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June 14, 2006

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

Re: Cable Carriage of Digital Broadcast Signals, CS Docket 98-120

Dear Secretary Dortch:

NAB submits the attached two documents: *Distortions, Myths and Misconceptions: The Cable Industry and the Multicast Debate* and *Coming Soon (Maybe): Even More TV Channels*, to be included in the record of the above referenced docket.

Thank you for your attention to this document. If you have any questions, please contact me at the number listed above.

Sincerely,

A handwritten signature in black ink that reads "Joan Dollarhite". The signature is written in a cursive, flowing style.

Joan Dollarhite  
Director, Legal Operations

**DISTORTIONS, MYTHS AND MISCONCEPTIONS:  
THE CABLE INDUSTRY AND THE MULTICAST DEBATE**

**National Association of Broadcasters**

**June 13, 2006**

## A RESPONSE TO CABLE'S MULTICAST MYTHS

**NCTA Claim:** “[A] multicast requirement will take up more capacity than is currently used to carry broadcast stations,”<sup>1</sup> and “use up capacity that could otherwise be used for a wide range of services.”<sup>2</sup>

**Fact:** False. The fact is that it takes *less*—not more—cable bandwidth capacity to retransmit a digital broadcast signal than it takes to retransmit an analog broadcast signal. Here’s why.

Although a digital broadcast station uses 6 MHz of spectrum to broadcast its signal over the air, when a cable system retransmits that same digital signal, the retransmission requires no more than 3 MHz of cable bandwidth—which is *one-half* of the 6 MHz of cable bandwidth required for cable to retransmit a television station’s analog signal.<sup>3</sup> Thus, a television station’s full digital signal will at no time occupy more than 3 MHz of bandwidth in a cable system. The other 3 MHz of bandwidth (that would have been necessary for an analog signal) is available for other uses by the cable system. In short, contrary to NCTA’s assertion, a digital broadcast signal occupies considerably less (one-half) bandwidth on a cable system than an analog broadcast signal.<sup>4</sup>

Whether a television station is broadcasting a single high definition (HD) program stream or several standard definition program streams, the station’s digital signal will never occupy more than 3 MHz of cable bandwidth—3 MHz is 3 MHz, whether the signal consists of one or whether it consists of multiple program streams (and cable apparently does not dispute that cable operators will be required after the transition to carry the single HD program stream of local broadcasters).

Thus, it is simply not true, as NCTA contends, that NAB’s proposal to prevent cable from removing and stripping out content (i.e., the multicast carriage requirement) from a television station’s digital signal will impose a greater bandwidth or capacity burden on cable than the existing requirement for carriage of an analog television signal.

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<sup>1</sup> NCTA, *Commercial Broadcasters Want a Free Ride at Everyone Else’s Expense* (July 22, 2005), at 2.

<sup>2</sup> NCTA, *Ex Parte* in CS Docket No. 98-120 (June 8, 2006), at 2.

<sup>3</sup> Cable systems remodulate digital signals using QAM (Quadrature Amplitude Modulation), typically a version known as 256QAM. This remodulation process permits a cable system to retransmit one television station’s full digital signal in no more than 3 MHz of bandwidth.

<sup>4</sup> As DIRECTV has stated to the Commission, “[a] high definition digital OTA [over-the-air] signal requires only half as much cable bandwidth or less [than the analog OTA signal] . . . [the] digital transition actually saves capacity.” DIRECTV, Inc., *Ex Parte* in CS Docket Nos. 00-96, 98-120 (July 6, 2005), at 7.

Conspicuously absent from cable's muddled capacity rhetoric is the fact that cable systems are now operating in a world of abundant bandwidth capacity due to the cable industry's transition to digital and the remarkable advances in compression technology. As recently explained in detail by NAB,<sup>5</sup> the undisputed evidence before the FCC shows that the burden of carrying broadcasters' digital signals (whether containing one HD programming stream or several standard definition multicast streams) will today be a fraction of the burden already upheld by the Supreme Court for analog must carry.<sup>6</sup> Moreover, as shown by NAB, cable's own public announcements confirm that cable systems have ample capacity today for carrying broadcast and other programming, with an increasing ability to add channels in the future.<sup>7</sup> Technologies such as switched digital video that major cable operators, including Comcast, Time Warner and Cox, are already implementing will, according to Time Warner, give them "the ability to add as many new channels as you want."<sup>8</sup> In fact, Time Warner's Senior Vice President for Strategy and Development, Kevin Leddy, stated last year: "If consumers show an appetite for tens of thousands of hours more, we can match that."<sup>9</sup> Cable cannot argue this both ways.

In short, cable today has substantially more bandwidth capacity for carriage of local digital broadcast signals than it had for carriage of analog signals when the 1992 Cable Act was enacted, and cable capacity will only continue to increase. To facilitate the national transition to digital and to ensure that America's television viewers are not denied the full benefits of the new digital technologies, cable should be prohibited from removing or stripping out any non-subscription content from a television station's digital signal. There is simply no capacity bar to cable carriage of local broadcasters' free over-the-air programming, including multicast streams.

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**NCTA Claim:** "Where broadcasters offer compelling multicast content, cable operators are already negotiating voluntary carriage agreements for those program streams."<sup>10</sup>

**Fact:** Misleading. Cable operators are certainly not universally agreeing to carriage of "compelling multicast content." Some cable operators are willing to carry a

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<sup>5</sup> NAB, *Ex Parte* in CS Docket No. 98-120, *Multicast Carriage Will Not Affect Cable's Ability to Carry Other Program Networks* (June 12, 2006) ("*Cable Capacity Ex Parte*").

<sup>6</sup> *See Turner Broadcasting System, Inc. v. FCC*, 520 U.S. 180 (1997) (*Turner II*).

<sup>7</sup> *Cable Capacity Ex Parte*, at 2-3.

<sup>8</sup> Matt Stump, *Driving Time Warner Cable's Future*, *Multichannel News* (Jan. 9, 2006), at 28.

<sup>9</sup> Peter Grant, *Cable Operators Rush Services to Keep Edge*, *Wall Street Journal* (July 21, 2005), at B1.

<sup>10</sup> NCTA, *Commercial Broadcasters Want a Free Ride at Everyone Else's Expense* (July 22, 2005), at 2 (emphasis in original).

single stream of a local station's high definition broadcast programming, but they are reluctant to carry other programming contained in a station's digital signal. In the usual case, a cable operator will agree to carry multicast programming only when the broadcaster on the other side of the negotiating table has sufficient negotiating leverage, which some broadcasters do.<sup>11</sup> But, as the record at the FCC confirms, even some of these larger broadcast companies have been unable to secure multicast programming carriage, or can secure it only with limitations placed on it by vertically-integrated cable companies to insulate their cable systems from program competition.<sup>12</sup>

Small market broadcasters, independent stations, Hispanic stations, religious broadcasters, and foreign language stations are frequently denied carriage of their multicast broadcast streams by cable MSOs, no matter how "compelling" the content. Thus, cable operators are removing and stripping out free programming content offered by broadcasters, and, in turn, denying consumers a key benefit of the digital transition: increased diversity of local broadcast programming.

NAB members have reported a number of complaints regarding their attempts to negotiate for carriage of multicast program streams. For example, a station responding to a NAB survey about multicast plans stated that the "dominant local cable MSO requests 'veto rights' over anything that we would carry on a digital multichannel that 'they consider' to be competitive, such as news, weather, sports, local auction channels, etc." It is not uncommon for cable operators to refuse to carry multicast streams based on arbitrary content restrictions, such as bans on religious programming. Large cable operators also specify that they will carry only one or two, rather than all, the multicast streams of local broadcast network affiliates and insist that even those limited multicast streams consist of certain specified programming (such as the programming of one of the new networks to be launched in the fall of 2006). In one particularly egregious case, a top-10 cable operator has demanded that it will carry only one multicast stream of a network affiliate provided that: (i) it is a local weather channel; (ii) the stream contains no advertising with messages that "are negative against the cable industry or [the MSO], or portray the cable industry or [the MSO] unfavorably"; and (iii) the stream contains no advertising that is competitive to services offered by the MSO, even if they do not relate to video services. Clearly, cable operators remain reluctant to carry the free over-the-air multicast streams of local television stations, including news and other programming that serves important informational needs of consumers.

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<sup>11</sup> See Richard Siklos, *Coming Soon (Maybe): Even More TV Channels*, New York Times (June 11, 2006), Section 3 at 3 ("Digital must-carry is crucial for independent station groups, which do not have that leverage").

<sup>12</sup> See, e.g., Belo Corp., *Ex Parte* in CS Docket No. 98-120 (June 8, 2006), at 2 (Belo has "encountered significant difficulties" in "obtaining carriage for their multicast offerings"; cable operators have "resisted carrying Belo's multicast offerings absent Belo's agreement to overly broad limitations and restrictions," citing, *inter alia*, "competition with their own programming"); North Carolina Association of Broadcasters, Ohio Association of Broadcasters and Virginia Association of Broadcasters, *Ex Parte* in CS Docket No. 98-120 (June 7, 2006), at 2 (citing instances in which cable operators have refused to carry the full digital signal of television stations, have imposed content restrictions on the programming contained within multicast streams, or have demanded anti-competitive terms for carriage of multicast streams).

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**NCTA Claim:** NCTA claims that cable networks, such as C-SPAN, are opposed to multicast must carry.<sup>13</sup>

**Fact:** Self-serving. C-SPAN is a private company created and controlled by the cable industry. The assertions of cable programmers, such as C-SPAN, that multicast carriage will consume large amounts of bandwidth and will result in cable operators dropping C-SPAN or other current cable programming services are untrue.<sup>14</sup> These are the same arguments made by cable, but rejected by Congress, against enactment of the 1992 Cable Act. Even before the widespread deployment of digital technology, cable operators were, according to the Supreme Court, not “affected in a significant manner by must-carry,” and, in the analog world, were able to “carry 99.8 percent of the programming they carried before enactment of must-carry.”<sup>15</sup> As discussed above, in today’s digital world, cable enjoys an even greater abundance of channel capacity, and, going forward, channel capacity will increase still further.

Moreover, not all cable programmers oppose prohibiting “cable operators from stripping out portions of local broadcasters’ free over-the-air programming, including multicast streams.”<sup>16</sup> Carriage of multicast channels would “create more opportunities for independent programmers who might partner with broadcasters” and who have been “locked out by the top cable operators.”<sup>17</sup> An anti-stripping prohibition would therefore promote diversity by “provid[ing] consumers with access” to “independent programming” unaffiliated with cable MSOs.<sup>18</sup>

Ensuring carriage of multicast programming will also encourage the creation of new national broadcast channels. For example, Ion Media Networks has announced plans with partners to start national channels focusing on children’s programming and on health issues to be carried on stations’ multicast channels. But if these new offerings are to succeed, local stations airing Ion’s programming on multicast streams must be carried on cable systems.

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<sup>13</sup> See NCTA, *Commercial Broadcasters Want a Free Ride at Everyone Else’s Expense* (July 22, 2005), at 4.

<sup>14</sup> See *Cable Capacity Ex Parte*.

<sup>15</sup> *Turner II*, 520 U.S. at 214.

<sup>16</sup> The America Channel, *Ex Parte* in CS Docket No. 98-120 (June 12, 2006), at 1.

<sup>17</sup> *Id.* at 1-2.

<sup>18</sup> *Id.* at 2.

**NCTA Claim:** NCTA claims that because “cable programmers offer 70 regional and local news, sports, and public interest channels” there is no need for cable operators to carry local broadcast station’s multicast streams.<sup>19</sup>

**Fact:** False and misleading. There are 210 separate television markets and thousands of local cable communities throughout the country. Thus, 70 regional and local cable channels hardly scratch the surface of the local content that broadcast stations located in these different communities throughout the country bring to their viewers. Broadcast television is quintessentially a *local* program service in a way that cable does not aspire to be nor ever can be. Denying cable subscribers access to local multicast broadcast program content shortchanges the ability of America’s television viewers to access a growing multiplicity of local programming options and local viewpoints.

What NCTA does not say is that carriage of local broadcast stations’ multicast content will *compete* for viewers with the cable industry’s 70 regional and local channels. NCTA’s anti-competitive and protectionist multicast arguments ring especially hollow in light of the inability of competing programmers – whether cable or broadcast programmers – to obtain carriage for their channels that compete with the channels in which cable operators have interests. The inability of the Mid-Atlantic Sports Network (which carries the Washington Nationals baseball games) to obtain carriage on Comcast in the Washington D.C. area is a case in point. Other independent cable programmers have complained to the FCC about cable systems’ “stranglehold” over new programming channels.<sup>20</sup> As NAB has previously pointed out, by providing an opportunity for programmers to reach the public on broadcast channels, multicast carriage will weaken this “stranglehold,” strengthen competition in the video programming market, and enhance diversity for viewers.<sup>21</sup>

Moreover, with regard to “public interest channels,” it is local broadcasters that are subject to extensive public interest obligations, not cable operators. As the Commission made clear nearly a decade ago, “existing public interest requirements” apply to digital broadcasters.<sup>22</sup> Thus, digital broadcasters must, for example, provide children’s educational programming; comply with the political programming requirements; maintain studios and public files in their communities of license; report quarterly on the programs they air that address issues of concern to their communities; fulfill emergency alert system requirements; abide by the indecency rules; comply with EEO obligations and other numerous FCC requirements; and generally serve the public

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<sup>19</sup> NCTA, *Commercial Broadcasters Want a Free Ride at Everyone Else’s Expense* (July 22, 2005), at 4 n.6.

<sup>20</sup> The America Channel, LLC, Petition to Deny, MB Docket No. 05-192 (filed July 21, 2005), at 28-36.

<sup>21</sup> See, e.g., Reply Comments of NAB in MM Docket No. 92-264 (filed Sept. 23, 2005), at 4-5.

<sup>22</sup> *Fifth Report and Order* in MM Docket No. 87-268, 12 FCC Rcd 12809, 12830 (1997).

interest and demonstrate that service to obtain renewal of their licenses. Broadcasters do not dispute that these traditional public interest obligations apply to all their free over-the-air programming, including any multicast services. But broadcasters object to allowing cable to strip out multicast streams that provide this public interest programming. Should the Commission refuse to grant full digital carriage, cable viewers will be denied access to the public interest programming on multicast channels, including the expanded children's educational and informational programming that broadcasters will provide pursuant to the FCC's recently revised rules.

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**NCTA Claim:** “[M]ulticast carriage would run afoul of the First and Fifth Amendments.”<sup>23</sup>

**Fact:** False. The constitutional case for digital multicast carriage is more compelling now than it was for analog carriage under the 1992 Cable Act.<sup>24</sup> The Supreme Court upheld the analog must carry rules against cable's First Amendment challenge on the grounds that they advance at least two important governmental interests: (1) preserving the benefits of *free, local* broadcast television and (2) promoting a widespread dissemination of information from a multiplicity of sources.<sup>25</sup> These interests are served by preventing cable systems from stripping out and denying viewers access to broadcast digital programming.<sup>26</sup>

An anti-stripping (i.e., multicast carriage) requirement promotes core First Amendment values and the longstanding national policy of assuring widespread dissemination of information from a multiplicity of sources. Multicast streams offer consumers a wealth of diverse programming options—including local weather and traffic, news, public affairs, minority, specialty, ethnic, and foreign language programming. Because these broadcast streams are (along with PEG channels) the only

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<sup>23</sup> NCTA, *Ex Parte* in CS Docket No. 98-120 (June 8, 2006), at 1.

<sup>24</sup> See NAB *Ex Parte*, CS Docket No. 98-120, *Promoting the Public Interest Benefits of Broadcasting in the New Millennium: The FCC Can and Should Update its Existing Carriage Regulations to Meet the Demands of the Digital Age* (June 2, 2006), at ii-vi, 2-29; NAB, Reply in Support of the Petition for Reconsideration of the National Association of Broadcasters and the Association for Maximum Service Television, Inc., CS Docket No. 98-120 (June 6, 2005), at 6-17; NAB *Ex Parte* in CS Docket No. 98-120 (Aug. 5, 2002), at 4-16; Reply Comments of NAB in CS Docket No. 98-120 (Dec. 22, 1998), at 70-81.

<sup>25</sup> *Turner II*, 520 U.S. at 189. Four of the Justices also concluded that must carry served a third important interest, promoting fair competition in the market for television programming.

<sup>26</sup> NAB has also explained in previous submissions that preventing cable from stripping out free broadcast content will advance another important governmental interest, the timely and successful completion of the digital television transition. See, e.g., NAB, *Promoting the Public Interest Benefits of Broadcasting in the New Millennium*, at ii-iv, 9-10; NAB, Reply in Support of the Petition of the National Association of Broadcasters and the Association for Maximum Service Television, Inc. (June 6, 2005), at 9-10.

programming on cable systems not under the control of the cable operator, preventing cable operators from stripping out these independent sources of information and entertainment will promote the important government interests identified in *Turner*. As discussed above, an anti-stripping requirement further promotes source diversity by providing additional avenues for independent producers to air their programming—it diminishes cable’s gatekeeping ability to block subscribers from viewing the programming of independent nonbroadcast programmers whose creative product may be competitive with the programming owned by large vertically-integrated cable companies.

An anti-stripping requirement would also preserve the benefits to consumers of free, digital broadcast television. The increases in cable and satellite penetration and in the number of cable and satellite channels have severely hampered broadcasters’ ability to compete for advertising revenues on a single analog channel or a single digital stream. While broadcasters are now able to provide multiple streams of digital programming to consumers, cable systems—whose growing number of cable-owned channels compete directly with broadcasters for advertising dollars—have a financial incentive *not* to retransmit these programs to viewers. Congress and the Supreme Court have recognized the “systemic” anti-competitive incentives of cable systems to “disadvantage broadcast stations.”<sup>27</sup> An anti-stripping requirement, therefore, will promote the government’s interest in preserving the benefits of free digital broadcast television to America’s television viewers.

Finally, as discussed earlier, the “burden” imposed on cable systems by a digital multicast must carry rule is actually *less* than the burden imposed on cable systems by the analog must carry rule affirmed by the Supreme Court. Thus, it is doubtful the Supreme Court would agree to review a new constitutional challenge—but, even so, the constitutional case for an anti-stripping requirement is compelling. This is true because carriage of one high definition digital stream or several multicast streams requires only 3 MHz of bandwidth on a cable system, while carriage of a single analog signal requires 6 MHz of bandwidth on a cable system.

A prohibition against the stripping of multicast signals also does not implicate the Takings Clause of the Fifth Amendment. As NAB has previously explained in detail on several occasions, an anti-stripping rule does not amount to a taking under any established takings analysis—it is neither a “*per se*” taking nor a “regulatory” taking.<sup>28</sup> And even if there were a taking, which there is not, the cable industry’s claim that it is

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<sup>27</sup> *Turner II*, 520 U.S. at 201 (explaining that “cable has little interest in assisting, through carriage, a competing medium of communication”). Accord Section 2(a)(15), 1992 Cable Act (“[t]here is an economic incentive for cable systems to terminate the retransmission of the broadcast signal, refuse to carry new signals, or reposition a broadcast signal to a disadvantageous channel position”; absent the imposition of a carriage requirement, “additional local broadcast signals will be deleted, repositioned, or not carried”).

<sup>28</sup> See NAB *Ex Parte*, *Promoting the Public Interest Benefits of Broadcasting in the New Millennium*, at vi-vii, 29-34; NAB *Ex Parte* in CS Docket No. 98-120 (Aug. 5, 2002), at 16-27; Reply Comments of the NAB, CS Docket No. 98-120 (Dec. 22, 1998), at 81-88.

uncompensated for the carriage of broadcast programming is inaccurate. Congress has expressly found that a “substantial portion of the benefits for which consumers pay cable systems is derived from carriage of the signals of network affiliates, independent television stations, and public television stations.”<sup>29</sup> And the FCC recently concluded that about \$15 of all cable price packages (or almost 30 percent of the average basic package price) represents charges for basic broadcast programming.<sup>30</sup> What cable thus seeks is not compensation, but double compensation—which is not a constitutional concern.

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None of cable’s arguments attempting to justify their stripping of free over-the-air multicast programming from broadcasters’ digital signals are supportable. In light of local broadcasters’ current offerings of multicast channels and their clear interest in expanding their locally-oriented multicast services, NAB urges the Commission to ensure the cable carriage of all free over-the-air digital programming, including multicast streams. Continuing to allow cable operators freely to strip out portions of broadcast stations’ programming only serves the anti-competitive interests of the cable industry – not the interests of television viewers. In sum, “there is a compelling argument to be made that multicasting is a public good” because it uses the airwaves “to deliver more and better free television into people’s homes.”<sup>31</sup>

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<sup>29</sup> Section 2(a)(19), 1992 Cable Act.

<sup>30</sup> See FCC, *Further Report on the Packaging and Sale of Video Programming Services to the Public* (Feb. 9, 2006), at 19 & n.21.

<sup>31</sup> Richard Siklos, *Coming Soon (Maybe): Even More TV Channels*, New York Times (June 11, 2006), Section 3 at 3.

# The New York Times

## Coming Soon (Maybe): Even More TV Channels

By RICHARD SIKLOS

Published: June 11, 2006

LET'S take a poll, couch potatoes. Raise your hand if you are excited about the possibilities of television multicasting.

We jest, of course. Chances are that only people who work as lobbyists or media executives have a vague notion what multicasting means, though it has been kicking around for years.

But the word is likely to gain a much higher profile in coming weeks — not just because a regulatory showdown is looming but also because of a wave of new television channels and ventures that are suddenly being hatched.

Indeed, as America careers toward its much-touted conversion to the all-digital transmission of television signals — the digital switchover is now set in stone for February 2009 — the debate over multicasting is looking like another shining example of the law of unintended consequences when technology comes into play.

Multicasting, by the way, is the entertainment industry term for broadcasting several television channels in the space, or bandwidth, of a current analog broadcast signal.

There are technical issues related to this, but the upshot is that with new digital frequencies and equipment, a local station can now beam roughly four digital channels on its signal where a single analog channel once existed. Or it can broadcast the current signal and sublet the extra spectrum, or space, for other purposes, like Internet access, infomercials or pay-TV services.

Now, the first question one might rightly ask is this: Who cares about multicasting when there are already hundreds of cable channels available in millions of households, and a bewildering array of new download services and Webby ways of getting video material? Where television programming is concerned, there is no reason to believe that more is more.

But there is a compelling argument to be made that multicasting is a public good because it uses a national resource — the airwaves — to deliver more and better free television into people's homes. While only 15 percent of America's households currently receive their television over the airwaves, rather than through cable or satellite, some cool new channels may help to quell a potential uproar over the fact that old analog televisions will not work with new digital signals. Bruce Leichtman of the Leichtman Research Group in

Durham, N.H., estimates that when the digital switch is thrown in 2009, there will be about 75 million analog TV's nationwide that get their signals only from rabbit ears. Their owners will need to buy \$50 converter boxes to tune in after that.

Unfortunately for broadcasters — and, arguably, for viewers — that 15 percent of households is not a big-enough market to make these new niche channels economically viable. For the model to work, broadcasters also need to make the new channels available to people with cable and satellite services — and they want the channels to be distributed free, in the way federal law currently obligates cable companies to carry their primary local channels.

The law is known as the must-carry rule, and several groups, led by the National Association of Broadcasters, are lobbying for what they call the digital must-carry rule: that all their broadcast signals, including whatever new digital multicast channels they cook up, should be included, free, on the basic cable lineup.

There are several arguments for this. One of the most sensible is that local broadcasters have had to invest small fortunes in equipment to convert to digital broadcasting at Washington's behest, and that this is a way for them to recoup their costs.

The broadcasters have a powerful ally for this cause in the chairman of the Federal Communications Commission, Kevin J. Martin. The F.C.C. has rejected digital must-carry twice already — the last time in 2005, when Mr. Martin, before he was chairman, was the sole vote in favor — but the composition of the commission has changed and the subject is expected to come up for a vote again in the next few weeks.

Some cable companies are already carrying the big television networks' new channels — NBC Weather Plus, for instance, is carried by Time Warner Cable in Manhattan. But that is because cable companies have broad relationships with the big broadcast networks, which supply much of the programming that causes people to buy cable service in the first place. Digital must-carry is crucial for independent station groups, which do not have that leverage.

The cable industry, to no one's surprise, regards this as rubbish and views digital must-carry as an unconstitutional way to force them to put free channels on their private networks. Kyle E. McSlarrow, president of the National Cable and Telecommunications Association, has said that his members spent \$100 billion upgrading their systems over the past decade and would be forced to carry channels "that may have no appeal at all." That would be unfair not only to operators like Comcast, the argument goes, but also to all the CNN's and ESPN's that have to compete on their merits for places on the cable dial.

Besides, some broadcasters are talking about multicasting eventually growing into a free, over-the-air alternative to bare-bones cable service.

Even as that regulatory showdown shapes up, some viewers are already seeing glimpses

of what multicasting promises to bring into America's households: CBS is planning an entertainment-based channel that provides the rough equivalent of extra features on DVD's for some of its top network shows; NBC is already offering local weather channels around the country and, in New York, a spin-off of its Channel 4 flagship called WNBC 4.4.

Broadcasters like multicast channels because they help them to aim at smaller and smaller slices of the overall audience, which is rapidly being fragmented by the Internet and other new technologies. "It's a great advantage for us because it gives us a number of alternative platforms to give more local programming to our viewers," said Jay Ireland, the president of NBC Universal Television Stations.

But in addition to local and network spinoffs, multicasting is giving rise to wholly new national channels. One start-up broadcaster, for example, is offering a channel called the Tube, promoted as a free competitor to MTV; another company, Ion Media Networks, has announced plans with partners to start national channels with health and children's programming as themes.

Ion was previously known as Paxson Communications, a group of 60 TV stations. Ion's new chief executive, R. Brandon Burgess, said he believed that multicasting was the ticket to making free TV a viable alternative to cable for the first time in decades. That is no small matter as he tries to rescue the company from the brink of financial collapse. Mr. Burgess, a former NBC Universal executive (NBC has a big stake in Ion), said that a package of free national channels could be assembled alongside all the new local digital signals.

A typical viewer would then have a package of 30 or more free channels that could represent a far better alternative to cable than what is now available over the air. A similar service in England, called Freeview, has attracted seven million households; it delivers free channels via a set-top box that viewers buy.

Beyond the free services, companies like USDTV and Moviebeam are already leasing spare spectrum from local broadcasters to offer pay-TV and pay-movie services to people who buy special set-top receivers.

DESPITE all this activity, it is far more likely that you would raise your hand about high-definition TV than about the equally game-changing notion of multicasting. And, indeed, even if cable companies are forced to carry the new channels by the F.C.C., legal challenges could delay their widespread availability.

"The industry has done a pretty good job of marketing HDTV but not as good a job of even hinting to the public that they could get lots more channels for free," Martin D. Franks, executive vice president of CBS, said. The uncertainty over whether these new channels will ever see the light of day, he added, "does not help."