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March 17, 2008

BY ELECTRONIC FILING

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: *CS Docket Nos. 98-120 and 00-96, MB Docket No. 07-91*

Dear Ms. Dortch:

This is to inform you that, on March 14, 2008, Stacy Fuller on behalf of DIRECTV, Inc. responded to a telephone inquiry from Cristina Pauzé, Legal Advisor to Commissioner McDowell, as to DIRECTV's views on the public policy implications of achieving ubiquitous local service in all 210 Designated Market Areas ("DMAs") nationwide.

Ms. Fuller noted that, to the extent universal access to broadcast programming is good public policy, it should be incumbent upon the *broadcasters* themselves to deliver that programming over the air to as many consumers as possible. They do not do so today, apparently preferring instead to ask the government to force others to extend their reach.

Ms. Fuller also noted that using satellite retransmission to achieve universal coverage of broadcast signals is not costless. Because satellite providers operate using limited spectral resources, any carriage mandate involves trade-offs with other public interest considerations. For example, DIRECTV has previously submitted an analysis demonstrating that extending standard definition local-into-local service to the less than 4% of television households where such service is not already available would require the launch of another satellite and cost approximately \$250 million.¹ The funds, capacity, and other resources required for that effort would be unavailable for other uses, such as expanding high definition ("HD") programming, enhancing interactive services, and increasing the richness and diversity of DIRECTV's offering in general. Indeed, a requirement that DIRECTV provide service in all 210 DMAs is necessarily in tension with the broadcasters' demand for a mandate that DIRECTV carry all HD signals in any market in which it carries any HD signal.

¹ See Letter from William M. Wiltshire to Marlene H. Dortch, MB Docket No. 07-18 (Aug. 23, 2007) (submitting "An Economic Analysis of DIRECTV Providing Local-Into-Local Service Via Satellite in All 210 DMAs").

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Universal satellite carriage of local broadcast signals is made more problematic yet because many smaller DMAs do not have a full compliment of network affiliate stations. Not only have broadcasters failed to address this situation, they have at times resisted DIRECTV's attempts to negotiate to import the signal of neighboring affiliates to round out network coverage. The result is a less attractive package and less network programming for viewers – neither of which serves the public interest.

DIRECTV has invested billions of dollars to retransmit local signals, including signals in HD format, in as many DMAs as feasible. It would be one thing to mandate ubiquitous local service via satellite in a hypothetical world of unlimited and costless satellite capacity. Given the trade-offs necessary in the real world, however, requiring satellite operators to provide transport for broadcasters to viewers they are unable or unwilling to serve themselves would be far more problematic.

Sincerely yours,

/s/

William M. Wiltshire
Michael D. Nilsson
Counsel for DIRECTV, Inc.

cc: Cristina Pauzé