



CS Docket No. 98-120

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Lowell W. Paxson / Chairman

September 21, 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

The Honorable Michael K. Powell
Chairman
Commissioners Kathleen Abernathy, Michael Copps & Kevin Martin
Federal Communications Commission
The Portals
445 12th Street, S.W.
8th Floor
Washington, D.C. 20554

Re: CS Docket No. 98-120

Dear Chairman Powell and Commissioners:

The FCC has been grappling with the issue of the must carry rights of digital television stations for well over three years now and, as a result of the Commission's January 2001 tentative decision, you now have before you Petitions for Reconsideration of that decision as well as the Comments and Reply Comments in the further rulemaking.

I am pleased to report that based upon meetings involving numerous members of both the broadcast and cable industries, momentum is building around a consensus on the digital must carry issue and that support is growing for the PAXTV Digital Must Carry Proposal. We firmly believe that the FCC can and should issue a revised must carry decision that is in accordance with the PAXTV Digital Must Carry Proposal, a copy of which is attached. Such a decision, adopting the PAXTV proposal, would be in conformity with the 1992 Cable Act, would not require any Congressional action and would be defensible through the courts.

It is time for all of us to get this finished and behind us so that the broadcast and cable industries can move forward aggressively with the digital television transition and service to the viewing public.

As always, I am prepared to discuss with each of you our digital must carry proposal and I intend to continue my dialog with both the broadcast and cable industries.

Very truly yours,

Lowell W. Paxson
Chairman
Paxson Communications Corporation

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Enclosure



Paxson Communications Corporation

MOMENTUM BUILDING FOR THE PAXTV DIGITAL MUST CARRY PROPOSAL

- 1. Television stations broadcasting in HDTV (1080i)** would continue to have their analog signal carried on the analog portion of the cable system on the same channel and to all subscribers. In addition, the HDTV signal would be carried on the digital portion of the cable system served by the set-top digital boxes and occupying no more than 3 MHz of the cable system's digital capacity. When a cable operator's digital set-top box penetration reaches 95% of its subscribers, the system could carry all broadcast station signals on the digital tier only. Thus, a DTV station would only require, in the future, 3 MHz of a cable operator's digital capacity.
- 2. Television stations multicasting their digital signal** could elect to have their analog signal removed from the cable system and replaced with their digital signal before the end of the digital transition which is now the standard mandated by the FCC. The digital station's multicast signal would have its primary digital signal downconverted to the analog portion of the cable system utilizing 6 MHz of a cable analog channel and carried on the same channel as the analog signal was carried and to all subscribers. The remaining portion of the station's digital signal would be carried on the digital portion of the cable system served by the set-top digital boxes and would be used to deliver four or five additional channels of free programming services, compressed by cable operators into a minimum of 3 MHz. When a cable operator's digital set-top box penetration reaches 95% of its subscribers, the system could carry all broadcast station signals on the digital tier only. Thus, a DTV station would only require, in the future, 3 MHz of a cable operator's digital capacity.

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3. The cable channel mapping protocol (PSIP) would permit the multicast channels to appear in sequence with the station's primary channel (i.e., if the primary channel is 20, then the multicast channels would be 201, 202, 203 and 204). A cable subscriber with a set-top box would go from channel 19 to channel 20 then to channels 201, 202, 203 and 204 before moving on to channel 21. In addition, all broadcast station signals should be contiguous to each other.
4. This digital must carry election would be applicable to cable systems with 750 MHz of capacity provided that the systems have installed digital head-ends and have digital set-top boxes. The downconverted digital signal (carried on the analog portion of the system) and the multicast digital signals (carried on the digital portion of the system) would be provided as part of the basic cable services provided to all analog cable subscribers and (for the multicast signals and HDTV signal) to all basic subscribers with digital boxes. Thus, as digital set-top boxes are deployed by the cable operator, full digital must carry would occur. Industry analysts estimate that cable will convert to all digital boxes by 2005.
5. This digital must carry option would be available on a first-come, first-served basis within the Communication Act's existing 33% cap on the use of cable systems activated channels for must carry purposes. A 750 MHz cable system is required by the 1992 Cable Act to devote 250 MHz to local television signals. Under the PAXTV Digital Must Carry Proposal, such cable system operating in a market with 20 television stations would devote 120 MHz for the analog portion of the system and another 3 MHz per station on the digital tier for a total of 180 MHz – far below what the 1992 Cable Act requires be devoted to the carriage of such signals. The average market with 10 television stations would require only 90 MHz of a cable system's spectrum leaving 160 MHz, set aside by the FCC for broadcasters, to revert to cable for its own use.
6. All other aspects of the 1992 Cable Act, as it relates to must carry, would apply.

Congress directed the FCC only to establish whatever technical changes are necessary in the carriage provisions of the 1992 Cable Act to ensure full cable carriage of broadcasters digital signals. Everything else the FCC has attempted to change in the must carry requirements goes beyond this Congressional mandate.

The PAXTV Digital Must Carry Proposal accomplishes what Congress intended and is faithful to the 1992 Cable Act as upheld by the Supreme Court. The PAXTV Digital Must Carry Proposal can be implemented by the FCC without further Congressional action and it is defensible in Court and will withstand the almost certain constitutional review.