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April 22, 2004

The Honorable Michael J Copps
Federal Communications Commission
445 12th St., NW
Washington, D C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

c/o Marlene H Dortch, Esq.
Secretary
Federal Communications Commission
445 12th St., NW
Washington, D.C 20554

Re Digital Television Multicast Must-Carry
CS Docket No 98-120
Digital Audio Broadcasting
MB Docket No 99-325

Dear Commissioner Copps:

I read with great interest your statement released on April 15, 2004 in connection with the Commission's *Notice of Proposed Rulemaking* regarding Digital Audio Broadcasting ("DAB"). As you noted, **DAB and DTV multicasting offer local broadcasters vast new opportunities to serve their communities with diverse local programming that currently has no outlet.** Paxson Communications corporation ("PCC") long has advocated DTV multicasting, explaining that it will bring a plethora of new opportunities, including local news, weather and sports programming, minority-oriented programming, foreign-language programming, faith-based programming, and children's programming. Indeed there is no limit to the service improvements multicasting will bring. **Furthermore, there is no public interest in delaying these benefits even one day longer, because in the DTV context, these benefits will not be realized until the Commission orders full digital multicast must-carry.** I am concerned that your April 15 statement could be read as advocating delaying the benefits of multicasting until the Commission establishes DTV broadcasters' public interest and children's programming duties. I firmly believe that this is the wrong course, and I am writing today to tell you why

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You indicate that you are concerned that DTV multicasting somehow could diminish programming diversity in local markets and lessen the public services that broadcasters currently provide to their communities With all due respect, I think this concern is unfounded. By allowing DTV broadcasters to transmit up to six standard definition digital program streams where now they transmit only one, multicasting will create massive quantities of new airtime and accompanying new opportunities for programmers that currently have no outlet for their programming All the evidence in the Commission's DTV must-carry docket suggests that broadcasters are ready and willing to begin using their multicast channels to ramp up diverse and local programming that has heretofore been impossible in the single-channel, single revenue-stream analog world. As you note, 200 stations already are multicasting. Most of the new programming available on these multicast channels is either local in nature or designed to supply programming to a currently underserved segment of the viewing audience The Commission has heard from many programmers, including minority-interest, faith-based, and children's programmers that stand ready to exploit these new opportunities. Moreover, the major television networks and their affiliates have shown that they intend to dedicate much of their multicast spectrum to increased local events coverage of all types. **Far from suggesting a risk to diversity or localism, the evidence confirms that full digital multicast must-carry will lead to an unprecedented surfeit of new, diverse, and local programming opportunities.** As a staunch advocate for increased broadcast localism, you can see multicasting's explosive potential for furthering localism and diversity

In your statement you discuss potential competitive imbalances in radio markets that could be caused by DAB multicasting, but for DTV broadcasters and viewers the only important competitive imbalance is the bottleneck control over access to customers exercised by cable and satellite MVPDs. In the absence of competitive discipline, MVPDs long have subjected customers to abusive rate increases. **In many cases this cable and satellite dominance has subjected viewers and their children to offensive and inappropriate – even obscene -- programming. No matter what public interest rules apply to DTV broadcasters, you can be assured that every station's license will depend on their steering clear of the types of over-sexed, profane, and senselessly violent programming that currently dominates MVPD programming.**

Multicasting promises to allow broadcasters to burst through the MVPD bottleneck, restore competitive balance to local television markets, and providing much-needed relief for frustrated MVPD customers Once multichannel

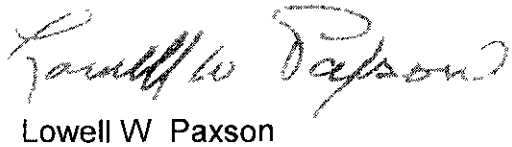
broadcasting becomes the norm, the broadcast platform will again be an effective competitor with MVPDs and the competitive pressures on MVPDs likely will require them to offer lower prices without further government regulation Thus, all viewers will win with multicast must-carry. MVPDs know this, which is why they have opposed full digital multicast must-carry with a furious lobbying onslaught and persistent threats of litigation. But the record is now replete with evidence refuting MVPD claims that multicasting will overburden cable system bandwidth and force operators to drop valued programming services. The record incontrovertibly proves that cable operators will drop important public services like C-SPAN only if they make the choice to maintain their 24-hour hard-core pornography channels instead **The truth is that cable operators oppose multicast must-carry because they recognize the competitive threat that broadcast multicast must-carry poses to MVPDs' local monopolies. But broadcasters can only break the MVPD monopolies when the Commission orders full digital multicast must-carry soon.**

Consumers should not have to wait any longer for the benefits of DTV multicasting. Viewers have a right to expect locally oriented diverse programming and the benefits of competition today, not in the far off future When Congress charged the Commission with administering the public spectrum – including that used by cable operators and satellite providers – in the public interest, it plainly expected the Commission to maximize the opportunities for diverse local programming to reach the public. Only multicasting can fulfill this mandate, and only full digital multicast must-carry will bring about widespread multicasting I understand the importance of resolving the currently pending proceedings considering the public interest responsibilities of DTV broadcasters. Indeed, PCC has pushed the Commission to resolve these proceedings for years and already has proposed many of the same types of voluntary initiatives that the Commission now advocates. **But multicasting is too important for the Commission to hold multicast must-carry hostage to resolution of DTV broadcasters' public interest requirements.** The evidence indicates that broadcasters are poised to begin offering precisely the types of public service programming that the Commission would require by regulation In every other context, the Commission has encouraged market solutions to public interest quandaries rather than immediate government regulation. Why should DTV be any different? It would be sadly ironic if multicast must-carry – an issue that offers untold public interest benefits – were left to languish because the Commission is unable to reach a consensus on which public service requirements to mandate by regulation. Instead, the Commission should order

full digital multicast must-carry now and resolve the various DTV public interest inquiries in light of the services that DTV broadcasters actually begin offering.

For all these reasons I implore you to recognize the benefits of immediately requiring full digital multicast must-carry. No vote you cast during your time on the Commission will be so certain to increase the diversity and localism of television programming at so little cost. There will be time to clarify DTV broadcasters' public interest responsibilities, but the public should not have to wait until those responsibilities are determined to start benefiting from the increased diverse and local programming that multicasting will provide.

Sincerely,



Lowell W Paxson
Chairman and CEO
Paxson Communications Corporation

cc The Honorable Michael K Powell
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