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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

April 4, 2002

Notice of Ex Parte Communication

William Caton
Acting Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, DC 20554

Re: Digital Audio Broadcasting Systems and their Impact on the Terrestrial Radio Broadcast Service
MM Docket No. 99-325

Dear Mr. Caton:

Ibiquity Digital Corporation, ("Ibiquity"), by counsel, and pursuant to Section 1.1206(b)(2) of the Commission' Rules, hereby notifies the Commission that on April 3, 2002, Robert Struble (CEO of Ibiquity), Albert Shuldiner (Vice President and General Counsel of Ibiquity) and the undersigned met with representatives of the Media Bureau listed below to discuss the above-referenced proceeding. The enclosed material summarizes the information that was discussed during this meeting.

In the event there are questions concerning this matter, please contact the undersigned.

Very truly yours,

Robert A. Mazer

Enclosure

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List ABCDE

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cc: Ken Ferree
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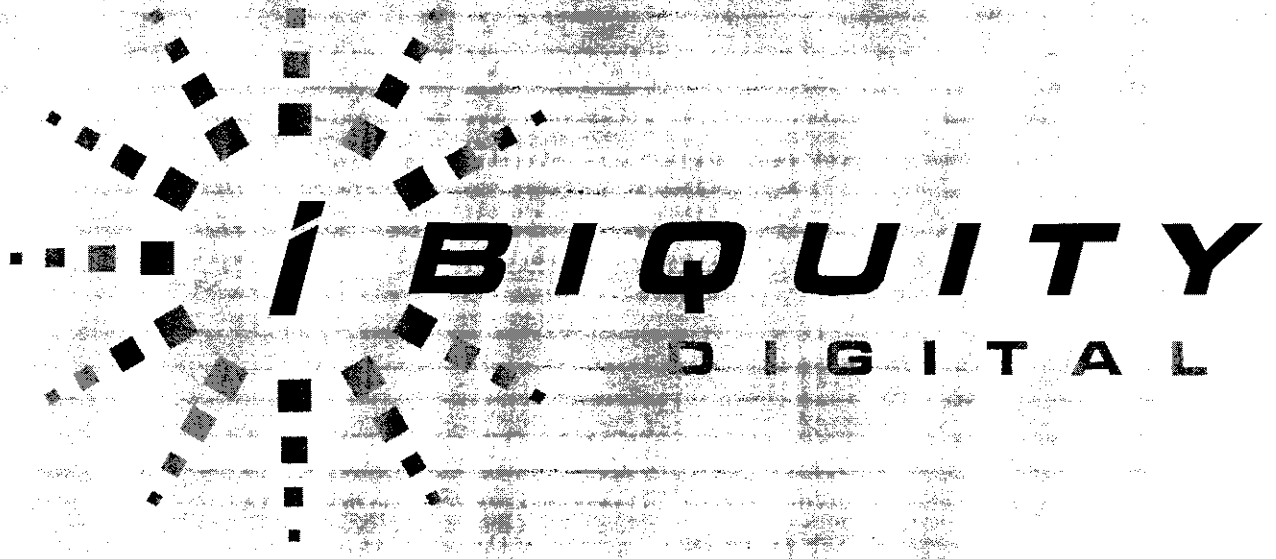

Federal Communications Commission
Media Bureau
April 3, 2002

What is IBOC?

- Seamless, market-based transition of radio to digital
- Preservation of analog service for 800M receiver installed base for as long as necessary
- No additional spectrum allocations
- Listeners will benefit from superior audio quality and new data services
- Consumers and broadcasters will be able to upgrade to digital at their own pace
- No change in consumer behavior required
- No new licenses of existing AM and FM stations

FM Analog	*FM Digital*
AM Analog	*AM Digital*

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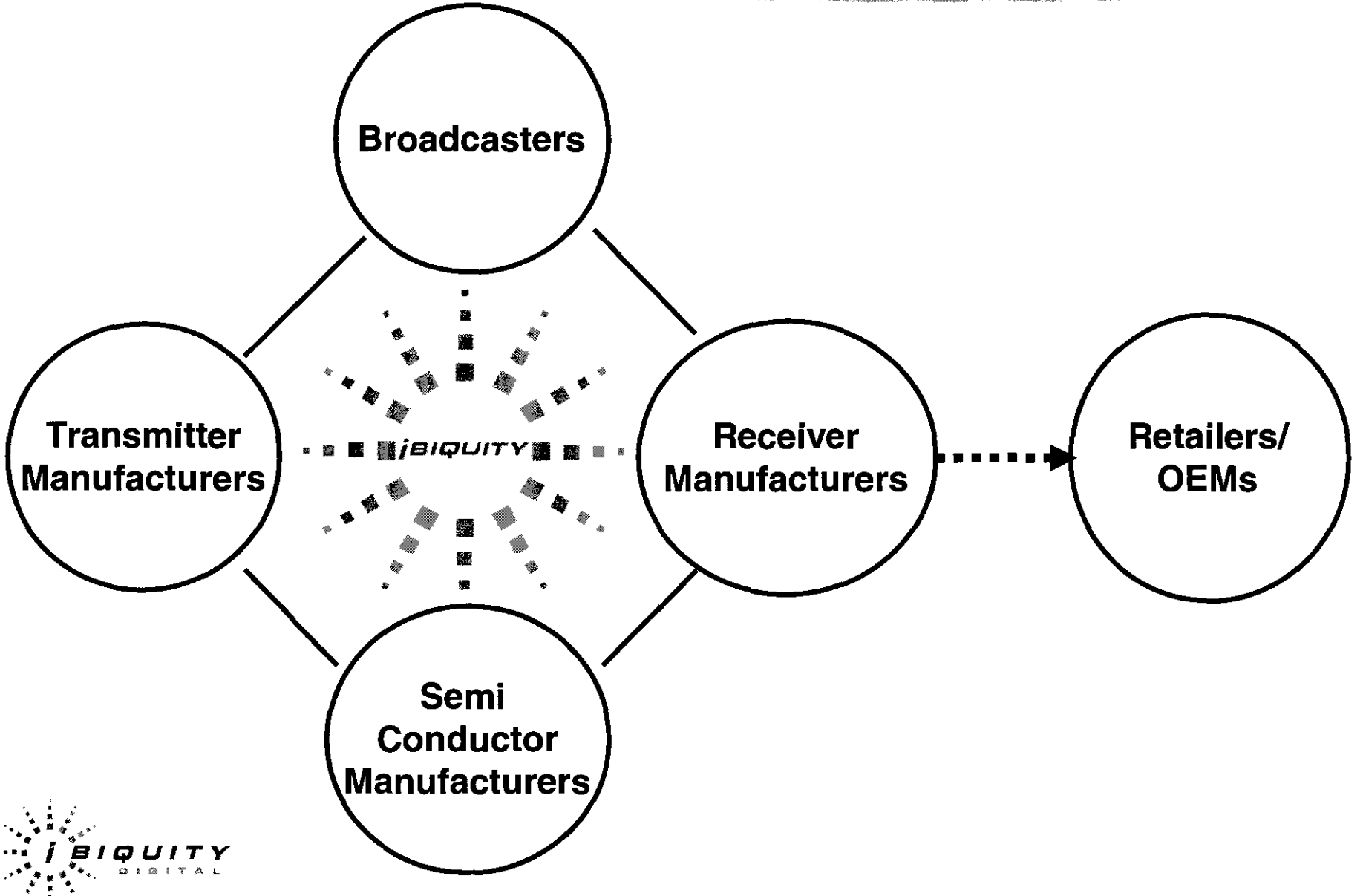
iBIQUITY DIGITAL

Who We Are

usa DIGITAL RADIO + Lucent Digital Radio =

iBIQUITY DIGITAL

Business Relationships: Broad, Industry-Wide Coalition Required



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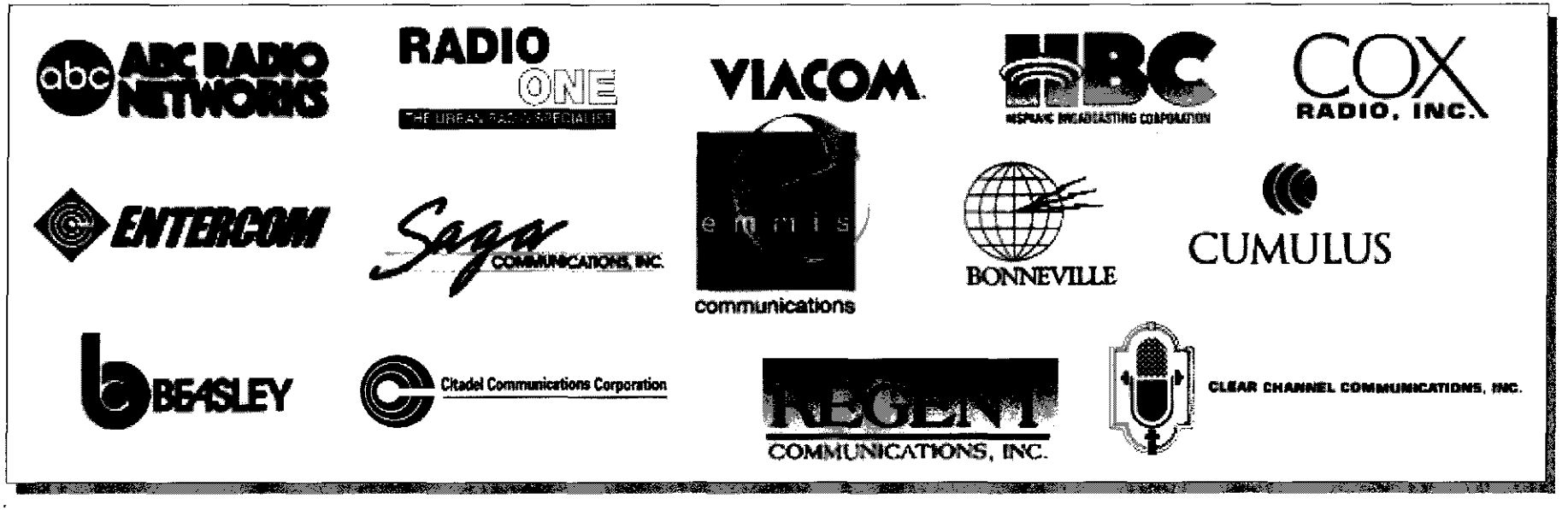
Radio Broadcaster Ownership

- Owned by 14 of the nation's largest broadcasters (including the top 9)
- 2,300 radio stations with access to 208 million listeners
- In Top 50 markets alone, owner stations have a 60% share
- Owners account for more than half of radio industry revenues
- In addition, over 500 small stations are members of EASE Program



Additional Owners: Broadening the Coalition

Strategic Company Owners

Lucent Technologies
Bell Labs Innovations

Texas Instruments

Visteon

Ford

Gannett

Allbritton Communications

Harris

Financial Players

Pequot Capital

JPMorgan Partners

Seligman

Waller-Sutton Media Partners, L.P.

Whitney & Co.
A Tradition of Innovative Investing

Riggs

Grotech Capital Group

Ventures

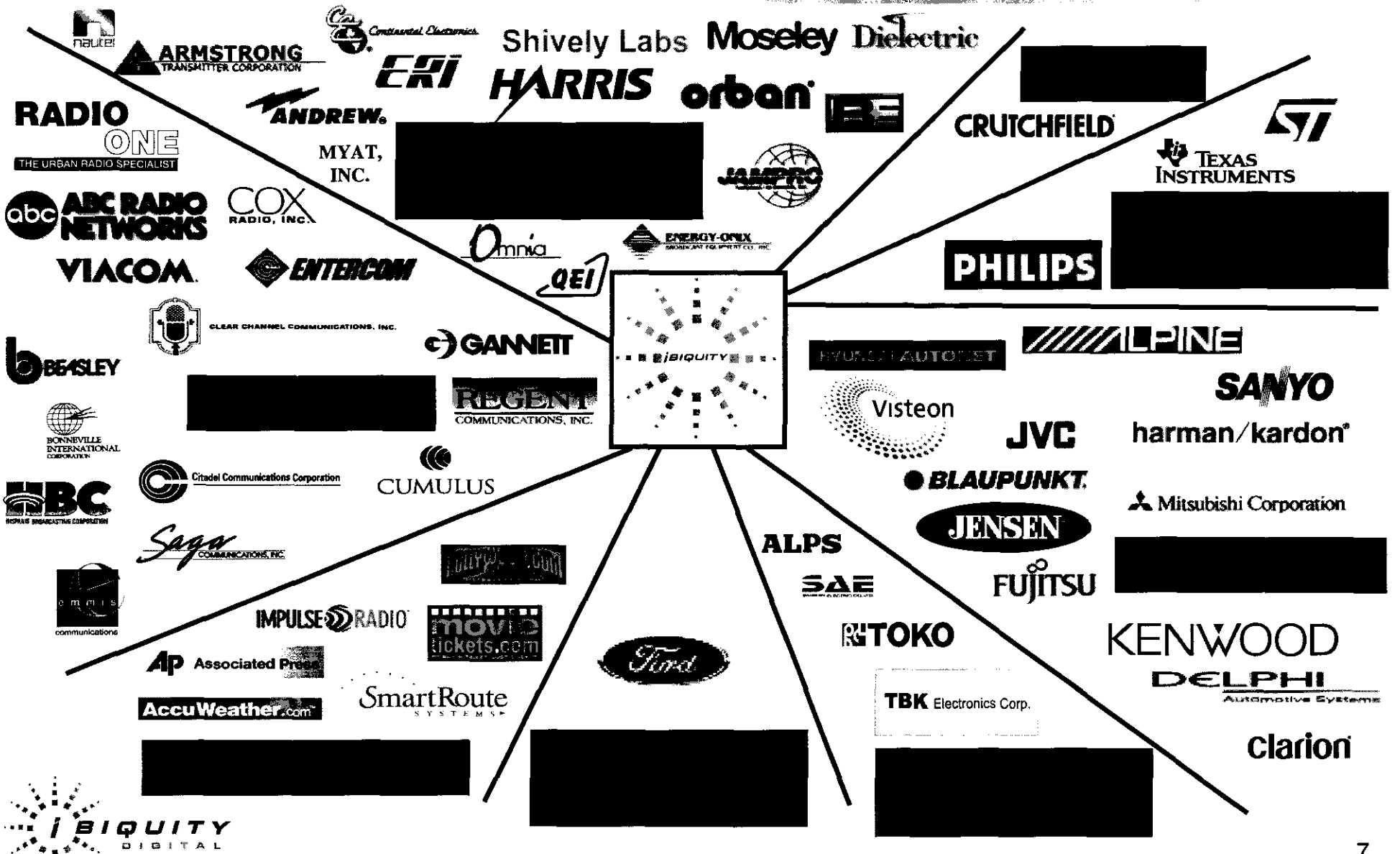
Deutsche Bank

Williams, Jones & Associates

Pictet

Flatiron Partners

Business Development: Putting Deals in Place to Accelerate Commercialization



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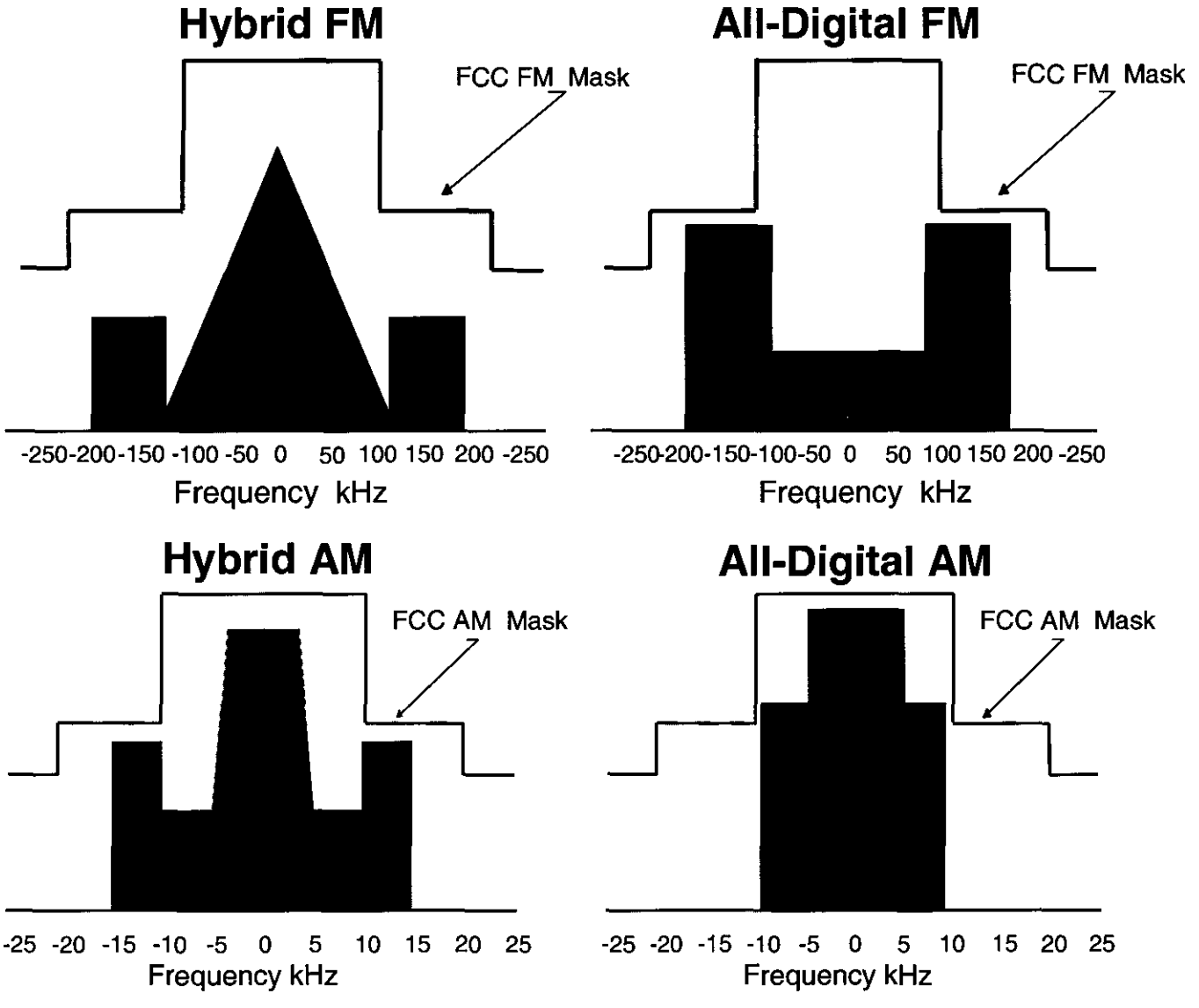
Hybrid and All-Digital AM and FM IBOC Modes



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NRSC Testing

National Radio Systems Committee:

- joint body of industry experts, formed by the NAB & CEA, to evaluate and set radio industry standards

- **1 year of lab and field testing**
- **Comprehensive lab tests conducted at ATTC and Xetron independent labs**
- **Field tests on 7 FM stations and 4 AM stations**
- **Subjective evaluation of audio samples from the lab and the field conducted at Dynastat Labs**

NRSC Conclusions: Digital Superior to Analog

- **AM & FM Digital Audio Quality Always Outscores Analog in All Conditions:**
  - Adjacent Channel Interference and Multipath
- **Coverage:**
  - Uniform digital coverage until 45-50 dBu Signal Level (FM)
  - In Many Cases Digital Extends to 30-35 dBu Level (FM)
  - Digital coverage to .5 mV/M contour (AM)
- **Host Impact:**
  - FM, No Impact
  - FM, Compatible with Digital & Analog SCA's
  - AM, Minimal Impact
- **No Meaningful Impact on Adjacent Channel Analog Reception**

NRSC FM Test Results

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- In all performance tests, digital outscored analog
- Dramatic improvement in reliability, particularly with multipath
- Excellent digital coverage
- Tests indicate there will be a strong consumer preference for digital
- No impact on host or 2nd adjacent channels
- No meaningful impact on 1st adjacent channels

"The NRSC ... recommends that the iBiquity FM IBOC system ... should be authorized by the FCC as an enhancement to FM broadcasting in the U.S., charting the course for an efficient transition to digital broadcasting with minimal impact on existing analog FM reception and no new spectrum requirements."

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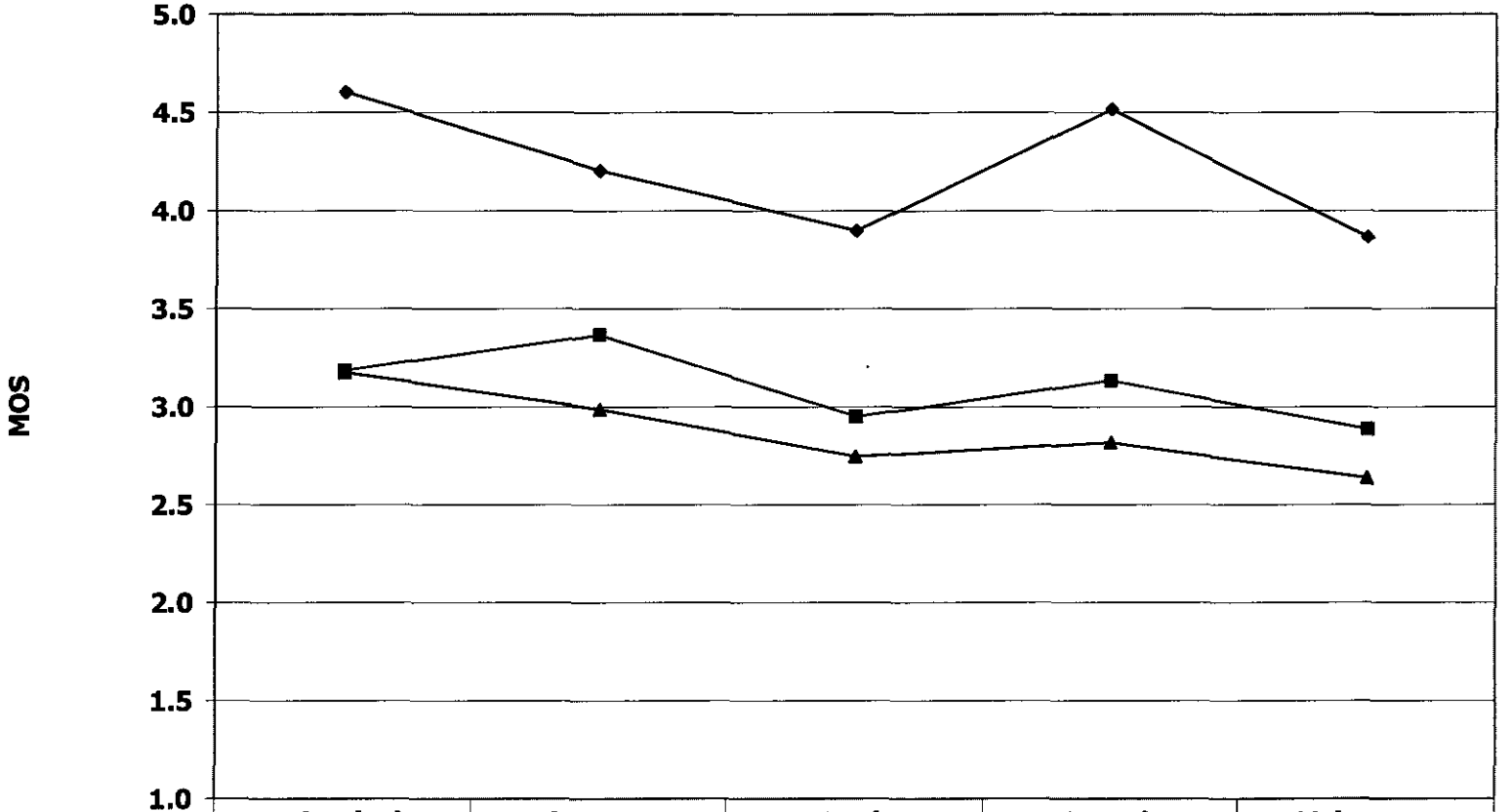
FM Field Performance All Conditions
-2000 Evaluations by 400+ Test Subjects-



	Classical	Country	Rock	Speech	Voiceover
IBOC	4.6	4.2	3.9	4.5	3.9
Delphi	3.2	3.4	3.0	3.1	2.9
Pioneer	3.2	3.0	2.7	2.8	2.6

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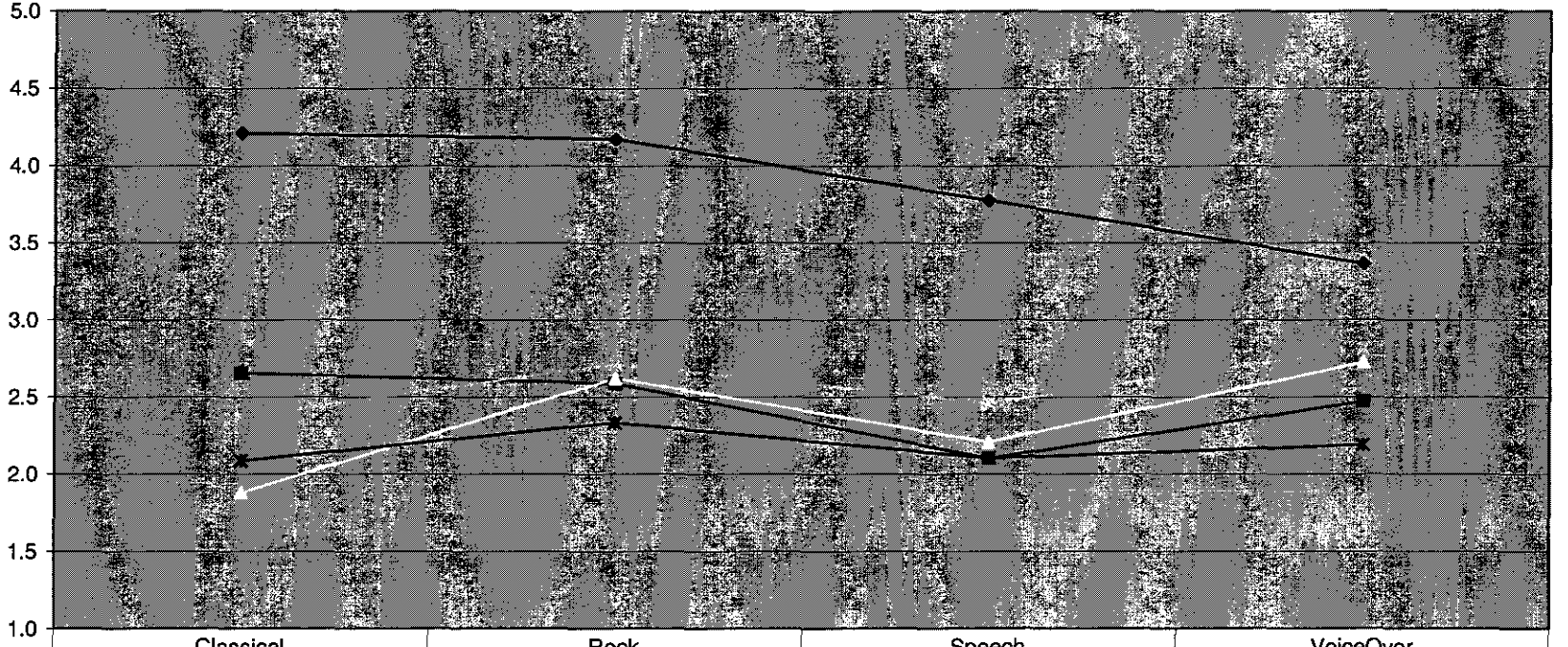
AM Field Performance All Conditions

Overall Lab Performance (Tests B, C, and D)



	Classical	Rock	Speech	VoiceOver
IBOC	4.2	4.2	3.8	3.4
Delphi	2.7	2.6	2.1	2.5
Pioneer	1.9	2.6	2.2	2.7
Technics	2.4	2.7	2.5	2.8
Sony	2.1	2.3	2.1	2.2

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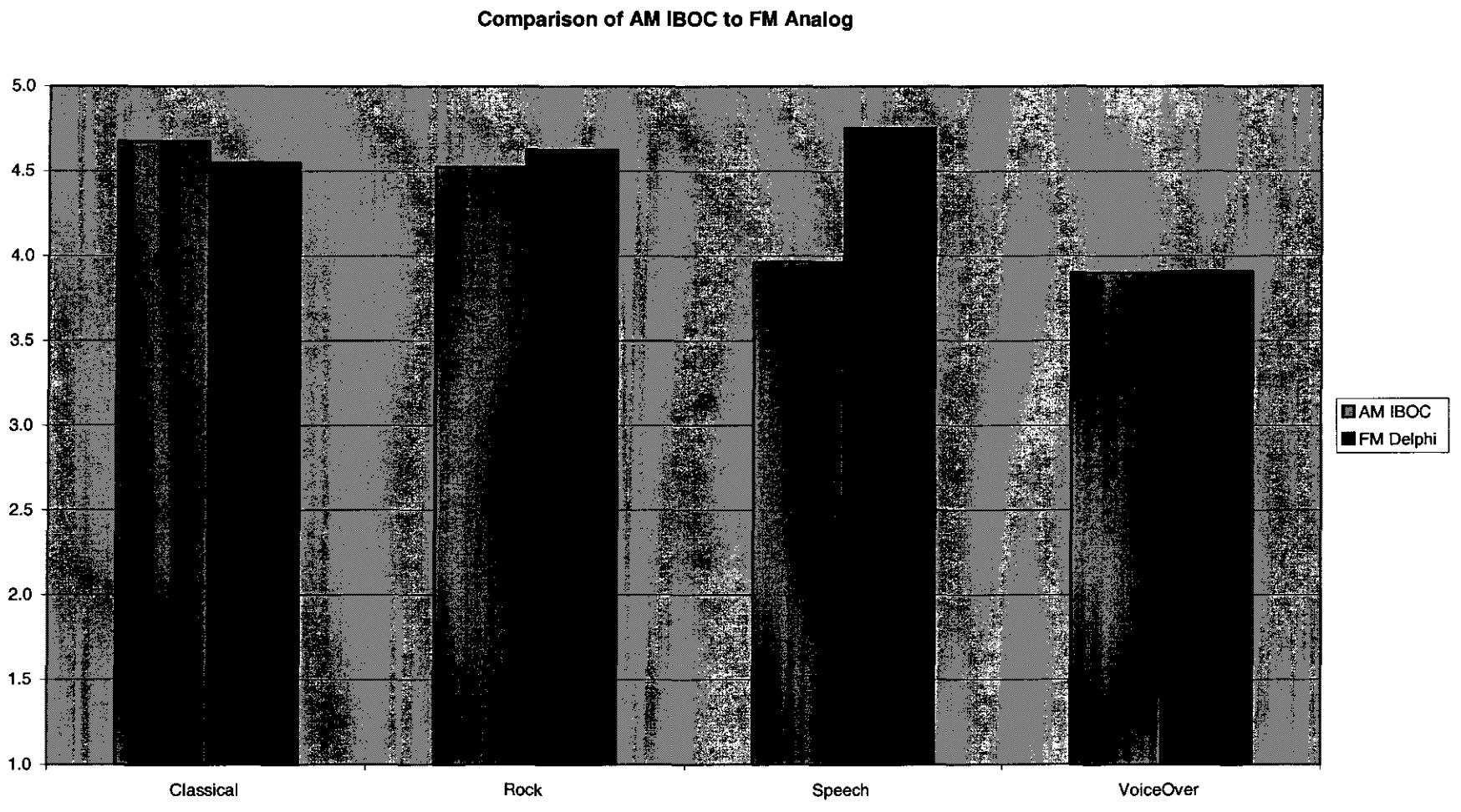
AM IBOC Performance
"FM Like" Quality



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Technology:
Commercializing Product, Transferring Technology

Commercialization:

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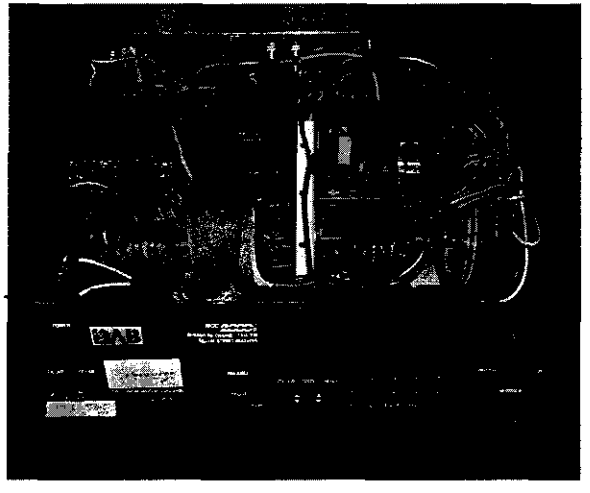
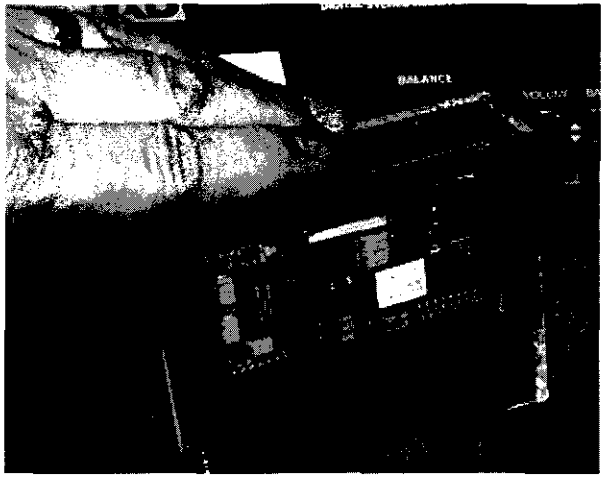
FROM...



TO...



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-- Proprietary to iBiquity Digital Corporation --

Launch at NAB

BROADCAST ELECTRONICS ANNOUNCES A NEW LINE OF PRODUCTS:
"Broadcast Electronics, Inc. is introducing a complete new line of IBOC compatible transmitters, the FMi solid state IBOC transmitter line... The new FXi exciters and FSi IBOC signal generator make up the rest of the IBOC system from Broadcast Electronics... transmitters provide a cost effective and highly efficient solution to both of the common FM IBOC implementation schemes. Power levels are available to fit most IBOC implementation requirements" *Broadcast Electronics News 2/02*

"Let me update you on our intensive IBOC product development efforts to date.
→ Our 3DX family of AM transmitters...was designed to be IBOC-ready from the start and only requires the installation of an IBOC exciter for instant, hybrid broadcast.
→ To complement the 3DX, at NAB we'll be launching a new Z FM IBOC transmitter across a range of power levels.
→ The Harris DexStar IBOC exciter will also be introduced at NAB. Features include non-linear correction, enhanced circuitry, and integration with the Harris AM and FM IBOC transmitters for optimum performance.
→ At NAB, we also plan to make a special announcement about expanding the breadth of our IBOC product line offering." Dale Mowry, Vice President, Transmission Systems 3/02

Product Announcements expected at NAB Show

iBiquity's Schedule

April 2002	• NRSC endorsement of AM system • **First commercial transmission equipment available (launch at April 2002 NAB show)** • First silicon chip sets available
August 31, 2002	• FCC Report and Order
Fall 2002	• Convert up to 100 stations in 6 target markets
1st Half 2003	• **Broad receiver rollout (launch at January 2003 CES show)**

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MM Docket No. 99-325

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• NPRM	November 1, 1999
• Public Notice on FM IBOC	December 19, 2001
• Comments Filed	February 19, 2002
• Reply Comments Filed	March 21, 2002

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What Can the FCC Do?

- **Complete R&O and Further NPRM before September 2002**
  - Endorse IBOC as the approach US will pursue for digital radio
  - Discontinue consideration of new spectrum alternatives
  - Allow stations to begin conversion
  - Ask for details needed to set IBOC standard
  - Propose final IBOC rules

- **Complete 2nd R&O 1Q02 setting IBOC standard and final IBOC rules**

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