by Marilyn Mohrman-Gillis, APTS, Greg Ferenbach, PBS, and Jonathan Blake, Covington & Burling. We met with the following persons: Commissioner Kathleen Q. Abernathy and Bryan Tramont.

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
Vice President, Policy and Legal Affairs

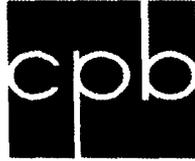
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**The Association of America's
Public Television Stations**

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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.

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.