

January 15, 2004

Ms. Marlene Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

Re: **Ex Parte Notification**  
CS Docket No. 98-120  
MM Docket No. 99-360  
MM Docket No. 00-167  
MM Docket No. 00-168

Dear Ms. Dortch:

On January 14, 2004, Jack Goodman, Ann Bobeck and Valerie Schulte of NAB met with Commissioner Jonathan Adelstein and his legal advisor Johanna Mikes to discuss issues relating to the digital transition, including the importance to consumers, broadcasters and the DTV transition of a Commission DTV must carry rule requiring cable operators to carry all free multicast programming contained within the 6 MHz broadcast DTV signal.

The NAB representatives emphasized the importance of allowing broadcasters to use DTV technology to its fullest to provide consumers with an over-the-air multicast programming option in addition to HDTV. DTV Multicasting options will provide broadcasters, particularly those in smaller markets, with the potential for additional revenue streams and will also create multi-channel competition for cable in an environment where cable dominates the multi-channel landscape. We stressed that public policy should incent broadcasters to produce as much free over-the-air programming as they can, for the benefit of consumers both with, and without, access to pay services. Adding more free program choices for consumers and strengthening the vibrancy of the over-the-air television system with potential new revenue streams provide new, tangible public interest benefits not present in the analog world.

We also pointed out that some transitional cable carriage requirement will be necessary to push the DTV transition over the tipping point that Chairman Powell

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recently said is now within reach. With the Commission's other important DTV initiatives achieved, a full signal DTV carriage requirement will fill out the complement of necessary steps for the transition to swiftly reach completion and thereby allow spectrum to be reclaimed for other uses.

Also mentioned were the pending proceedings on public interest obligations of television broadcasters. It was noted that broadcasters believe strongly in serving the public interest and are committed to serving their communities, both in analog and in digital.

Sincerely yours,

A handwritten signature in cursive script that reads "Valerie Schulte".

Valerie Schulte

cc: Commissioner Jonathan Adelstein  
Johanna Mikes