Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

Advanced Television Systems
and Their Impact upon the
Existing Television Broadcast Service

MEMORANDUM OPINION AND ORDER ON RECONSIDERATION OF THE FIFTH REPORT AND ORDER

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By the Commission:

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I. INTRODUCTION

1. In the Fifth Report and Order in the digital television ("DTV") proceeding, we adopted rules to permit the nation's broadcasters to implement the conversion to digital television in accordance with the Telecommunications Act of 1996 ("1996 Act"). Our goals were to preserve and promote free, universally available, local broadcast television in a digital world, as well as to advance spectrum efficiency and the rapid recovery of spectrum by fostering the swift development of DTV. Accordingly, we sought to maximize broadcasters' flexibility to provide a digital service to serve the needs and desires of the viewers, while adopting rules to ensure a smooth transition to digital television.

2. We established an aggressive but reasonable construction schedule, a requirement that broadcasters continue to provide free, over-the-air television service, a target date of 2006 for the completion of the transition, and a simulcasting requirement phased in at the end of the transition period. We also recognized that digital broadcasters remain public trustees of the nation's airwaves and have a responsibility to serve the public interest. In order to permit an opportunity to reassess the decisions we made in the Fifth Report and Order, we also noted our intention to conduct a review of the progress of the transition to DTV every two years. In response to petitions for reconsideration from various parties, we take this opportunity to reaffirm, revise, or clarify certain of our actions. Issues raised in the petitions for reconsideration that are not addressed here will be resolved in separate proceedings or future orders as noted.

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1 Fifth Report and Order in MM Docket No. 87-268, 12 FCC Rcd 12809 (1997) ("Fifth Report and Order"). Contemporaneously, we released the Sixth Report and Order in MM Docket No. 87-268, 12 FCC Rcd 14588 (1997) ("Sixth Report and Order"), which established the DTV Table of Allotments.


3 We note that many of the petitions jointly addressed issues in both the Fifth and Sixth Report and Orders. This Order will address only issues raised in the Fifth Report and Order. Issues related to the Sixth Report and Order, as well as certain issues that involve aspects of both the Fifth and the Sixth Report and Orders, will be addressed in the Memorandum Opinion and Order on Reconsideration of the Sixth Report and Order in MM Docket No. 87-268.

4 Certain petitioners raise issues that will be addressed in our proceeding addressing the assessment of fees for DTV broadcasters' ancillary or supplementary services. See Notice of Proposed Rulemaking in MM Docket No. 97-247, 63 Fed. Reg. 460 (January 6, 1998) (DTV Ancillary or Supplemental Service Fees Notice). Other petitions raised issues that are more relevant to the Commission's pending proceeding, initiated after the petitions and oppositions were filed, as to whether it should preempt state and local zoning regulations that are alleged to impede DTV tower siting and construction, as proposed in a joint petition for rulemaking filed by the Association for Maximum Service Television ("MSTV") and the National Association of Broadcasters ("NAB"). See Notice of Proposed Rule Making in MM Docket No. 97-182, 12 FCC Rcd 12497 (1997). These include the petition of MSTV addressing Commission interaction with the Federal Aviation Administration. In addition, in future Notices, we will address issues regarding the applicability of the must-carry and retransmission consent provisions to DTV, as well as the provision of for-profit ancillary or supplementary services on remaining DTV capacity by public television stations. Also, Blade requests that we address issues related to the incorporation of closed-captioning into DTV transmission. We note that the Commission has recently discussed this issue in our Report and Order implementing closed-captioning requirements
II. ISSUE ANALYSIS

A. Eligibility

3. **Background.** The 1996 Act expressly limited initial eligibility for DTV licenses to persons that, as of the date of the issuance of the licenses, hold either a construction permit or license (or both) for a television broadcast station. In the *Fifth Report and Order*, the Commission issued initial DTV licenses simultaneously to all eligible full-power permittees and licensees. We concluded that it more effectively effectuates the Congressional scheme to implement the statute through a streamlined three-phased licensing process, with the first phase consisting of the initial DTV license, rather than through the conventional two-phased licensing process. Use of the two-step process without the initial licensing phase would have prevented the establishment of a date certain at which to determine initial eligibility because, given the statutory directive that eligibility be limited to permittees and licensees as of the date of issuance of the DTV licenses, it could potentially have left eligibility open until the last DTV operating license was granted, a period that could possibly take years. This was also necessary to allow us to establish the DTV Table of Allotments.

1. **Alleged Exclusion of Eligible Permittees**

4. **Petitions/Comments.** Coast TV (“Coast”) and Three Feathers Communications, Inc. (“Three Feathers”) assert that they held television construction permits as of the date of issuance of the DTV licenses but were erroneously excluded from the list of eligible broadcasters contained in Appendix E to the *Fifth Report and Order*. Coast, permittee of a new station to operate on NTSC channel 38, Santa Barbara, California, notes that the *Sixth Further Notice* in this proceeding proposed to allot DTV channel 22 as the DTV allotment for NTSC channel 38, thereby confirming Coast’s status as a permittee under the eligibility

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6 As discussed in the *Fifth Report and Order*, we did not extend initial eligibility for DTV channels to low power television (“LPTV”) stations and translators, which are secondary services under our rules and policies. *Fifth Report and Order* at 12816a. However, in the *Sixth Report and Order*, we implemented measures intended to mitigate the impact of DTV implementation on LPTV service. Petitions for reconsideration addressing LPTV issues will be dealt with in the MO&O addressing petitions for reconsideration of the *Sixth Report and Order*.

7 *Fifth Report and Order* at 12838. Appendix E of the *Fifth Report and Order* contained a list of all eligible parties. The conventional licensing procedure is a two-phased process commencing when an applicant files for a construction permit. Those seeking to build broadcasting facilities must file for and obtain a construction permit before commencing construction and, upon completion of construction, must file for and obtain a license to cover the permit. We retained these steps for DTV licensees but added an initial license phase. *Fifth Report and Order* at 12838-40.
criteria specified in the 1996 Act. However, the Fifth Report and Order’s list of eligible broadcasters does not list Coast TV, and the Table of Allotments contained in the Sixth Report and Order does not include a DTV allotment paired with NTSC channel 38, Santa Barbara. Thus, Coast requests a DTV allotment and initial DTV license.  

5. Three Feathers states that it is an existing permittee whose permit for channel 36, Hutchinson, Kansas, was granted by the Video Services Division on April 2, 1997, one day before the adoption date of the Fifth Report and Order. Three Feathers asserts that, although there is a concomitant DTV channel allotment in the Sixth Report and Order, it was mistakenly excluded from the Fifth Report and Order’s eligibility list.

6. Discussion. Commission records indicate that Three Feathers held a construction permit for channel 36, Hutchinson, as of the date of issuance of the DTV licenses. Similarly, Coast’s application for a construction permit had also been granted before that date, thereby making it eligible for a DTV license. Their exclusion was inadvertent. Accordingly, attached as Appendix C hereto is an addendum to Appendix E of the Fifth Report and Order, which lists the foregoing facilities of Three Feathers and Coast as eligible for initial DTV licenses pursuant to the Fifth Report and Order, and we shall amend the DTV Table of Allotments to reflect the DTV channel associated with channel 38, Santa Barbara, California.

2. Eligibility of Parties with Pending NTSC Applications

A. General Matters

7. Petitions/Comments. Several petitioners argue that parties whose new NTSC construction permit applications were still pending as of the date of issuance of the initial DTV licenses should be able to participate in the transition to DTV, at least under certain circumstances. Many of these petitioners filed applications within the past three years that are mutually exclusive with other applications and which, as a result, have not been grantable by the Commission.

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9 Coast Petition at 1-3.

10 File No. BPCT-950703KE.

11 Three Feathers Petition at 1-2.

12 E.g., John C. Anderson ("Anderson") Petition at 1-3; Island Broadcasting, Ltd. ("Island, Ltd.") Petition at 1-2; McPike Communications ("McPike") Petition at 2-3; Laredo Community College Reply at 1-2.

13 In 1993, the Commission was directed to reexamine one of the comparative criteria it had traditionally used to evaluate competing applications in a comparative hearing for a new commercial broadcast station. Bechtel v. FCC, 10 F.3d 875 (D.C. Cir. 1993). In response to Bechtel, the Commission instituted a freeze on the processing of mutually exclusive commercial broadcast television applications in 1994. Public Notice, 9 FCC Rcd 1055 (1994). We recently released a Notice of Proposed Rulemaking to implement the requirement in the Balanced Budget Act of 1997 that we use competitive bidding to decide most mutually exclusive commercial broadcast cases. We invited comment on whether to use competitive bidding to resolve the pending applications. Notice of Proposed Rulemaking in MM Docket 97-234, GC Docket 92-52, and GEN Docket 90-264 62 Fed. Reg. 65392 (December 12, 1997) ("Broadcast Auctions Notice").
8. George S. Flinn ("Flinn") and Broadcasting for the Challenged, Inc. claim that the newly granted NTSC construction permits would be worth very little if they could not be used for DTV, but instead had to be surrendered to the Commission at the end of the transition period.\footnote{14} Similarly, AAPTS/PBS asserts that pending applicants cannot realistically make the substantial investments required to proceed with their applications and construct facilities absent assurances that their NTSC channels can be converted to DTV.\footnote{15}

9. AAPTS/PBS requests that we allow the new NTSC permittees to convert to DTV service on the NTSC channel at any time during the transition. It argues that since DTV facilities require less separation than analog stations, most of these new broadcasters should be able to convert to DTV on the protected NTSC channels without causing interference.\footnote{16} In the alternative, AAPTS/PBS asserts that the Commission should allow such parties to switch to a DTV channel after the transition without being subject to competing applications,\footnote{17} a proposal also put forth by Mid-South Public Communications Foundation ("Mid-South").\footnote{18}

10. Discussion. The 1996 Act stated that, if the Commission determines to issue additional DTV licenses, the Commission "should limit the initial eligibility for such [DTV] licenses to persons that, as of the date of such issuance, are licensed to operate a television broadcast station or hold a permit to construct such a station (or both)..."\footnote{19} In the \textit{Fifth Report and Order}, we fully implemented this provision. We made no decision at that time regarding the assignment of DTV channels to new permittees and licensees whose pending NTSC applications had not yet been granted and who were, as a result, not awarded initial DTV licenses.\footnote{20} The treatment of such pending applicants has been of concern throughout the course of this proceeding.\footnote{21} Therefore, having issued the initial DTV licenses pursuant to the 1996 Act, we now take this opportunity to address the concerns of the pending NTSC applicants.

11. We shall afford new NTSC permittees, whose applications were not granted on or before April 3, 1997 and who were therefore not eligible for an initial DTV paired license, the choice to immediately

\footnote{14}{Flinn Petition at 4; Broadcasting for the Challenged Petition at 4.}
\footnote{15}{AAPTS/PBS Petition at 29.}
\footnote{16}{\textit{Id.}}
\footnote{17}{\textit{Id.}}
\footnote{18}{Mid-South Petition at 3.}
\footnote{19}{47 U.S.C. § 336(a)(1).}
\footnote{20}{\textit{Fifth Report and Order} at 12816a, n. 26. For convenience, we shall refer to these entities simply as the "pending applicants."}
\footnote{21}{For example, in the \textit{Notice of Proposed Rulemaking} in MM Docket No. 87-268, adopted on October 24, 1991 (before the passage of the 1996 Act), the Commission proposed that the parties initially eligible for DTV licenses (then called "ATV," or "advanced television" licenses) would be limited to: (1) licensees; (2) permittees; and (3) those with NTSC applications pending as of that date whose applications were ultimately granted. They were proposed to be included because they had already invested resources prosecuting their applications. The Commission also sought comment on whether parties that applied after October 24, 1991 should receive ATV licenses after the initial licenses were issued. 6 FCC Rcd 7024, 7025-26 (1991). In the \textit{Second Report and Order/Further Notice of Proposed Rulemaking} in this proceeding, the Commission adopted its proposal to limit initial eligibility to licensees, permittees and applicants pending as of October 24, 1991. 7 FCC Rcd 3340, 3343 (1992).}
construct either an analog or a digital station on the channel they were granted. They will not be awarded a second channel to convert to DTV but may convert on their single 6 MHz channel.\footnote{If their granted channel is outside the core, and if they find a channel within the core that protects all DTV and NTSC stations and complies with all the DTV technical rules, they may request authorization to convert on that alternative channel in lieu of their granted channel. If such authority is granted, their granted out-of-core 6 MHz channel will be returned to the Commission, and their authorization will specify the new in-core channel.} If they choose the analog option, they will be subject to the traditional two-year construction period applied to NTSC stations, and they may, upon application to the Commission, convert their analog facility to DTV at any point during the transition period, up to the end of that period.

12. Allowing these NTSC applicants to participate in the conversion to DTV will serve the public interest. Pursuant to the \textit{Bechtel} freeze, discussed in note 13, above, many of these applications have remained unprocessed pending the Commission's resolution of fundamental policy questions relating to the comparative hearing criteria. These parties themselves did nothing to delay the processing of their applications and make themselves ineligible for initial DTV licenses. Therefore, where possible, it would be equitable to accommodate their desire to operate DTV facilities.\footnote{We note that the 1996 Act and the accompanying Conference Report, S. Conf. Rep. 104-230, 104th Cong. 2d Sess. (1996), are silent as to the eligibility of pending applicants for future DTV licenses.} Moreover, additional considerations weigh in favor of new licensees whose applications were filed before October 24, 1991, given the reliance they may have placed on the rules we adopted before the passage of the 1996 Act.\footnote{See \textit{Fifth Report and Order} at 12816a, citing \textit{Second Report and Order} at 3343. \textit{See also} n. 21, above.}

13. Further, as discussed in detail below in Section F, all NTSC service must cease at the end of the transition period. Because NTSC is a technology of the past that will cease to exist, authorizing new analog stations that cannot evolve to digital operation would have significant public interest costs. It could limit the ability of the analog broadcaster to serve its viewers as well as it otherwise might; it could put the licensee at a competitive disadvantage vis-a-vis its emerging digital competitors; and viewers would lose altogether a channel of free, over-the-air video programming at the end of the transition period. In contrast, allowing the transition to DTV would allow broadcasters to better serve their viewers on a local scale, and it could help facilitate the overall conversion from analog to digital broadcasting across the country.

14. Before the NTSC permittee or licensee can build a DTV station, either initially or after first building an analog station, it must file a DTV application.\footnote{The DTV application of an analog broadcaster may incorporate its request for maximization of the DTV facility. We will address maximization issues in general in the reconsideration to the \textit{Sixth Report and Order}.} We will treat these DTV applications as minor modifications. The proposed DTV facility must protect all DTV and NTSC stations by complying with all applicable DTV technical rules. In addition, such a new permittee or licensee's DTV facility must generally comply with analog operating rules, such as minimum operating hours, except where the analog rule is inconsistent with the digital rules or inapplicable to digital technology. It must also provide one, free over the air video program service, as with other DTV licensees. These stations will also be afforded the flexibility to provide digital ancillary or supplementary services authorized by Section 73.624(c) of the Commission's Rules, consistent with the DTV standard.

15. To prevent warehousing of spectrum, we will require these permittees to build a station, analog or digital, within the initial two-year construction period granted, rather than applying the DTV construction
timetable adopted in the *Fifth Report and Order*. We will not extend the time for construction based on sale of the permit or based on a decision to convert to DTV in the initial two-year period before the analog station is built. Those stations that first construct and operate an analog station (within the initial two-year period) and then choose later to construct a DTV station must convert by the 2006 deadline and, upon grant of a DTV permit, will have (subject to the 2006 deadline) until the construction deadline for that category of station or a period of two years, whichever is longer, within which to build the DTV station.

16. DTV stations operating on a core NTSC channel will continue to do so after the end of the transition period. However, stations operating outside the core will be doing so on an interim basis only. At the end of the transition period, to fully implement the policies adopted in the *Sixth Report and Order* and the recently concluded *Channels 60-69 Reallocation* proceeding, the Commission will reassign all out-of-core DTV broadcasters, including the currently pending applicants, to channels in the core. Because the out-of-core allotment is intended to be temporary, the subsequent move to a core channel will be considered a minor change in facilities, intended solely to effectuate the policies set forth in the above-mentioned documents. For this purpose, all core channels will be considered fungible.

B. Denied NTSC Applications

17. Petitions/Comments. SL Communications ("SL") requests reconsideration of an allotment decision in the *Sixth Report and Order* that we consider here because it implicates eligibility. SL requests that we allot a DTV channel for a vacant analog UHF channel in Texas, for which an initial construction permit application was filed by another party. In 1995, that applicant and SL filed a petition to substitute SL for the applicant. The petition was denied on February 27, 1997, the proceeding was terminated, and a petition for reconsideration is pending. Because there was no permittee or licensee for the channel in question, there was no corresponding DTV allotment made in the *Sixth Report and Order* and no additional license awarded in the *Fifth Report and Order*. SL argues that a DTV allotment should have been made because an application was on file before October 24, 1991.

18. Discussion. We decline to reconsider this allotment eligibility decision. Under the eligibility criteria established by Section 336(a)(1) of the Communications Act and adopted in the *Fifth Report and Order*, SL was not eligible for the award of an initial DTV license, as it was not a permittee or licensee as of the date of issuance of the DTV licenses. Indeed, the original applicant for which SL sought to substitute did not have a permit at that time, and the application had been denied. Thus, regardless of the outcome of the proceeding to reconsider whether the NTSC application was properly denied, we were not required to take the vacant analog allotment into consideration when we crafted the DTV Table of Allotments. It would be premature to give such consideration in the instant case because no permit or license has been granted. However, in its recent order denying the petition for reconsideration, *Dorothy O. Schulze and Deborah Brigham*, FCC 98-21 (adopted February 12, 1998), the Commission held that the NTSC channel is exempt

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26 The construction requirements applicable to other DTV broadcasters, such as coverage of community of license, shall apply. See *Fifth Report and Order* at 12840, n. 161, and 12,847.

27 The Commission recently concluded a rule making proceeding reallocation UHF channels 60-69 for both broadcast and nonbroadcast services. See note 116, below.

28 SL Petition at 3. In the *Sixth Further Notice*, we restated that, in the event of a shortfall of DTV allotments, eligible parties would be ranked in the following order: (1) licensees and permittees with constructed facilities having program test authority; (2) other permittees; and (3) all parties with an application for a construction permit pending as of October 24, 1991. *Sixth Further Notice* at 10973, n. 12.
from the general provisions of the *Sixth Report and Order* deleting vacant NTSC allotments and that the Mass Media Bureau should take appropriate steps to permit the filing of applications for this channel. If such an application for an NTSC construction permit is subsequently granted, the permittee will have the same rights and obligations as other parties with pending NTSC applications, as discussed above.

**B. Definition of Service -- Spectrum Use**

19. **Background.** In the *Fifth Report and Order*, we noted our expectation that the fundamental use of the DTV license would be for the provision of free over-the-air television service.\(^{29}\) Thus, we required that broadcasters provide a free digital video programming service the resolution of which is comparable to or better than that of today's service and aired during the same time periods that their analog channel is broadcasting.\(^{30}\) However, we also recognized the benefit of affording broadcasters the opportunity to develop additional revenue streams from innovative digital services. Therefore, we allowed broadcasters the flexibility to respond to the demands of their audiences by providing ancillary or supplementary services that do not derogate the mandated free, over-the-air program service.\(^{31}\) These services are required to comply with the DTV transmission standard established by the Commission. We did not require that such services be broadcast-related, and we noted that such ancillary or supplementary services could include, but are not limited to, subscription television programming, computer software distribution, data transmissions, teletext, interactive services, audio signals, and any other services that do not interfere with the required free service.

20. As noted in the *Fifth Report and Order*, our decision to allow broadcasters flexibility to provide ancillary or supplementary services is supported by Section 336. This section specifically gives the Commission discretion to determine, in the public interest, whether to permit broadcasters to offer such services. Section 336(a)(2) of the Act provides that if the Commission issues additional licenses for advanced television services, it "shall adopt regulations that allow the holders of such licenses to offer such ancillary or supplementary services on designated frequencies as may be consistent with the public interest, convenience, and necessity."\(^{32}\)

1. **Ancillary or Supplementary Services**

21. **Petitions/Comments.** The Personal Communications Industry Association ("PCIA") argues that the *Fifth Report and Order* did not adequately define "ancillary or supplementary" services. PCIA notes that it is difficult to ascertain whether these services are limited to services that supplement or relate to the broadcast service, or could include any services without such a limit. PCIA claims that the provision of land mobile service by DTV licensees would not serve the public interest, as it would have a negative impact on existing mobile service providers.\(^{33}\) According to PCIA, allowing DTV licensees to provide mobile services on an ancillary or supplementary basis would create an uneven playing field between DTV licensees and mobile service providers. PCIA further claims that consideration of the effect of the Order on mobile licensees is missing from the *Fifth Report and Order's* Final Regulatory Flexibility Analysis, as it identifies

\(^{29}\) *Fifth Report and Order* at 12820.

\(^{30}\) *Id.*

\(^{31}\) *Id.* at 12820-21.

\(^{32}\) *Id.* at 12821, citing 47 U.S.C. § 336(a)(2).

\(^{33}\) PCIA Petition at 3-4.
small businesses that may be impacted by the decisions in the *Fifth Report and Order*, but analyzes the impact only on other broadcast licensees.\(^{34}\)

22. PCIA also argues that the Commission's decision is contrary to the 1993 Budget Act, which authorized the Commission to auction spectrum used for commercial mobile radio purposes.\(^{35}\) PCIA claims that DTV licensees, which were not required to participate in an auction, will ultimately have license rights different from those of other mobile service providers. They argue that these licensees do not appear from the *Fifth Report and Order* to have the same regulatory responsibilities as current mobile providers and are permitted to provide video broadcast and subscription services.\(^{36}\)

23. PCIA acknowledges that Section 73.624(c)(1), adopted in the *Fifth Report and Order*, states that DTV licensees offering such services must comply with the Commission's regulations regarding each specific service. However, it argues that the Commission has failed to define these regulatory requirements in sufficient detail. For example, PCIA questions whether DTV licensees offering land mobile services will be required to provide emergency 911 access, telephone number portability, and mandatory resale.\(^{37}\)

24. AAPTS and PBS ("AAPTS/PBS") oppose PCIA's petition and argue that DTV licensees should be allowed to provide land mobile and other ancillary or supplementary services that do not relate to broadcast service. AAPTS/PBS states that the *Fifth Report and Order* 's blanket authorization of supplementary services is consistent with the mandate of Section 336(a)(2), which allows ancillary service offerings that are consistent with the public interest.\(^{38}\) AAPTS/PBS also observes that allowing public television stations the flexibility to provide a variety of services is crucial, as these services could generate needed revenue for DTV construction and operation.\(^{39}\)

25. Discussion. We are unpersuaded by PCIA's arguments that we should specifically exclude the provision of mobile services from the definition of DTV ancillary or supplementary services. As we stated in the *Fifth Report and Order*, we believe that the approach we have taken with respect to permitting ancillary or supplementary services will best serve the public interest by fostering the growth of innovative services to the public and by permitting the full possibilities of DTV to be realized. Granting broadcasters the flexibility to offer whatever ancillary or supplementary services they choose may also help them attract consumers to the service, which will, in turn, speed the transition to digital. Such flexibility should encourage entrepreneurship and innovation, will contribute to efficient spectrum use, and will expand and enhance use of existing spectrum.\(^{40}\) Permitting broadcasters to assemble a wide array of services that

\(^{34}\) *Id.* at 4.

\(^{35}\) *Id.* at 5.

\(^{36}\) *Id.*

\(^{37}\) *Id.* at 4-5.

\(^{38}\) AAPTS/PBS Opposition at 6-7.

\(^{39}\) *Id.* at 7.

consumers desire will also help promote the success of the free television service.\textsuperscript{41}

26. As noted above, Section 336(b) outlines our authority to permit the provision of ancillary or supplementary services by DTV licensees.\textsuperscript{42} Under this section, we are required to limit ancillary or supplementary services to avoid derogation of any advanced television services that we may require.\textsuperscript{43} We are also required to apply any regulations relevant to analogous services.\textsuperscript{44} Our decision is fully consistent with the statutory requirements. The services we have authorized will not derogate advanced television service, nor will they create inequities for other regulated services.

27. The \textit{Fifth Report and Order} addressed the issue of parity in the treatment of various service providers. We stated that, consistent with Section 336(b)(3), all non-broadcast services provided by digital licensees will be regulated in a manner consistent with analogous services provided by other persons or entities.\textsuperscript{45} We also noted that we currently follow such an approach for ancillary or supplementary services provided by NTSC licensees, for example, on the vertical blanking interval (VBI) and the video portion of the analog

\textsuperscript{41} \textit{Fifth Report and Order} at 12822.

\textsuperscript{42} Section 336(b) of the Communications Act provides that in prescribing the regulations required by Section 336(a), the Commission shall:

(1) only permit such licensee or permittee to offer ancillary or supplementary services if the use of a designated frequency for such services is consistent with the technology or method designated by the Commission for the provision of advanced television services;

(2) limit the broadcasting of ancillary or supplementary services on designated frequencies so as to avoid derogation of any advanced television services, including high definition television broadcasts, that the Commission may require using such frequencies;

(3) apply to any other ancillary or supplementary service such of the Commission's regulations as are applicable to the offering of analogous services by any other person, except that no ancillary or supplementary service shall have any rights to carriage under section 614 or 615 or be deemed to be a multichannel video programming distributor for purposes of section 628;

(4) adopt such technical or other requirements as may be necessary or appropriate to assure the quality of the signal used to provide advanced television services, and may adopt regulations that stipulate the minimum number of hours per day that such signal must be transmitted; and

(5) prescribe such other regulations as may be necessary for the protection of the public interest, convenience, and necessity.


\textsuperscript{43} 47 U.S.C. § 336(b)(2).

\textsuperscript{44} 47 U.S.C. § 336(b)(3).

\textsuperscript{45} \textit{Fifth Report and Order} at 12823, citing 47 U.S.C. § 336(b)(3).
Further, in the *Fifth Report and Order*, we noted that we would review our flexible approach to permit ancillary or supplementary services during our periodic DTV reviews and to make adjustments to our rules as needed. These reviews will allow us to address any specific concerns raised by the mobile service industry regarding the provision of certain ancillary or supplementary services by DTV licensees on a case-by-case basis if warranted.

28. Contrary to the claims of PCIA, our decision regarding ancillary or supplementary services will fulfill our Congressional mandate to establish a fee program that prevents unjust enrichment of DTV licensees. In enacting Section 336, Congress specifically recognized the possibility that DTV licensees might offer services competing with those subscription-based services operating on spectrum purchased in the auction process. Congress therefore required that the Commission establish a fee program for ancillary or supplementary services provided by digital licensees if subscription fees are required in order to receive such services.

29. In considering the assessment of fees for the ancillary or supplementary use of the DTV spectrum, Congress mandated that to the extent feasible, the fee imposed should recover an amount that equals but does not exceed the amount that would have been realized in an auction of the spectrum under Section 309(j). Congress stated that the fee should be designed to prevent the unjust enrichment of DTV licensees using the DTV spectrum for services analogous to services provided on spectrum assigned at auction. We recently issued a Notice of Proposed Rule Making to consider proposals as to how this statutory provision should be implemented and these fees assessed.

30. Finally, there is no basis to PCIA’s claim that we were required to consider the impact of our DTV decision on land mobile licensees in the Final Regulatory Flexibility Analysis (FRFA) appended to the *Fifth Report and Order*. The FRFA, required of agencies in rulemaking proceedings by the Regulatory Flexibility Act, is designed to protect small entities that are directly subject to administrative rules rather than all entities that are indirectly affected by the results that any rules will produce. The U.S. Court of Appeals for the D.C. Circuit has held that such an analysis is "limited to small entities subject to the proposed regulation" and that "Congress did not intend every agency consider every indirect effect that any regulation might have on small businesses in any stratum of the national economy." 

2. Minimum Programming Hours

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46 *Fifth Report and Order* at 12823. See also *Digital Data Report and Order* at 7805-06; 47 C.F.R. § 646(c).

47 *Fifth Report and Order* at 12823.


50 *DTV Ancillary or Supplemental Service Fees Notice*, above at n. 4.

51 5 U.S.C. §§ 601 *et seq*.

31. **Petition.** Chronicle Publishing Co. ("Chronicle") observes that the *Fifth Report and Order* requires broadcasters to provide a free digital video programming service, the resolution of which is comparable to or better than that of today's service, aired during the same time periods that their analog channel is broadcasting. Chronicle argues that there may be unexpected difficulties for stations operating on channels adjacent to nearby stations, for which the interference issues are not yet fully understood. To accommodate such difficulties, Chronicle requests that the Commission modify the foregoing requirement to exempt broadcasters from providing a free digital video signal between the hours of midnight and 6:00 a.m. (even though the analog station is broadcasting) in order to allow licensees to conduct maintenance or resolve any technical or other unanticipated problems arising from the use of new digital technology, especially in the UHF band. Chronicle maintains that such "down time" is essential for the ultimate success of DTV.53

32. **Discussion.** We decline to grant Chronicle's requested modification to our requirement that broadcasters provide a free digital video programming service when the analog station is broadcasting. This requirement was designed to assuage that broadcasters provide on their digital channel the free over-the-air television service on which the public has come to rely.54 We believe that it is a minimal requirement that should not be unduly burdensome, particularly in light of the flexibility we have otherwise provided to broadcasters to provide a variety of digital services. While we recognize that broadcasters may have technical problems to resolve as they make the transition to DTV, we believe that the remedy requested is overbroad. In the event, however, that stations experience unexpected technical difficulties with the required transition to DTV such as those outlined by Chronicle, they may request special temporary authority to operate at variance from our required minimum digital television service on a case-by-case basis so that such technical difficulties can be resolved. If it later appears that a more general change in our requirements may be necessary, we can consider that modification during our periodic reviews.

C. **Public Interest Obligations**

33. **Background.** In the *Fifth Report and Order*, we stated that we sought to promote the successful transition of analog broadcast television into a digital broadcast television service that serves the public interest.55 We noted that the 1996 Act clearly provided that broadcasters have public interest obligations with respect to the program services they offer, regardless of whether they are offered using analog or digital technology.56 We stated that although the current rules were developed when technology permitted broadcasters to provide just one stream of programming over a 6 MHz channel, digital technology expands the effective capacity of 6 MHz of spectrum to permit (but not require) licensees to provide several program streams, as well as other digital services, on their 6 MHz channels.57 Noting the differences in views as to the nature and extent of digital broadcasters' public interest obligations, we stated that we would issue a Notice to collect and consider all views on broadcasters' public interest obligations in the digital world. However, we also put broadcast licensees and the public on notice that existing public interest requirements

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53 Chronicle Petition at 4-5.

54 *Fifth Report and Order* at 12820.

55 *Id.* at 12829. We noted that the rules imposing public interest obligations on broadcast licensees originate in the statutory mandate that broadcasters serve the "public interest, convenience, and necessity," 47 U.S.C. § 307(c), as well as in other provisions of the Communications Act. *Fifth Report and Order* at 12827-28.

56 *Id.*; 47 U.S.C. § 336(d).

57 *Fifth Report and Order* at 12829-30.
continue to apply to all broadcast licensees, that the Commission may adopt new public interest rules for
digital television, and that the Fifth Report and Order "forecloses nothing from our consideration." 58

34. Petitions. Media Access Project, et al. ("MAP"), 59 contends that the Commission should not delay its analysis of what modified (and increased) public interest obligations it should impose on DTV licensees. 60 According to MAP, the Commission's failure to impose new public interest obligations violates Section 201 of the 1996 Act, 47 U.S.C. §§ 336(d), 61 336 (a)(1), 62 and 47 U.S.C. § 336(b)(5). 63 MAP adds that new public interest obligations are also warranted because broadcasters will have full use of 12 MHz (double their available spectrum) for at least 9 years, and also will be able to provide a number of commercial services that were previously impossible. 64 MAP urges the Commission to clarify that all new and existing public interest obligations will apply to both free and subscription program services in both analog and digital modes. MAP contends that such a conclusion appears implicit in the Fifth Report and Order and is supported by 47 U.S.C. § 336(d). 65

35. MSTV and the Association of Local Television Stations, Inc. ("ALTV") oppose MAP's Petition. MSTV contends that the Commission correctly deferred discussing new public interest matters until after the White House Commission studying that issue can make its recommendations. 66 Further, according to

58 Id. at 12830.

59 Media Access Project filed jointly with the Center for Media Education, the Consumer Federation of America, the Minority Media and Telecommunications Council, and the National Federation of Community Broadcasters.

60 MAP Petition for Reconsideration at 3-4.

61 This section provides that television stations are not relieved from serving the public interest, and requires that a renewal applicant must "establish that all of its program services on the existing or advanced television spectrum are in the public interest." MAP Petition at 7-8; MAP Reply at 2-5, 7.

62 This section directs the Commission to "adopt regulations that allow [DTV licensees] to offer such ancillary or supplementary services on designated frequencies as may be consistent with the public interest, convenience, and necessity." MAP Petition at 7-8; MAP Reply at 2-5, 7.

63 This states that, in prescribing DTV regulations, the Commission shall "prescribe such other regulations as may be necessary for the protection of the public interest, convenience, and necessity." MAP Petition at 7-8; MAP Reply at 2-5, 7.

64 MAP Petition at 9-10.

65 Id. at 15. In this regard, MAP argues that Congress, in the 1996 Act, has overridden Subscription Video, 2 FCC Rcd 1001 (1987), aff'd sub nom. National Association for Better Broadcasting v. FCC, 849 F.2d 665 (D.C. Cir. 1988). In that decision, the Commission held that because subscription services are not intended to be received by the "general public," they are not broadcast services, and therefore are not subject to Title III public interest obligations. Nevertheless, MAP advocates that we should expressly overrule that decision, to eliminate possible confusion. MAP Petition at 15-16.

66 The Advisory Committee on Public Interest Obligations of Digital Broadcasters has been constituted and has commenced its work. Exec. Order No. 13,038, 62 Fed. Reg. 12,065 (Mar. 11, 1997).
MSTV and ALTV, the 1996 Act did not impose new public interest obligations on DTV licensees. ALTV argues that the three provisions of Section 336 cited by MAP do not create any new public interest obligations but must be construed merely as not relieving a DTV broadcaster from its current public interest obligations. According to ALTV, the Commission does not have authority to impose more specific obligations without an express statutory directive. Finally, according to ALTV, even if the Commission does have such authority, it would be premature to impose specific public interest obligations, as rigid rules would hamper experimentation in programming and services.

36. Decision. We will not reconsider the approach we took in the *Fifth Report and Order* with respect to the issue of the nature and extent of broadcasters' public interest obligations in the digital world. MAP has not presented sufficient reasons why we must make an immediate decision on these questions instead of issuing a Notice so that we may collect and consider all views on these important issues. We reiterate that, with respect to digital television service, broadcast licensees and the public are on notice that existing public interest requirements continue to apply to all broadcast licensees and that we may adopt new public interest rules for digital television, foreclosing nothing with respect to the public interest from our consideration.

D. Transition

1. Simulcast

37. Background. In the *Fifth Report and Order*, the Commission declined to adopt a simulcast requirement for the early years of the transition, but it adopted a phased-in simulcasting requirement as follows: by the sixth year from the date of adoption of the *Fifth Report and Order*, there is a 50 percent simulcasting requirement; by the seventh year, a 75 percent simulcasting requirement; and, by the eighth year, a 100 percent simulcasting requirement, which will continue until the analog channel is terminated and the analog spectrum returned.

38. Petitions: Include Simulcasting Target Dates in Periodic Reviews. MSTV contends that although the simulcasting phase-in is based on the transition end date of 2006, the Commission may change this date.

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67 MSTV Opposition at 32-34.
68 ALTV Opposition at 2-3.
69 *Id.* at 5.
70 *Fifth Report and Order* at 12830.
71 In the *Fifth Report and Order*, we generally defined simulcasting as the duplication of the programming of the analog channel on a DTV channel. We recognized that we will need to define the simulcasting requirements more clearly and noted that we will do so as part of the two-year reviews of DTV or other appropriate proceeding. *Fifth Report and Order* at 12832, 12833.
72 *Id.* at 12832. We declined to impose a simulcasting requirement in the early years of the transition to afford broadcasters flexibility to program their DTV channels to attract consumers, especially during the critical launch phase of DTV. We noted that a simulcast requirement near the end of the transition period will help ensure that consumers will enjoy continuity of free over-the-air program service when we reclaim the analog spectrum at the conclusion of the transition period. It might be difficult to terminate analog broadcast service if broadcasters show programs on their analog channels but not on their digital channels. *Id.* at 12832-33.
Therefore, MSTV urges the Commission to expressly include simulcasting target date requirements in its biennial review of the DTV transition. MSTV contends that this will ensure that simulcasting requirements remain tied to consumer acceptance of DTV, and broadcasters have the flexibility to program their DTV channels to best attract the public to DTV during the early stages of the transition.\textsuperscript{73}

39. Limited Simulcasting Exemption for Public TV Stations. AAPTS/PBS contends that public stations may be adversely affected by the partial-to-full simulcasting requirement, as well as by the requirement that the digital channel operate during the same hours as the licensee's NTSC station. According to AAPTS/PBS, these requirements effectively impose a minimum operating requirement on the DTV station. It therefore advocates that the Commission not require public stations to simulcast their NTSC programming on their DTV stations, because that will effectively require that the licensee operate the DTV station whenever the NTSC station is operating. AAPTS/PBS instead urges that the Commission apply the simulcast requirement only during the hours when a licensee operates the DTV station. AAPTS/PBS notes that for many public stations, the power requirements for operating a DTV station whenever their NTSC station is operating (which is often 18 hours a day) will exceed their financial resources and may chill their ability or willingness to build a DTV station in the first place. Since there are no minimum operating requirements for noncommercial TV stations, according to AAPTS/PBS, these two DTV operation requirements "could have the perverse result of providing an incentive for public television stations to reduce their NTSC operating hours in order to comply with these [two Fifth Report and Order] requirements."\textsuperscript{74}

40. Accordingly, AAPTS/PBS urges that the Commission afford public stations the discretion to determine how many hours a day to operate their DTV stations. AAPTS/PBS contends that public stations will still offer DTV services during a reasonable portion of the day because they incurred the DTV construction costs, and PBS will be delivering HDTV programming at least during prime time. In addition, because public stations rely on audience contributions for their operating costs, they will have an incentive to operate their DTV stations the maximum number of hours they can afford. AAPTS/PBS therefore contends that this proposal will not adversely affect the transition to DTV.\textsuperscript{75} If a public station operates its DTV station fewer than the number of hours required to meet the simulcast percentage, the licensee should be required to simulcast for the entire time the DTV station is operating.\textsuperscript{76}

41. Discussion: Periodic Review. We agree with MSTV that we should expressly include simulcasting requirements in our periodic review.\textsuperscript{77} As discussed at ¶ 45, below, Congress now requires us to reclaim the analog spectrum by December 31, 2006 and to grant extensions of that date to stations under circumstances specified in the statute. We will conduct a periodic review of the progress of DTV every two years until the cessation of analog service. In these reviews, we will address any new issues raised by technological developments, necessary alterations in our rules, or other changes necessitated by unforeseen circumstances.\textsuperscript{78}

\textsuperscript{73} MSTV Petition at 48.

\textsuperscript{74} AAPTS/PBS Petition at 21-22.

\textsuperscript{75} \textit{Id.} at 22.

\textsuperscript{76} \textit{Id.} at 23.

\textsuperscript{77} In the \textit{Fifth Report and Order}, we specifically stated that we would include the "proper application of the simulcast requirement" in our periodic reviews. \textit{Fifth Report and Order} at 12856.

\textsuperscript{78} \textit{Id.} at 12856-57.
In the *Fifth Report and Order*, we noted that our decisions were, in some respects, necessarily preliminary.\(^{79}\) We believe, therefore, that the periodic review will permit us to make whatever adjustments will be required, including any needed adjustments to simulcasting requirements.

42. **Noncommercial Stations.** We do not believe that it is necessary at this time to grant AAPTS/PBS's request to afford public stations discretion to determine how many hours a day to operate their DTV stations. We note that, in the *Fifth Report and Order*, we adopted a six-year period for public stations to construct their DTV facilities, the longest construction period for any category of DTV applicant. We reiterate our beliefs, stated in that Order, that special relief measures may eventually be warranted to assist public television stations to make the transition, that it would be premature at this time to determine what those measures might be, and that the specific nature of any special relief for public stations is best considered during our periodic reviews.\(^ {80}\)

2. **Licensing of DTV and NTSC Stations**

43. **Background.** In the *Fifth Report and Order*, we concluded that the NTSC and DTV facilities should be licensed under a single, paired license. We stated that this will help both the Commission and broadcasters by keeping administrative burdens down, and that it would allow us to treat the DTV license and the NTSC license together for the purposes of revoking or not renewing a license. Therefore, we stated that once broadcasters have satisfied construction and transmission requirements, they will receive a single, paired license for the DTV and NTSC facilities.\(^ {81}\)

44. **Petitions/Comments.** The Department of Special Districts, San Bernardino County, California ("San Bernardino") notes that the 1996 Act requires the Commission to condition the DTV license on the "require[ment] that either the additional license or the original license held by the licensee be surrendered to the Commission for reallocation or reassignment (or both) pursuant to Commission regulation."\(^ {82}\) San Bernardino argues that this condition should appear on the face of the instrument for all license renewals granted after the start of 1998, consistent with the eight-year license term and the 2006 reversion date adopted in the *Fifth Report and Order*. San Bernardino adds that this will not prevent the Commission from fashioning appropriate public interest adjustments in the periodic DTV reviews, including extensions of the switch over and give-back target dates.\(^ {83}\)

45. **Discussion.** We note that the 2006 reversion date is now statutory. After the adoption of the *Fifth Report and Order* and the filing of the petitions for reconsideration, Congress enacted the Balanced Budget Act of 1997, which provides that "[a] broadcast license that authorizes analog television service may not be renewed to authorize such service for a period that extends beyond December 31, 2006" unless the Commission grants an extension based on specific criteria enumerated in the statute.\(^ {84}\) We believe that this

\(^ {79}\) *Id.*

\(^ {80}\) *Id.* at 12852.

\(^ {81}\) *Id.* at 12834.

\(^ {82}\) 47 U.S.C. § 336(c).

\(^ {83}\) San Bernardino Petition at 4-5.

This provision is not relevant until after December 31, 1998, because Section 307(c) of the Communications Act of 1934, as amended, 47 U.S.C. § 307(c), sets an eight year maximum on broadcast television license terms.

Since the release of the Fifth Report and Order, the Mass Media Bureau has already begun to act upon such applications. The Fifth Report and Order stated that we would later issue a Public Notice providing additional details as to how we will process DTV applications. This Public Notice was released on October 16, 1997, after the deadline for filing petition for reconsideration of the Fifth Report and Order. It sets forth the requirements an application must meet to be considered routine, and it describes in detail the procedural rules that will govern the processing of DTV construction permit applications. Public Notice 77129 (Oct. 16, 1997) (DTV Processing Public Notice). It may be downloaded from our web site, at http://www.fcc.gov/Bureaus/Mass_Media/Public_Notices/TV_Notices/pnmm7208.txt.

Pursuant to Section 1.68(a) of the Commission's rules, 47 C.F.R. § 1.68(a), the Commission will grant the application where it finds that "all the terms, conditions, and obligations set forth in the application and permit have been fully met, and that no cause or circumstance arising or first coming to the knowledge of the Commission since the granting of the permit would, in the judgment of the Commission, make the operation of such station against the public interest."

1. Financial Qualifications

MAP argues that the Commission should have required broadcasters to demonstrate their financial qualifications as a condition of awarding an initial DTV permit or license. MAP
notes that the Commission's classification of an application for DTV construction permit as a minor change means that the applicant is not required to demonstrate its financial qualifications. MAP asserts that this decision threatens to delay the institution of DTV service because financially unqualified applicants may warehouse awarded spectrum or simply be unable to construct DTV facilities.\footnote{MAP Petition at 12-13.}

48. MAP also argues that the conversion to DTV is not a change in facilities, but instead involves issuing a new construction permit and license to each existing broadcaster making the transition. Because the license is new, according to MAP, the Commission is statutorily required to determine whether the broadcaster is qualified to receive it. In this regard, MAP cites Section 308(b) of the Communications Act of 1934, as amended, which states that "[a]ll applications for station licenses, or modifications or renewals thereof, shall set forth such facts as the Commission may by regulation prescribe as to the ... financial ... qualifications of the applicant to operate the station,"\footnote{Id. at 13; MAP Reply to Oppositions at 8, citing 47 U.S.C. § 308(b).} In the alternative, MAP asserts that even if the DTV applications are categorized as a change, the Commission's classification of them as minor is inconsistent with Section 73.3572(a)(1) of the Commission's Rules. That provision of the rules defines a major change as one involving a change in frequency or community of license. MAP disputes the Commission's assertion in the \textit{Fifth Report and Order} that "the change involved in constructing and operating a DTV facility does not constitute a change in frequency, merely the implementation of the initial DTV License on a channel assigned in the \textit{Sixth Report and Order}."\footnote{MAP Petition at 13, n. 6, citing \textit{Fifth Report and Order} at 12840, n. 159.} MAP states that, regardless of whether broadcasters use their new frequency for the current analog or future digital transmissions, they will change their frequencies and be subject to Section 73.3572(a)(1).

49. Finally, MAP argues that examining the financial qualifications of broadcasters before granting them DTV licenses is consistent with the Congressional directive to limit initial eligibility to existing licensees and permittees. Specifically, MAP states that the 1996 Act merely states who is eligible to \textit{apply} for an initial DTV license, not who is \textit{qualified} to have it granted. If Congress had wanted to mandate that all incumbents receive DTV licenses, according to MAP, it would not have used the term "\textit{initial} eligibility." Thus, MAP concludes that the 1996 Act does not supersede the Commission's obligation to look at an applicant's "citizenship, character, and financial, technical, and other qualifications," as required by Section 308 of the Communications Act, as amended.\footnote{MAP Petition at 13-14.}

50. MAP's petition is opposed by MSTV and ALTV. MSTV states that existing broadcasters can be relied upon to construct DTV based on their track record and their need to transition their businesses to the digital world, given the mandatory cessation of NTSC broadcasting and the dictates of the marketplace. MSTV and ALTV argue that requiring existing broadcasters to demonstrate their financial qualifications would simply delay the DTV licensing process and the onset of digital television.\footnote{MSTV Opposition at 34; ALTV Opposition at 6.} MAP replies that the concerns about delay are exaggerated, and that they ignore the public's right to participate in the licensing process.\footnote{MAP Reply at 9.}
51. ALTV also argues that, because of the accelerated construction schedule, there is only a limited risk in assuming that DTV applicants are financially qualified. In addition, according to ALTV, requiring DTV applicants to demonstrate their financial qualifications would needlessly expose highly proprietary station financial information to competitors. In response, MAP asserts that the application process for a new broadcast station has always been public, and both the public and the Commission have had the right to know whether an applicant is financially qualified. MAP adds that the financial disclosures would be no more intrusive than disclosures broadcasters already make to Wall Street investors or other creditors.

52. Finally, ALTV notes that an application filed to warehouse spectrum would be an abuse of process and a misrepresentation that would lead to sanctions against the applicant. ALTV asserts that this deterrent sufficiently addresses MAP’s concerns. However, MAP argues that reliance on a case-by-case enforcement policy would add more cost and uncertainty to the DTV licensing process than a disclosure rule. Specifically, MAP states that financially unqualified parties would have already held digital licenses for years before the Commission could determine whether they were warehousing spectrum. MAP adds that warehousing parties may also have assigned their licenses before their lack of financial qualifications could be discovered. Finally, MAP states that a petition to deny an application for such an assignment or for a renewal would be difficult to pursue, because there would be no financial information available to the petitioner or the Commission to support the petition.

53. Discussion. We decline to reconsider the streamlined licensing process we established for implementing the DTV allotments made in the Sixth Report and Order, under which we do not require a showing of financial qualifications. We continue to believe that the DTV construction permit applications related to these allotments should be treated as minor change applications. They do not involve new stations or changes in frequency as these terms have traditionally been used for the purposes of Section 73.3572(a)(1) of the Commission’s Rules to define a major change. This is not an instance where an individual broadcaster has devised its own plan to change its channel or community of license and is requesting Commission authorization of that specific change. To the contrary, in order to implement the transition to DTV that we have found will serve the public interest, each application is to implement a specific DTV channel allotment expressly set forth by the Commission in the Sixth Report and Order for use by the applicant, the incumbent analog broadcast licensee, as contemplated by Congress.

54. We also conclude that treating DTV applications like applications for minor changes is consistent with Section 308(b) of the Communications Act. Section 308(b) authorizes the Commission to exercise its discretion when determining whether a financial qualifications showing requirement for certain classes of applications would serve the public interest. As noted above, Section 308(b) requires that “[a]ll applications for station licenses, or modifications or renewals thereof, shall set forth such facts as the Commission may by regulation prescribe as to the ... financial ... qualifications of the applicant to operate the station.” 47 U.S.C. § 308(b) (emphasis supplied). Consistent with this statutory language, the Commission long ago made a public interest determination that applicants for minor changes in broadcast facilities (i.e., analog

97 ALTV Opposition at 6.
98 MAP Reply at 8-9.
99 ALTV Opposition at 6.
100 MAP Reply at 10.
101 See also Black Citizens for a Fair Media v. FCC, 719 F.2d 407, 412 (D.C Cir. 1983).
television and radio) do not need to provide information regarding their financial qualifications.\textsuperscript{102} MAP does not assert that this Commission policy is inconsistent with Section 308(b). Further, MAP does not state why the Commission's public interest determinations regarding analog television application forms and DTV license application forms should be considered differently for the purposes of Section 308(b). Accordingly, we find MAP's Section 308(b) argument unpersuasive.

55. As we emphasized in the \textit{Fifth Report and Order}, one of our primary goals is to achieve a rapid and efficient transition from analog to digital broadcast television.\textsuperscript{103} We continue to believe that the approach we have taken will foster swift and widespread construction and operation of digital television stations with minimal risk of spectrum warehousing or disuse. As noted by ALTV and MSTV, a number of factors will encourage broadcasters to construct their DTV stations quickly. These factors include stations' need to compete with other video program providers, who are also delivering or preparing to deliver digital video programming; the planned cessation of NTSC broadcasting in 2006; and the opportunity to offer a variety of ancillary services in addition to the one mandatory, over-the-air video programming service.

56. In addition, as we discussed in the \textit{Fifth Report and Order}, we will grant requests for extensions of time within which to construct DTV facilities only if they meet specific, delineated criteria.\textsuperscript{104} We will grant an extension of the applicable deadline where a broadcaster has been unable to complete construction due to circumstances that are either unforeseeable or beyond the licensee's control, and only if the licensee has taken all reasonable steps to resolve the problem expeditiously. As we stated in the \textit{Fifth Report and Order}, "such circumstances include, but are not limited to, the inability to construct and place in operation a facility necessary for transmitting DTV, such as a tower, because of delays in obtaining zoning or FAA approvals, or similar constraints, or the lack of equipment necessary to transmit a DTV signal."\textsuperscript{105} As a further guarantee that valuable DTV spectrum would not be warehoused, the \textit{Fifth Report and Order} noted that we do not anticipate that the circumstance of "lack of equipment" would include the cost of such equipment.\textsuperscript{106}

2. Construction Schedule

57. Background. The \textit{Fifth Report and Order} adopted a construction schedule for DTV facilities. Affiliates of the top four networks (ABC, CBS, Fox and NBC) must build digital facilities in the ten largest television markets by May 1, 1999. Affiliates of those networks in the top 30 television markets, not included above, must construct DTV facilities by November 1, 1999.\textsuperscript{107} All other commercial stations must

\textsuperscript{102} Section III of the Commission's application form for new or modified broadcast facilities, FCC Form 301, requires the applicant to provide information regarding its financial qualifications. The instructions to that form state that all applicants must be financially qualified to effectuate their proposals. However, the directions further state: "DO NOT SUBMIT Section III if the application is for changes in operating or authorized facilities." (emphasis in original).

\textsuperscript{103} \textit{E.g.}, \textit{Fifth Report and Order} at 12811-12.

\textsuperscript{104} \textit{Id.} at 12841-42.

\textsuperscript{105} \textit{Id.} at 12841-42.

\textsuperscript{106} \textit{Id.} at 12841-42.

\textsuperscript{107} We observed that within the top 30 markets, there are individual television markets where ABC, CBS, Fox, or NBC has more than one affiliate. In such instances, we determined that the May 1, 1999, and November 1, 1999
construct DTV facilities by May 1, 2002. All noncommercial stations must construct their DTV facilities by May 1, 2003.\textsuperscript{108} As discussed above, we delineated specific criteria pursuant to which we would grant requests for extensions of time within which to construct.

**General Issues.**

58. **Petitions/Comments.** Several petitioners request reconsideration of the construction schedule. For example, Cordillera Communications ("Cordillera"), which intends to construct nine DTV stations, requests an extension of the deadlines or, in the alternative, relaxation of the standards for granting extensions. According to Cordillera, the full implementation of DTV will take longer than the ten-year period the Commission has established. Cordillera cites the time needed to acquire a tower site, construct a tower in compliance with local and federal regulations, acquire equipment to provide maximum service, and evaluate the impact of DTV on its viewers who receive its NTSC signals via translator. It adds that modifying the construction schedule will prevent the Commission from needlessly expending resources on processing extension applications.\textsuperscript{109}

59. **Discussion.** We do not believe that it would serve the public interest to extend the construction timetable established in the *Fifth Report and Order*. If a broadcaster does not complete construction within the time period contemplated by the current timetable, it may request an extension of time within which to construct, as noted above. The criteria we use to determine whether grant of an extension would serve the public interest adequately address the concerns raised by Cordillera.\textsuperscript{110} In addition, arguments related to zoning are more relevant to our ongoing proceeding considering the alleged impact of delays to DTV station construction caused by local zoning regulations.\textsuperscript{111}

**Effect on Radio Stations.**

60. **Petitions/Comments.** National Public Radio ("NPR") requests that we extend the construction schedule. It claims that the current timetable, combined with the allotment, in the *Sixth Report and Order*, of DTV channels on the basis of current transmitter sites and replication of existing NTSC service areas, threatens to create a shortage of available tower capacity for DTV antennas. As a result, NPR claims, a substantial number of public radio stations will be forced to relocate their transmitting antennas at a significant financial cost and possible loss of signal coverage areas. NPR asserts that:

\[
\text{"[a]ccording to the FCC's FM and TV engineering database, ... 18% of the total number of}
\]

\(\text{construction requirement applies to the station with the largest audience share. Id. at 12841, n. 163.}\)

\textsuperscript{108} The *Fifth Report and Order* also noted that 24 stations in the top ten markets have voluntarily committed in writing to the Commission to building DTV facilities within 18 months, i.e., by November 1, 1998. We asked these latter 24 stations to file reports at six-month intervals, beginning on November 1, 1997, stating that their plans to meet these deadlines are on schedule or specifying any difficulties encountered in attempting to meet these deadlines. *Id.* at 12841.

\textsuperscript{109} Cordillera Petition at 4-5.

\textsuperscript{110} 47 C.F.R. § 73.3534(b).

FM stations... are located at the same geographical coordinates as at least one television antenna. Hundreds if not the majority, of these FM antennas are co-located with TV antennas and, in many instances, will be forced to relocate as a result of the increased weight and load associated with the new DTV equipment. ... Because towers cannot take on new equipment when they have reached the limits of their load-bearing capacity, some existing broadcast antennas and associated equipment will have to be relocated. Many FM radio stations will likely fall into this category."\textsuperscript{112}

NPR asserts that this analysis applies to noncommercial, as well as commercial, radio stations. It adds that several FM stations have already been informed that they will have to relinquish their tower space to make way for a DTV antenna.\textsuperscript{113}

61. Discussion. We decline to alter the construction schedule as requested by NPR. First, NPR's claim that a significant number of educational FM stations will have to relinquish their tower space and pay for a costly relocation of their transmitting antennas is, at this time, speculative. NPR provides no documentary evidence to support its claim that several FM stations have already been informed that they will have to relinquish their tower space in order for the tower owner to make room for DTV equipment. It also provides insufficient information regarding the cost or time period of such circumstances. We also note that NPR does not distinguish between commercial and noncommercial FM stations in its analysis of the Commission's FM and TV databases. As a result, the record lacks any information as to how many of the FM stations discussed by NPR are noncommercial FM stations. Thus, NPR has not demonstrated at this time that the construction schedule will have any undue negative impact on a significant number of public radio stations. We can revisit this issue, if warranted, during the periodic DTV reviews.

Issues Relating to Noncommercial Television Stations.

62. Petitions/Comments. AAPTS/PBS states that public television stations with both NTSC and DTV channels outside the core channels should be permitted to defer DTV construction until they have a permanent DTV channel (\textit{i.e.}, the end of the transition period, when they have a core channel). According to AAPTS/PBS, 13 public television stations have both their analog and their digital channels outside channels 2-46, and 13 have channels outside channels 7-51. It adds that "over half of those stations in each case have operating budgets of less than $5 million. Under the current rules, they not only will have to build two DTV stations, but will have to migrate their viewers to a new channel at the end of the transition."\textsuperscript{114} AAPTS/PBS states that since the Commission has not yet determined what the core channels will be, these public TV stations do not know what that new channel will be at the end of the transition period or when they will learn of the assignment. AAPTS/PBS asserts that this uncertainty makes planning and finding funding for the transition difficult.\textsuperscript{115}

63. AAPTS/PBS's proposal is supported by Motorola as a way for noncommercial educational stations to alleviate conversion costs. According to Motorola, the proposal "recognize[s] the difficult economics

\textsuperscript{112} NPR Petition at 2, quoting the May 30, 1997 petition for proposed rule making filed by NAB and MSTV. \textit{See} note 4, above.

\textsuperscript{113} NPR Petition at 3.

\textsuperscript{114} AAPTS/PBS Petition at 14-15.

\textsuperscript{115} \textit{Id.} at 15.
involved with a two step migration to digital service. More importantly, [it] could accelerate the recovery of UHF channels 60-69 for public safety or other wireless use.\textsuperscript{116}

64. Discussion. We decline to adopt the modifications to the construction schedule proposed by AAPTS/PBS. We do not believe that such modifications are necessary. Because we recognized the financial difficulties often faced by noncommercial broadcasters, the construction timetable we adopted in the \textit{Fifth Report and Order} provided noncommercial stations a six-year period within which to construct their DTV facilities, the longest construction period allotted to any category of DTV applicant. In the \textit{Fifth Report and Order}, we also stated that special relief measures may eventually be warranted to assist public television stations to make the transition, but we concluded that it was premature to determine what those specific measures should be. We stated then, and we continue to believe, that determining the specific nature of whatever special relief may be needed for noncommercial educational broadcasters is best considered during our periodic reviews.\textsuperscript{117} AAPTS/PBS has not demonstrated that its concerns regarding public television stations with both NTSC and DTV channels outside the core channels cannot adequately be addressed in that context. Nonetheless, as will be discussed in the \textit{Memorandum Opinion and Order on Reconsideration of the Sixth Report and Order}, we will consider, on a case-by-case basis, requests to defer construction and/or to make an immediate transition to digital when filed by those stations that have both analog and digital channels outside the core.

Satellite Stations.

65. Petitions/Comments. Hubbard Broadcasting, Inc. ("Hubbard") seeks clarification as to the application of the construction schedule to satellite stations. Hubbard is the licensee of KSTP-TV, an ABC affiliate in the top 30 market of Minneapolis/St. Paul, Minnesota, as well as two satellite stations licensed to Alexandria and Redwood, Minnesota. As Hubbard points out, if a network has more than one affiliate in a top 30 market, only the one with the largest audience share is subject to the expedited schedule for networks. Parent station KSTP, as a network affiliate in a top 30 market, is subject to a November 1, 1999 construction date. Hubbard asks how the construction schedule applies to satellite stations such as its own that transmit the same network programming as their parent, not by virtue of a network affiliation agreement, but by rebroadcast consent granted by the network.\textsuperscript{118}

66. Discussion. We clarify that the construction exception for same-market affiliates applies to satellite stations. Thus, with regard to Hubbard's particular example, the two satellite stations are located within the same market as their parent and, according to Hubbard, broadcast the programming of the same network. Under our rules, if a network has more than one affiliate in a top 30 market, the station with the smaller audience share\textsuperscript{119} is not subject to the expedited schedule for networks affiliates. Therefore, regardless of the stations' satellite status or type of network contract being used, Hubbard's two satellites are not subject to an

\textsuperscript{116} Motorola Comments (July 18, 1997) at 5. The Commission has recently concluded a rule making proceeding reallocating UHF channels 60-69 for both broadcast and nonbroadcast services. \textit{Report and Order} in ET Docket No. 97-157, FCC 97-421 (released January 6, 1998) ("Channels 60-69 Reallocation Report and Order").

\textsuperscript{117} \textit{Fifth Report and Order} at 12852.

\textsuperscript{118} Hubbard Petition at 2-3.

\textsuperscript{119} Because satellite status is granted to a station only in areas that cannot support a full service television station, it is extremely unlikely that a satellite station would have a larger audience share than its parent.
accelerated construction schedule. Instead, they are subject to the five-year construction deadline.\textsuperscript{120}

Voluntary Commitment of Viacom.

67. Petitions/Comments. Viacom notes that affiliates of the four major networks in the top 10 markets are subject to a May 1, 1999 construction deadline.\textsuperscript{121} Moreover, several stations have volunteered to complete construction by November 1, 1998.\textsuperscript{122} Viacom states that it has six stations in the top ten markets, all of which are UPN affiliates and, therefore, subject to the longer May 1, 2002 deadline. However, Viacom volunteers to commit to an accelerated construction of DTV facilities in two of these markets (to as early as the 18-month voluntary deadline), on the condition that the Commission use the empirical data generated by those two markets and, if necessary, amend the DTV Table on the basis of that data.\textsuperscript{123}

68. Discussion. We commend Viacom for its willingness to serve the public by accelerating the construction of two of its DTV stations, although it would not be appropriate for the Commission to accept conditions on Viacom's voluntary commitment. However, we note that, once DTV stations begin operating, we expect to be made aware of interference or other problems attributable to their technical characteristics, such as frequency and site location. Indeed, we would expect to be informed of problem areas, to enable us to consider appropriate technical adjustments. Accordingly, we welcome Viacom's commitment to the rapid construction of two of its stations in top ten markets. In addition, in our Memorandum Opinion and Order on Reconsideration of Sixth Report and Order, we will address the substance of Viacom's concerns, and make a number of amendments to the DTV Table of Allotments.

3. Processing Procedures

69. Background. In the Sixth Report and Order, the Commission allowed flexibility for DTV facilities to be built at locations within five kilometers of the reference allotment sites without consideration of additional interference to analog or DTV service, provided the DTV facilities do not exceed the allotment reference HAAT and ERP values.\textsuperscript{124} In the Fifth Report and Order, we noted that we would expedite processing of construction permit applications that could correctly certify as to a series of checklist questions, which include whether the proposed facility conforms to the DTV Table of Allotments by specifying an antenna site within five kilometers of the reference allotment site. We noted our intent to grant a construction permit to such broadcasters within a matter of days and noted that other applicants would be required to

\textsuperscript{120} If viewership information were collected only on the basis of the combined viewership of both the parent station and its satellite, then the two stations could arguably be considered as a unit for the purposes of the accelerated construction schedule. However, this is not the case. Nielsen gathers average daily and weekly circulation (\textit{i.e.}, viewership) information for parent stations and satellite stations separately. \textit{See, e.g., Television and Cable Factbook, Vol. 65 (1997).}

\textsuperscript{121} \textit{Fifth Report and Order} at 12840-41.

\textsuperscript{122} \textit{Id.} at 12841.

\textsuperscript{123} Viacom Opposition at 19. The empirical data would be intended to address a number of technical issues raised in Viacom's petition to reconsider the Sixth Report and Order. Viacom's concerns generally relate to the ability of UHF stations to compete against VHF stations in the digital world. We will address these concerns on reconsideration of the Sixth Report and Order.

\textsuperscript{124} \textit{Sixth Report and Order} at 14634-35.
furnish additional technical information. 125

70. Petitions/Comments. Costa de Oro TV ("Costa de Oro") asks the Commission to establish expedited processing procedures for stations that need to relocate their transmitters due to the inability to use their current sites. It argues that in crowded areas like Los Angeles, only a few mountaintops are available to be used for transmitter sites, and stations may not be able to find a new site within the five kilometer safe harbor established in the Sixth Report and Order. Costa de Oro also requests additional information as to how we intend to process applications that involve a site change of greater than five kilometers. 126 Further, noting the Commission's statement, in the Fifth Report and Order, that we will be able to process in only a few days' time those construction permit applications that certify to a number of technical issues and noting that applications requesting deviations will take longer to process, MSTV asks that the Commission give top processing priority to such applications in major markets, where many stations face expedited buildout schedules and where such applications may have an impact on equipment purchases. 127

71. Discussion. The October 16, 1997 Public Notice setting forth how DTV construction applications will be processed generally addresses issues such as those raised by the petitioners. 128 As we noted in the Fifth Report and Order, we intend to give processing priority to routine DTV applications, which are those in which the applicant can certify compliance with several key processing requirements. We also are expediting the processing of DTV applications in any of the television markets where broadcasters are subject to an accelerated construction timetable (i.e., the top 30 markets). With regard to showings that a requested change is in compliance with the Commission's interference standards, all non-routine DTV applications will be processed pursuant to the criteria adopted in the Sixth Report and Order and its reconsideration order, and as set forth in OET Bulletin No. 69.

4. Selection of Permanent DTV Channel

72. Petitions/Comments. AAPTS/PBS petitions the Commission to require stations with both their NTSC and their DTV channel within the core to select their permanent channel several years before the end of the transition period, such as at the end of the construction period or, at the latest, a year after they commence operation. AAPTS/PBS argues that this would give public television stations with both their NTSC and their DTV channels outside the core substantial advance notice of their permanent DTV channel. AAPTS/PBS asserts that this would allow non-core stations a reasonable opportunity to select their permanent channels. It adds that such non-core licensees should be protected and not be subject to competing applications when they apply for their permanent DTV channels. 129

73. Discussion. The issue of whether we should require stations with both channels within the core to select their permanent channel early in the transition will be dealt with in the Memorandum Opinion and Order on reconsideration of the Sixth Report and Order. We take this opportunity to clarify that non-core

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125 Fifth Report and Order at 12839; see also DTV Processing Public Notice, n. 88, above. Pursuant to the checklist, we have already granted 10 DTV applications.

126 Costa de Oro Petition at 2-3.

127 MSTV Petition at 43.

128 See n. 88, above.

129 AAPTS/PBS Petition at 15-16.
licensees will not be subject to competing applications when they apply for their permanent DTV channels.

5. Immediate Transition

Petitions/Comments. In the Fifth Report and Order, we contemplated that each broadcaster would operate its analog station while constructing its digital facilities, and then operate both facilities upon the completion of construction for the duration of the transition. However, several parties request that the Commission allow stations, at least under certain circumstances, to make an immediate and complete transition to DTV upon construction, so that they would not have to operate both digital and analog facilities. For example, Meyer Broadcasting Company ("Meyer"), Reiten Television, Inc. ("Reiten") and NDBA argue that, because of the transition's high cost to small market stations, the Commission should allow such stations to make an immediate transition from analog to digital, eliminating the need for them to build additional facilities. Meyer states that three of its five stations have been assigned DTV channels that are outside of the core spectrum, and that it will be an excessive financial burden to purchase and install transmitters, line, and antennas for these channels to use only for four years. Meyer adds that the equipment would have no resale value because it will be for use outside of the core spectrum.

AAPTS/PBS makes a similar argument for noncommercial, educational television stations, as a way to compensate for their unique funding difficulties. It asserts that, in order to give needed flexibility to smaller public TV stations, the Commission should allow public TV stations with both an NTSC and a DTV channel within the core to convert to DTV on their in-core NTSC channel, rather than having to spend the money to build a separate DTV station. Such licensees would be required to make this decision by the end of the construction period, and the DTV channel would then be reclaimed by the Commission. This will not undermine DTV development, AAPTS/PBS claims, since commercial stations will drive the transition. In the alternative, AAPTS/PBS asks that the Commission consider individual requests by stations to employ the immediate transition option where the licensee has been unable to raise the funds to construct the DTV station or lacks the resources to operate two stations simultaneously. AAPTS/PBS's proposal to allow noncommercial stations to construct a DTV station on their NTSC channel without constructing on the DTV allotment is supported by Motorola. Motorola asserts that such a policy would recognize the financial difficulties faced by public television stations in constructing and operating a second station. In addition, Motorola claims that adoption of the proposal could accelerate the recovery of UHF channels 60-69 for public safety or other wireless use.

MAP urges the Commission to prohibit a noncommercial educational station from making the instant

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130 See, e.g., North Dakota Broadcasters Association ("NDBA") Petition at 1-2; AAPTS/PBS Petition at 18-21. The parties generally refer to this as an "overnight switch" or a "hard switch." Several petitions relating to aspects of immediate transition that are not discussed in this section will be addressed on reconsideration of the Sixth Report and Order.

131 Reiten Letter (June 13, 1997); NDBA Petition at 1-2; Meyer Petition at 1.

132 Meyer Petition at 1.

133 AAPTS/PBS Petition at 18-19.

134 Motorola Comments (July 18, 1997) at 5. See also Channels 60-69 Reallocation Report and Order, cited at n. 116, above.
transition before the end of the deadline for the return of NTSC channels (currently 2006).\textsuperscript{135} Otherwise, according to MAP, local viewers without DTV equipment may be disenfranchised.\textsuperscript{136}

77. Discussion. We recognize both the economic challenges facing small market broadcasters and the unique funding difficulties often experienced by noncommercial television stations. Indeed, we explicitly considered these concerns in the \textit{Fifth Report and Order} when we set the construction schedule and adopted the service rules. It is exactly because of the matters raised by the petitioners that commercial small market broadcasters and all noncommercial broadcasters have a greater period of time within which to construct their facilities. As the network affiliates in the top 30 markets construct and begin to operate their DTV stations, we expect the market to drive construction costs down to a level that all commercial stations will be able to finance construction of their own facilities. This cost decrease should also assist noncommercial broadcasters.

78. However, adoption of these proposals could undermine the simulcasting policy set forth in the \textit{Fifth Report and Order}, a policy that is premised on the idea that each licensee will be operating an NTSC and a DTV station until the end of the transition period. The simulcasting requirement is intended to ensure that broadcasters provide substantially the same programming to all their viewers, regardless of whether those viewers have acquired digital receiver equipment yet. Further, adoption of the proposals could disenfranchise some viewers who watch noncommercial television by removing their option to continue to watch NTSC television until the end of the transition period. Accordingly, we do not at this time believe that adopting the above proposals of Reiten, NDBA, or AAPTS/PBS would serve the public interest.\textsuperscript{137} However, we note that we can revisit this conclusion during any of our biennial DTV reviews, should a change in circumstances warrant.

F. Recovery Date

79. Background. In the \textit{Fifth Report and Order}, the Commission established a target date of 2006 for the cessation of analog service.\textsuperscript{138} It stated that one of its overarching goals in this proceeding is the rapid establishment of successful digital broadcast services that will attract viewers from analog to DTV technology, so that the analog spectrum can be recovered. Accomplishment of this goal requires that the NTSC service be shut down at the end of the transition period and that spectrum be surrendered to the Commission. The Commission noted that Congress had required it to condition the grant of a digital license

\begin{footnotes}
\item[135] See \textsection 45, above, citing the Balanced Budget Act of 1997, 47 U.S.C. \textsection 309(j)(14).
\item[136] MAP Opposition at 7-8.
\item[137] As noted above, and as will be discussed in the \textit{Memorandum Opinion and Order On Reconsideration of the Sixth Report and Order}, we will consider, on a case-by-case basis, requests by stations with both their analog and digital channels outside the core for permission to make an immediate transition to digital.
\item[138] Earlier in this proceeding, the Commission made the preliminary decision to establish a recovery date 15 years from the date of the adoption of an ATV system or the date a final Table of ATV Allotments is effective, whichever is later. At the end of this period, all analog broadcast would cease, and the spectrum used for NTSC would be returned to the Commission. The Commission emphasized that, given the uncertainties surrounding the conversion process and the possible changes in the data on which it relied, setting the recovery date at 15 years was necessarily preliminary. \textit{Third Report/Further Notice}, 7 FCC Rcd at 6964-65. Upon further reflection, in the \textit{Fifth Report and Order}, we modified the recovery date, as described above.
\end{footnotes}
on the Commission's recovery of 6 MHz from each licensee.\textsuperscript{139} The Commission further stated that it continued to believe that it is desirable to identify a target end-date of NTSC service, both to lend certainty to the introduction of digital service by making clear to the public that analog television service will indeed cease on a date certain, and to provide broadcasters and manufacturers with a defined planning horizon that will help them gauge their business plans to the introduction of DTV.\textsuperscript{140} The Commission also noted that it would conduct reviews of the progress of DTV every two years, which will allow it to monitor the progress of DTV and to make adjustments to the 2006 target, if necessary.

80. Subsequent to the release of the \textit{Fifth Report and Order}, in the Balanced Budget Act of 1997, Congress directed the Commission to reclaim the analog spectrum by December 31, 2006.\textsuperscript{141} Congress also required the Commission to grant an extension of that date to a station under a number of specific circumstances cited in that statute.\textsuperscript{142}

81. Petitions. County of Los Angeles, CA ("Los Angeles") contends that the 2006 recovery deadline should be shortened for NTSC and DTV stations between channels 60-69 located in southern California, which it argues is necessary to alleviate the severe spectrum shortages facing Los Angeles area public safety agencies. According to Los Angeles, this will be particularly important if the Commission is unable to eliminate any of the allotments between channels 60-69 that affect public safety frequencies. Los Angeles advocates that, at a minimum, the Commission should adopt a very firm deadline so that public safety agencies can plan accordingly.\textsuperscript{143}

82. San Bernardino objects to the 2006 recovery date, maintaining that too early a reversion date may hurt viewers in rural areas dependent on traditional translator services. According to San Bernardino, the Commission's computer channel selection process for DTV treated existing built-out TV translator systems

\textsuperscript{139} \textit{Fifth Report and Order} at 12849-50, citing 47 U.S.C. § 336(c).

\textsuperscript{140} \textit{Fifth Report and Order} at 12850.

\textsuperscript{141} See ¶ 45, above.

\textsuperscript{142} The Commission shall extend the date described in subparagraph (A) for any station that requests such extension in any television market if the Commission finds that: (i) one or more of the stations in such market that are licensed to or affiliated with one of the four largest national television networks are not broadcasting a digital television service signal, and the Commission finds that each such station has exercised due diligence and satisfies the conditions for an extension of the Commission's applicable construction deadlines for digital television service in that market; (ii) digital-to-analog converter technology is not generally available in such market; or (iii) in any market in which an extension is not available under clause (i) or (ii), 15 percent or more of the television households in such market: (I) do not subscribe to a multichannel video programming distributor (as defined in section 602) that carries one of the digital television service programming channels of each of the television stations broadcasting such a channel in such market; and (II) do not have either: (a) at least one television receiver capable of receiving the digital television service signals of the television stations licensed in such market; or (b) at least one television receiver of analog television service signals equipped with digital-to-analog converter technology capable of receiving the digital television service signals of the television stations licensed in such market.


\textsuperscript{143} Los Angeles Petition at 12.
such as San Bernardino's as though they did not exist.\footnote{San Bernardino Petition at 2.} San Bernardino argues that these rural locations, which are at or near full channel capacity, might lose one or two channels as the result of DTV allotments transmitting in distant markets, and would find the additional loss of channels 60-69 to be devastating. San Bernardino argues that it is obvious, even if the technology were affordable and available, that such community TV operators will not be able to double their systems and simulcast NTSC and DTV at any time during the transition.\footnote{Id. at 16.} San Bernardino also argues that if many rural areas are unable to receive a DTV signal throughout the transition, the residents (perhaps 2-4 million people) will not tolerate a "lights out" by a date certain for NTSC television.\footnote{Val Pereda ("Pereda") also objects to the 2006 date, contending it will make existing NTSC television sets obsolete and require consumers to buy expensive DTV converters and sets.} Val Pereda ("Pereda") also objects to the 2006 date, contending it will make existing NTSC television sets obsolete and require consumers to buy expensive DTV converters and sets.

83. Decision. As discussed above, the Balanced Budget Act requires us to reclaim the analog spectrum by December 31, 2006, and has established specific circumstances under which we are to grant stations an extension of that date. Although we have discretion to set an earlier deadline, we decline to grant in this proceeding the request of Los Angeles for an earlier recovery deadline for NTSC and DTV stations between channels 60-69. On reconsideration of the \textit{Sixth Report and Order}, we are making adjustments to the DTV allotments, as suggested by MSTV, that will make some spectrum available for public safety in the southern California area. We have issued a Notice in another proceeding\footnote{See Second Notice of Proposed Rulemaking in WT Docket No. 96-86, 12 FCC Rcd 17706 (1997).} to seek comment on the service rules for this spectrum that Congress designated for public safety services.\footnote{Balanced Budget Act of 1997, adding new section 47 U.S.C. § 337.} We also decline to grant the remaining petitioners' requests for reconsideration of the recovery date. Upon receipt of an appropriate petition, as specified in the Balanced Budget Act,\footnote{See n. 142, above.} we will examine the circumstances of individual licensees and grant extensions to any that qualify.

G. Must-Carry and Retransmission Consent

84. Background. In the \textit{Fifth Report and Order}, the Commission decided to defer consideration of the application of must-carry and retransmission consent requirements to DTV to a future proceeding, in order to obtain a full and updated record on these issues. We noted that, on March 31, 1997, the Supreme Court upheld the constitutionality of the must-carry provisions contained in the \textit{Cable Television Consumer Protection and Competition Act of 1992},\footnote{P.L. 102-385, 106 Stat. 1460, codified at 47 U.S.C. § 521 \textit{et seq.}} in \textit{Turner II}.\footnote{Turner Broadcasting System v. FCC, 117 S.Ct. 1174 (1997) ("Turner II").} The \textit{Turner II} case, however, did not expressly...
address the issue of must-carry of digital television signals.\(^{153}\)

85. **Petition.** Malrite Communications Group ("Malrite") urges the Commission to modify the "must carry" rules to require cable system operators to adopt "appropriate" digital technologies, *i.e.*, technologies compatible with broadcast DTV standards. Malrite acknowledges, however, that there is a separate proceeding that will allow the Commission to consider cable compatibility.\(^{154}\)

86. **Decision.** We find that this reconsideration proceeding is not the proper forum in which to determine the applicability of the must-carry and retransmission consent provisions in the digital context. As discussed above, we intend to issue a Notice in a separate proceeding to seek additional comments regarding these issues. We believe that opening the record for further comments in that proceeding will allow us to reach a well-reasoned decision that will take into account the implications of the *Turner II* decision and the most current information with respect to must-carry and retransmission of DTV signals.

**H. Sunshine Act**

87. **Background.** The Commission adopted both the *Fifth Report and Order* and the *Sixth Report and Order* in the DTV proceeding at an open Commission meeting on April 3, 1997, and issued a Sunshine Agenda notice announcing the addition of these two items that morning. The Notice stated that, under Section 0.605(e) of the Commission's rules, "[t]he prompt and orderly conduct of the Commission's Business requires this change and no earlier announcement was possible."\(^{155}\)

88. **Petitions/Comments.** The Community Broadcasters Association ("CBA") argues that the Sunshine Act requires seven days public notice for matters to be discussed at an open meeting.\(^{156}\) CBA notes that the Sunshine Agenda notice went out on March 27 and did not mention the DTV docket, and that the notice adding the DTV items was not issued until the very day of the meeting.\(^{157}\) As a result, CBA argues, there was effectively no advance notice that the DTV items would be discussed at the April 3, 1997 meeting as required by the Sunshine Act.\(^{158}\) Asserting that this violated the Sunshine Act, CBA claims that adoption of the DTV rules at the April 3, 1997 was invalid.\(^{159}\)

89. MSTV argues in opposition that the Sunshine Act was not violated as claimed by CBA. MSTV notes that the Commission complied with the statutory exception in the Sunshine Act, which allows a meeting without seven days prior notice if such late notice is necessary to conduct the agency's business. MSTV also observes that according to the legislative history of the Sunshine Act, when noncompliance is unintentional

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\(^{153}\) *Fifth Report and Order* at 12853.

\(^{154}\) Malrite Petition for Reconsideration at 6, generally citing *Fourth Further Notice/Third Inquiry.*

\(^{155}\) Sunshine Agenda Notice (released April 3, 1997).


\(^{157}\) CBA Petition at 7-8.

\(^{158}\) *Id.*

\(^{159}\) *Id.* at 8-9.
and does not harm the interests of any party, the underlying matter need not be reconsidered.\textsuperscript{160}

90. \textbf{Discussion}. We find CBA's claim that we violated the Sunshine Act to be unwarranted. The Sunshine Act states that:

\begin{quote}
[t]he subject matter of a meeting ... may be changed following the public announcement required by this subsection only if (A) a majority of the entire membership of the agency determines by a recorded vote that agency business so requires and that no earlier announcement of the change was possible, and (B) the agency publicly announces such change and the vote of each member upon such change at the earliest practicable time.\textsuperscript{161}
\end{quote}

Consistent with these statutory requirements, the April 3, 1997 Sunshine Agenda Notice made such a determination by recorded vote.

91. In addition, Section 0.605(e) of the Commission's rules, 47 C.F.R. § 0.605(e), makes clear that "[i]f the prompt and orderly conduct of agency business requires that a meeting be held less than one week after the announcement of the meeting, or before that announcement, the agency will issue the announcement at the earliest practicable time." We made such a finding in our April 3, 1997 Sunshine Agenda Notice. Further, CBA has not made a showing of how its or any other party's interests were harmed by the short notice. Accordingly, we believe that there is no basis for a finding that the adoption of the DTV rules at the April 3, 1997 meeting was in violation of the Sunshine Act or otherwise invalid.

\section*{I. Other Issues}

\subsection*{1. Channels 60-69}

92. \textbf{Petitions/Comments}. As noted above, the Commission has recently concluded a rule making proceeding reallocating the spectrum from channels 60-69 to a variety of services, including broadcast television.\textsuperscript{162} Motorola argues that all licensees should be able to decline to construct DTV facilities on channels 60 through 69, provided they so inform the Commission, so the spectrum can be used for public safety and other wireless purposes. Motorola seeks to have as few DTV channels as possible allotted to channels 60-69, to allow broadcasters that do have such allotments to change them, and to prevent the Commission from allotting future channels within that spectrum to DTV broadcasters. In this regard, Motorola states that each additional DTV allotment between channels 60 and 69 would preclude the use of at least 6 MHz of spectrum by new wireless users for nearly 8000 square miles, potentially denying new wireless service to millions of customers.\textsuperscript{163}

93. \textbf{Discussion}. We do not believe that allowing broadcasters to decline to construct DTV facilities on channels 60 through 69 would necessarily serve the public interest. In the \textit{Sixth Report and Order}, we allotted spectrum between channels 60 and 69 to the fewest number of broadcasters possible, in light of our then-pending proceeding examining whether that spectrum should be reallocated. As we noted in the

\begin{thebibliography}
\item \textsuperscript{160} MSTV Opposition at 27-28.
\item \textsuperscript{161} 5 U.S.C. § 552b(e)(2)
\item \textsuperscript{162} \textit{See Channels 60-69 Reallocation Report and Order}, above.
\item \textsuperscript{163} Motorola Comments (July 18, 1997) at 3, 5-6.
\end{thebibliography}
2. Line-of-Sight to City of License

94. Petitions/Comments. Hammett and Edison observes that Section 73.625(a)(2) of the rules adopted in the Fifth Report and Order requires DTV transmitter sites to be free of a major obstruction in the path over the principal community to be served, but does not require that line-of-sight coverage of the principal community be achieved. Petitioner indicates that the analog TV rule regarding selection of transmitter site (Section 73.685) includes such a corollary requirement and suggests that this apparently inadvertent oversight in the wording of Section 73.625(a)(2) be corrected by including the analog TV line-of-sight text. Hammett and Edison states that while engineers may reasonably differ in their opinions whether an obstruction is major, there is no ambiguity in the line-of-sight requirement.

95. Discussion. We do not believe the requested change is warranted. In the Fifth Report and Order, we attempted to minimize the DTV rules we created to the extent possible. In so doing, we did not include provisions that are admonitory, describing a recommended practice instead of a mandatory requirement. The analog TV line-of-sight rule indicates that the transmitter location "should be so chosen that line-of-sight can be obtained..." This is not mandatory language. For either NTSC or DTV, there are situations where line-of-sight coverage over the entire community is not possible. In such situations, licensees should avoid obstruction to the extent possible. This should be clear from the "major obstruction" rule we adopted, and we believe that it would not be reinforced by the requested additional admonitory language. The decision to exclude it from the new DTV rule was not inadvertent, and Hammett and Edison has not presented any

\[\text{Channels 60-69 Reallocation Report and Order, }\]"the operation of some TV and DTV stations in this spectrum is clearly required to facilitate the DTV transition: and the Budget Act provides for this, stating \'[a]ny person who holds a television broadcast license to operate between 746 and 806 megahertz may not operate at that frequency after the date on which the digital television service transition period terminates as determined by the Commission.'\] Had other channels been available, they would have been allotted to these broadcasters.

\[\text{Hammett and Edison further indicates that including this requirement would not mean that transmitter sites lacking line-of-sight to a station's principal community could not be proposed. Rather, it states that this requirement would mean that an application requesting a site that lacks line-of-sight coverage of the principal community be achieved. Petitioner indicates that the analog TV rule regarding selection of transmitter site (Section 73.685) includes such a corollary requirement and suggests that this apparently inadvertent oversight in the wording of Section 73.625(a)(2) be corrected by including the analog TV line-of-sight text. Hammett and Edison states that while engineers may reasonably differ in their opinions whether an obstruction is major, there is no ambiguity in the line-of-sight requirement.}\]

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\[\text{95. Discussion. We do not believe the requested change is warranted. In the Fifth Report and Order, we attempted to minimize the DTV rules we created to the extent possible. In so doing, we did not include provisions that are admonitory, describing a recommended practice instead of a mandatory requirement. The analog TV line-of-sight rule indicates that the transmitter location "should be so chosen that line-of-sight can be obtained..." This is not mandatory language. For either NTSC or DTV, there are situations where line-of-sight coverage over the entire community is not possible. In such situations, licensees should avoid obstruction to the extent possible. This should be clear from the "major obstruction" rule we adopted, and we believe that it would not be reinforced by the requested additional admonitory language. The decision to exclude it from the new DTV rule was not inadvertent, and Hammett and Edison has not presented any}\]

\[\text{164 Channels 60-69 Reallocation Report and Order at ¶ 24 (emphasis in original) citing the Balanced Budget Act of 1997.}\]

\[\text{165 Hammett and Edison further indicates that including this requirement would not mean that transmitter sites lacking line-of-sight to a station's principal community could not be proposed. Rather, it states that this requirement would mean that an application requesting a site that lacks line-of-sight coverage would need to include a supplemental engineering exhibit demonstrating that the terrain obstructions are not so severe as to prevent service to the principal community. Hammett and Edison also recommends that we revise the new DTV section of Form 301 accordingly. Hammett and Edison Petition at 10-11.}\]

\[\text{166 Section 73.685(b) of the rules reads as follows:}\]

\[\text{Location of the antenna at a point of high elevation is necessary to reduce to a minimum the shadow effect on propagation due to hills and buildings which may reduce materially the strength of the station's signals. In general, the transmitting antenna of a station should be located at the most central point at the highest elevation available. To provide the best degree of service to an area, it is usually preferable to use a high antenna rather than a low antenna with increased transmitter power. The location should be so chosen that line-of-sight can be obtained from the antenna over the principal community to be served; in no event should there be a major obstruction in this path. . . .}\]

\[\text{- 32 -}\]
justification for including it upon reconsideration.\textsuperscript{167}

3. Minor Corrections to the Rules

96. We also take this opportunity to correct errors in one of the rules adopted with the \textit{Fifth Report and Order}. Specifically, we are correcting Section 73.624(c) of the rules to delete the word "telecommunications," which was inadvertently included in that section, and change the word "license" to "licensee" in the last sentence of subsection (c)(2). This correction is included in Appendix B hereto. As corrected, the rule is now consistent with paragraph 30 of the \textit{Fifth Report and Order}. We are also making a grammatical change in wording in the sentence of Section 73.624(c) that precedes subsection (1), in order to make it easier to read; this change has no effect on the substance of the rule.\textsuperscript{168} Finally, to better explain the scope of discretion that is given to the DTV licensee, we are taking this opportunity to make a minor substantive change in subsection (c)(2), which states that licensees must retain control over all material transmitted in a broadcast mode via the station's facilities. Specifically, we are clarifying the rule by changing the phrase "the right to reject any material that it deems inappropriate or undesirable" to "the right to reject any material in the sole judgment of the permittee or licensee."

III. CONCLUSION

97. Our decisions in the \textit{Fifth Report and Order} were designed to foster technological innovation and competition, while minimizing government regulation. We continue to believe that our decisions modified herein will ensure that we will soon see a digital television service that provides a host of new and beneficial services to the American public, while preserving free universal television service that serves the "public interest, convenience, and necessity."

IV. ADMINISTRATIVE MATTERS

98. \textbf{Paperwork Reduction Act of 1995 Analysis.} The decision contained herein has been analyzed with respect to the Paperwork Reduction Act of 1995 and found to contain no new or modified form, information collection and/or recordkeeping, labelling, disclosure or record retention requirements on the public. This decision would not increase or decrease burden hours imposed on the public.

99. \textbf{Supplemental Final Regulatory Flexibility Analysis.} In the \textit{Fifth Report and Order}, we conducted a Final Regulatory Flexibility Analysis ("FRFA") as required by the Regulatory Flexibility Act, 5 U.S.C.

\textsuperscript{167} We also point out that we adopted this DTV rule in the context of establishing minimum construction requirements for DTV stations being built initially to provide less coverage than their associated analog TV station. It was intended to correspond more to the analog TV requirements for minimum power and antenna height, rather than to establish a universal DTV city grade service definition. Further evaluation of the requirements for service to a DTV station's community of license may be appropriate in other contexts, such as in a future rule making for DTV stations not associated with an analog TV station, or in a two-year review consideration of establishing requirements for fully replicating an associated analog TV station's Grade B service contour.

\textsuperscript{168} The rule had stated that "\textit{no} video broadcast signal provided at no direct charge to viewers shall be considered ancillary or supplementary" (emphasis added). It now reads that "\textit{any} video broadcast signal provided at no direct charge to viewers shall \textit{not} be considered ancillary or supplementary" (emphasis added).
§ 603. ¹⁶⁹ No petitions to reconsider the FRFA were filed. However, in its petition for reconsideration of the Fifth Report and Order, the Personal Communications Industry Association ("PCIA") asserted that the FRFA's discussion of small businesses that would be affected by the DTV rules and policies should have included mobile licensees, not just other broadcast licensees.¹⁷⁰ Rejecting PCIA's argument, the Commission notes that the FRFA's scope is limited to small entities directly subject to administrative rules, rather than all entities that are indirectly affected by the results that any rules will produce.¹⁷¹

100. Also, the Commission on its own motion has made three minor technical changes to the rules adopted in the Fifth Report and Order and one minor substantive change, which are explained at ¶ 96, above. They do not affect the previous FRFA. These minor rule changes do not alter in any significant way the FRFA or the potential effect of the rules on any small entities that may be subject to them. The Commission shall send a copy of this Supplemental Final Regulatory Flexibility Analysis, along with this Memorandum Opinion and Order on Reconsideration of the Fifth Report and Order, in a report to Congress pursuant to the Small Business Regulatory Enforcement Fairness Act of 1996, 5 U.S.C. § 801 (a)(1)(A). A copy of this Supplemental Final Regulatory Flexibility Analysis will be published in the Federal Register.

Ordering Clauses

101. Accordingly, IT IS ORDERED that, pursuant to Sections 4(i) & (j), 303(r), 307, 309, and 336 of the Communications Act of 1934 as amended, 47 U.S.C. §§ 154(i), (j) 303(r), 307, 309, and 336, this Memorandum Opinion and Order is adopted.

102. IT IS FURTHER ORDERED that the Petitions for Reconsideration in this proceeding are GRANTED to the extent described above, and are otherwise DENIED.¹⁷²

103. IT IS FURTHER ORDERED that the rule changes set forth in Appendix B SHALL BE EFFECTIVE 30 days after publication in the Federal Register.

104. IT IS FURTHER ORDERED that, upon release of this Memorandum Opinion and Order, this proceeding is hereby terminated.

FEDERAL COMMUNICATIONS COMMISSION

¹⁶⁹  Fifth Report and Order at 12867-78. This Supplementary Final Regulatory Flexibility Analysis incorporates the FRFA by reference, including its analysis of the number and types of small entities (i.e., commercial and noncommercial broadcast television station licensees) that will be affected by the rules and policies adopted.

¹⁷⁰  PCIA Petition at 4.


¹⁷²  A list of petitioners and commenters is attached as Appendix A.
Magalie Roman Salas
Secretary
APPENDIX A
PETITIONING AND OPPOSING/COMMENTING PARTIES

Parties Filing Petitions for Reconsideration

Abacus Television, Jose Luis Rodriguez, and the Video house, Inc. (Urban LPTV Parties)
ABC, Inc.
Acme Television Licenses of Oregon, L.L.C.
Ad Hoc Group of 25 Low-VHF Stations
A.H. Belo Corporation (KING-TV, Seattle, WA and others)
AK Media Group, Inc.
Alaska Broadcast Television, Inc.
Allbritton Communications Company
Board of Trustees of American University (radio station WAMU-FM, Washington, D.C.)
John C. Anderson
Association for Maximum Service Television, Inc., the Broadcasters’ Caucus and other Broadcasters
The Association of America's Public Television Stations and Public Broadcasting Service
Association of Local Television Stations, Inc.
Association of Public-Safety Communications Officials-International, Inc.
Benedek License Corporation (WHSV-TV, Harrisonburg, VA)
Blade Communications, Inc.
Bowling Green State University
Brazos Broadcasting Company (KBTX-TV, Bryan, TX)
The Brechner Family (WMDT-TV, Salisbury, MD and KTKA-TV, Topeka, KS)
Buck Owens Production Company, Inc.
California Oregon Broadcasting, Inc.
Cannell Cleveland L.P. (WUAB-TV, Lorain, OH)
Capitol Broadcasting Company, Inc.
Capital Television Corporation
CBS, Inc.
Central Michigan University
Century Development Corporation (KGNS-TV)
Channel 49 Acquisition Corporation (WJCB-TV)
Channel 51 of San Diego, Inc.
Chronicle Publishing Company (KRON-TV, San Francisco, CA)
Citadel Communications Co., Ltd. (WHBF-TV, Rock Island, IL, WOI-TV, Ames, IA, and others)
Clear Channel Television Licensees, Inc. (I) (KSAS-TV, Wichita, KS)
Clear Channel Television Licensees, Inc. (II) (WAWS-TV, Jacksonville, FL)
Clear Channel Television Licensees, Inc. (III) (WXXXA-TV, Albany, NY)
Coast TV
Community Broadcasters Association
Community Television of Southern California (KCET)
Cordillera Communications Inc.
Cornell University
Cornerstone Television, Inc. (WPCB-TV, Greensburg, PA, and WQED-TV, Pittsburgh (WQEX-TV, Pittsburgh, PA)
Cosmos Broadcasting Corporation
Costa de Oro Television, Inc.
Davis Television Topeka, LLC, et. al.
Delta Broadcasting, Inc.
Department of California Highway Patrol
Department of Special Districts, San Bernardino County, CA
DeSoto Broadcasting, Inc. (WBSV-TV, Venice, FL)
Dispatch Broadcast Group (WBNS-TV, Columbus, OH and WTHR-TV, Indianapolis, IN)
Duhamel Broadcasting Enterprises (KOTA-TV, Rapid City, SD and others)
Eagle III Broadcasting, L.L.C. (KKCO-TV, Grand Junction, CO)
Eastern Washington and Northern Idaho DTV Channel Allocation Caucus
Educational Broadcasting Corporation (WNET-TV, Newark, NJ)
Educational Television Association of Metropolitan Cleveland (WVIZ-TV, Cleveland, OH)
Entravision Holdings, LLC
Family Stations, Inc. (KFTL-TV, Stockton, CA)
Family Stations of New Jersey, Inc. (WFME-TV, West Milford, NJ)
Fayetteville-Cumberland Telecasters, Inc. (WFAY-TV, Fayetteville, NC)
Fireweed Communications Corporation (KYES-TV, Anchorage, AK)
First Baptist Church, Paris, TX
First Cullman Broadcasting, Inc.
Flinn Broadcasting Corporation (WFBI-TV, Memphis, TN)
Florida West Coast Public Broadcasting, Inc. (WEDU-TV, Tampa, FL)
Fort Wayne Public Television, Inc. (WFWA-TV, Ft. Wayne, IN)
Forum Communications Company (KMCY-TV, Minot, ND)
Fouce Amusement Enterprises (KRCA-TV, Los Angeles, CA)
Fox Television Stations Inc.
Gannett Co., Inc.
Gateway Communications Inc.
Gilmore Broadcasting Corporation (WEHT-TV, Evansville, IL)
GOCOM Licensee, L.L.C.
Golden Empire Television Corporation (KHSI-TV, Chico, CA)
Golden Link TV, Inc. (KPST-TV, Vallejo, CA)
Granite Broadcasting Corporation (KNTV-TV, San Jose, CA and others)
Grant Broadcasting Group (WNYO-TV, Buffalo, NY and others)
Great Trails Broadcasting, Inc. (WHAG-TV, Hagerstown, MD and WFFT-TV, Fort Wayne, IN)
Gulf California Broadcast Company (KESQ-TV, Palm Springs, CA)
Guy Gannett Communications
Hammett and Edison, Inc.
Hardy & Carey, LLP (Hardy & Carey Clients)
Harte-Hanks Television, Inc.
Hearst Corporation
Holston Valley Broadcasting Corporation (WKPT-TV, Kingsport, TN)
HSN, Inc.
Hubbard Broadcasting, Inc.
Iberia Communications, L.L.C.
Innovative Technologies, Inc.
Island Broadcasting Company
Island Broadcasting, Inc. (KTGM-TV, Tamuning, Guam)
Island Broadcasting Ltd.
Jacksonville Educators Broadcasting, Inc. (WTCE-TV, Fort Pierce, FL)
JDG Television, Inc.
Jefferson-Pilot Communications Company
Jet Broadcasting Co.
Journal Broadcast Group, Inc.
Jovon Broadcasting Corp.
KASA-TV, Inc. (KASA-TV, Santa Fe, NM)
KCWB-TV, Inc. (KCWB-TV)
Kentuckiana Broadcasting, Inc. (WFTE-TV, Salem, IN)
KFBB-TV Corporation, L.L.C. (KFBB-TV, Great Falls, MT)
KM Broadcasting, Inc.
KM Communications, Inc.
KMSB-TV, Inc. (KMSB-TV, Tucson, AZ)
KMVT Television Inc. (KMVT-TV)
KPDX License Partnership (KPDX-TV, Vancouver, WA)
KSLS, Inc. (KSCI-TV, San Bernardino, CA)
KVIE, Inc. (KVIE-TV, Sacramento, CA)
KVOA Communications, Inc. (KVOA-TV)
KWXT Broadcasting Company (KWXT-TV, Waco, TX)
KXII-TV Broadcasters, Inc. (KXII-TV, Sherman, TX)
La Dov Educational Outreach, Inc.
Landmark Arts, Inc.
Landmark Television of Tennessee, Inc. (WTVF-TV, Nashville, TN)
Land Mobile Communications Council
Lee Enterprises, Inc. and New Mexico Broadcasting, Inc.
Lehigh Valley Public Television
Lewis Broadcasting Corporation
Liberty Christian Center
Lincoln Broadcasting Company
Lindsay Television, Inc.
Longmont Channel 25, Inc. (KDEN-TV, Longmont, TX)
The County of Los Angeles, California (L.A. County)
Los Cerezos Television Company
Louisiana Television Broadcasting Corporation (WBRZ-TV, Baton Rouge, LA)
Malrite Communications Group, Inc.
Maranatha Broadcasting Company, Inc. (WFMZ-TV, Allentown, PA)
McAlister Television Enterprises, Inc. (KAMC-TV, Lubbock, TX)
McPike Communications Inc. 130.
Media Access Project et. al.
Media General, Inc. (WTVR-TV, Richmond, VA and others)
Mid-South Public Communications Foundation
Midwest Television, Inc. (KFMB-TV, San Diego, CA and WCIA-TV, Champaign, IL)
Minnesota Broadcasting Association
Mission Broadcasting I, Inc., and Mission Broadcasting II, Inc. (WUXP-TV, Nashville, TN and WUPN-TV, Greensboro, NC)
Mississippi Authority for Educational Television
Montgomery Communications, Inc.
Mountain Broadcasting Corp. (WMBC-TV, Newton, NJ)
Mountain Lake Public Broadcasting (WCFE-TV, Plattsburgh, NY)
Mt. Mansfield, Inc. (WCAX-TV, Burlington, VT)
National Broadcasting Company
National Public Radio
National Radio Astronomy Observatory, Socorro, NM
National Translator Association
Nexstar Broadcasting Group, L.P.
Estate of Hector Nicolau (WTIN-TV, Ponce, PR)
North Carolina Broadcasting Partners
Ohio State University (WOSU-TV, Columbus, OH)
Oklahoma Educational Television Authority
Ozark Public Telecommunications, Inc. (KOZK-TV, Springfield, MO)
Pappas Stations Partnership I (KPTM-TV, Omaha, NE)
Pappas Stations Partnership II (LPTV station K40DQ, Tulare, CA) and Valley Public Television, Inc. (KVPT-TV, Fresno, CA)
Paxson Communications Corporation
Paxson Communications LPTV, Inc.
Pegasus Communication Corporation (WWLF-TV, Hazleton, PA and WLIF-TV, PA)
Pensacola Junior College (WSRE-TV, Pensacola, FL)
Pennsylvania State University (WPSX-TV, Clearfield, PA)
Pennsylvania Telecasters, Inc.
Prairie Public Broadcasting, Inc. (KFME-TV, Fargo, ND and others)
Puerto Rico Public Broadcasting Corporation (WIPR-TV, San Juan, PR)
Pulitzer Broadcasting Company (WDSU-TV, New Orleans, LA and others)
Quincy Newspapers, Inc. (WREX-TV, Rockford, IL and others)
Qwest Broadcasting, L.L.C.
Rainbow Broadcasting Ltd.
Ramar Communications, Inc. (KJTV-TV, Lubbock, TX and KASY-TV, Albuquerque, NM)
Rapid Broadcasting Company
Red River Broadcast Corp. (KBRR-TV, Thief River Falls, MN and KDLV-TV, Sioux Falls, SD)
Reece Associates Limited (WZWY-TV, Orlando, FL)
Relaw Enterprises, Inc. (KJEO-TV, Fresno, CA and others)
RGV Educational Broadcasting, Inc. (KMBH-TV, Harlingen, TX)
Roberts Broadcasting of Cookeville, L.L.C. (WKZX-TV, Cookeville, TN)
Ruaruch Associates, L.P. (I)
Ruaruch Associates, L.P. (II)
Rural California Broadcasting Corporation (KRCB-TV, Cotati, CA)
Sainete Partners II, L.P.
Sangre De Cristo Communications, Inc. (KOAA-TV, Pueblo, CO)
Sarkes Tarzian, Inc.
Scanlan Television, Inc.
Scripps Howard Broadcasting Company (KNXV-TV, Phoenix, AZ)
Shenandoah Valley Educational Television Corporation
Sierra Broadcasting Company (KRNV-TV, Reno, NV)
Siete Grande Television, Inc. (WSTE-TV, Ponce, PR)
Mike Simons
Sinclair Broadcasting Group, Inc.
Skinner Broadcasting, Inc.
SL Communications
Smith Broadcasting of Santa Barbara Limited Partnership (KEYT-TV, Santa Barbara, CA)
Smoky Hills Public Television Corporation (KSWK-TV, Lakin, KS)
Sonshine Family TV Corp. (WBPH-TV, Bethlehem, PA)
South Central Communications Corp.
Speer Communications Holdings I Limited Partnership (WNAB-TV, Nashville, TN)
Sunbelt Television, Inc.
Sunnycrest Media, Inc.
Syracuse Minority Television, Inc.
Telemundo Group, Inc. (KSTS-TV, San Jose, CA and others)
Television Wisconsin, Inc. (WISC-TV, Madison, WI)
Three Feathers Communications, Inc.
Max A. Trevino
Tribune Broadcasting Company
Trinity Christian Center of Santa Ana, Inc./Trinity Broadcasting Network
Tri-State Public Teleplex, Inc. (WINN-TV, Evansville, IN)
T.V. 17 Unlimited, Inc. (WXMI-TV, Grand Rapids, MI)
The University of Houston System (KUHT-TV, Houston, TX)
University of New Hampshire d/b/a New Hampshire Public Television
University of North Carolina Center for Public Television (WUNC-TV, Chapel Hill, NC and WUNE-TV, Linville, NC)
Univision Communications Inc.
US Broadcast Group Licensees, L.P.
Venture Technologies Group (WTWB-TV, Johnstown, PA)
Viacom Inc. (WPSG-TV, Philadelphia, PA and others)
VictoriaVision, Inc. (KVCT-TV, Victoria, TX)
Virgin Islands Public Television System
W36BM TV-36
Wabash Valley Broadcasting Corp. and IMS Broadcasting, LLC.
Warwick Communications, Inc. (WCI I)
Warwick Communications, Inc. (WCI II)
WCTE-TV
WCPX License Partnership (WCPX-TV, Orlando, FL)
Weigel Broadcasting Co.
WENY, Inc. (WENY-TV)
Western New York Public Broadcasting Association
West Tennessee Public Television Council, Inc.
Westwind Communications, L.L.C.
WGBH Educational Foundation (WGBH-TV, Boston, MA)
WHNS License Partnership (WHNS-TV, Ashville, NC)
Wichita Communications (KWCV-TV, Wichita, KS)
Wichita License Subsidiary Corp.
Withers Broadcasting Companies (KREG-TV, Glenwood Springs, CO and others)
WLNY-TV, Inc. (WLNY-TV)
WMTW Holdings Inc. (WMTW-TV)
WNAC Argyle Television, Inc. (WNAC-TV)
WRNN-TV Associates L.P. (WRNN-TV, Kingston, NY)
WTKR, Inc. (WTKR-TV)
WTNH Broadcasting, Inc. (WTNH-TV, New Haven, CT), K-W TV, Inc. (WBNE-TV, New Haven, CT), Post-Newsweek Stations, Connecticut, Inc. (WFSB-TV, Hartford, CT), and Tribune Broadcasting Company (WPIX-TV, New York, NY)
WXXI Public Broadcasting Council
WWAC, Inc. (WWAC-TV, Atlantic City, NJ)
Young Broadcasting of Sioux Falls, Inc. (KELO-TV, Sioux Falls, SD)

Parties Filing Oppositions/Comments

Advanced Television Systems Committee
Advanced Television Technology Center
AK Media Group, Inc. (Petition I)
AK Media Group, Inc. (Petition II)
Alamo Public Telecommunications Council
Allbritton Communications Company
Apple Valley Broadcasting, Inc., KHQ, Incorporated, and Spokane Television
Association of Federal Communications Consulting Engineers
Association of Local Television Stations, Inc. (II)
The Association for Maximum Service Television, Inc. and the Broadcasters’ Caucus
Association of Public-Safety Communications Officials-International, Inc.
Benedek License Corporation
Blackstar Communications, Inc. (I)
Blackstar Communications, Inc. (II)
Board of Regents of the University of Wisconsin System (UWS), Maine Public Broadcasting Corporation (MPBC), Northeastern Educational Television of Ohio, Inc. (NETO), Ohio University (OU), and South Carolina Educational Television Commission (SCETV)
Anthony R. Bucco, New Jersey Assemblyman
Cannell Cleveland, L.P. (I)
Cannell Cleveland, L.P. (II)
Cannell Cleveland, L.P. (III)
Cannell Cleveland, L.P. (IV)
Cedar Rapids Television Company
Central Virginia Educational Telecommunications Corporation
Channel 3 of Corpus Christi, Inc. (CONDITIONAL SUPPORT)
Channel 51 of San Diego, Inc. (KUSI) (I)
Channel 51 of San Diego, Inc. (KUSI) (II)
Citadel Communications Co., Ltd.
Clark County School District
Clear Channel Television Licenses, Inc.
Cosmos Broadcasting Corporation (I)
Cosmos Broadcasting Corporation (II)
Dispatch Broadcast Group
Diversified Communications
Duhamel Broadcasting Enterprises (DBE)
du Treil, Lundin and Rackley, Inc.
The Electronic Industries Association and the EIA Advanced Television Committee
Fisher Broadcasting Inc.
Fouce Amusement Enterprises
Fox Television Stations Inc.
Gannett Co., Inc. (I)
Gannett Co., Inc. (II)
Garden State Communications, L.P.
GOCOM-Ouachita License, L.L.C.
Guy Gannett Communications  
HDTV Grand Alliance  
The Hearst Corporation  
Heritage Media Corporation  
HSN, Inc.  
Hubbard Broadcasting, Inc.  
Huntsville Television Acquisition Corp.  
Independence Television Company  
Jefferson-Pilot Communications Company  
Journal Broadcast Group, Inc.  
Jovan Broadcasting Corporation (COMMENTS)  
KHQ, Incorporated  
KLAS, Inc. (KLAS-TV, Las Vegas, NV)  
Lewis Broadcasting Corporation  
County of Los Angeles  
John A. Lundin  
Maryland Public Broadcasting Commission (I)  
Maryland Public Broadcasting Commission (II)  
Max Television of Tyler L.P. (KETK-TV, Jacksonville, TX)  
Media Access Project et. al.  
Mid-South Public Communications Foundation (WKNO-TV, Memphis, TN)  
Motorola  
Mountain Broadcasting Corporation  
National Cable Television Association  
National Public Radio (two separate filings)  
Nebraska Educational Telecommunications Commission  
Oregon Public Broadcasting  
Paxson Media Group, Inc.  
Pulitzer Broadcasting Company (WDSU-TV, New Orleans, LA and other stations)  
Reece Associates Limited  
Rhode Island Public Telecommunications Authority  
Sangre de Cristo Communications, Inc.  
Sinclair Broadcast Group  
Southern Broadcast Corporation of Sarasota (WSB-TV, Sarasota, FL)  
South Florida Public Telecommunications, Inc.  
Speer Communications Holdings I Limited Partnership  
St. Lawrence Valley Educational Television Council, Inc.  
Telemundo Group, Inc.  
Third Avenue Television, Inc.  
Thomson Consumer Electronics, Inc.  
Tribune Broadcasting Company (I)  
Tribune Broadcasting Company (II)  
Tribune Company (III)  
University of Houston System  
University of North Carolina Center for Public Television  
Viacom Inc.  
Virginia Broadcasting Corp.  
Washburn University of Topeka  
WAVY Television, Inc.  
WCPX License Partnership
WSOC Television, Inc.
Young Broadcasting Inc.

Parties Filing Replies to Oppositions/Comments

Ad Hoc Group of 25 Low-VHF Stations
Association for Maximum Service Television, Inc. and the National Association of Broadcasters
Association of America’s Public Television Stations and the Public Broadcasting Service
Association of Local Television Stations, Inc.
Birmingham Broadcasting (WVTM TV), Inc.
Community Broadcasters Association
Cosmos Broadcasting Corporation (I)
Cosmos Broadcasting Corporation (II)
Cosmos Broadcasting Corporation (III)
Duhamel Broadcasting Enterprises
Innovative Technologies, Inc.
Jefferson-Pilot Communications Company
KM Communications, Inc.
Maranatha Broadcasting Company, Inc.
Media Access Project et. al.
Midwest Television, Inc.
National Public Radio, Inc.
Pulitzer Broadcasting Company
Rapid Broadcasting Company
Ruarch Associates Limited Partnership
Sangre de Cristo Communications, Inc.
Shenandoah Valley Educational Television Corporation
Sinclair Broadcast Group, Inc.
Skinner Broadcasting, Inc. (I)
Skinner Broadcasting, Inc. (II)
Warwick Communications, Inc.
WCPX License Partnership
APPENDIX B

MINOR CORRECTIONS TO THE RULES

Part 73 of Title 47 of the U.S. Code of Federal Regulations is corrected as follows:

PART 73--RADIO BROADCAST SERVICES

1. Section 73.624(c) is corrected by deleting the word "telecommunications" throughout the section; changing the phrase "no video broadcast signal provided at no direct charge to viewers shall be considered ancillary or supplementary" to "any video broadcast signal provided at no direct charge to viewers shall not be considered ancillary or supplementary;" changing the word "license" to "licensee" in the last sentence in subsection (c)(2); and changing the phrase "that it deems inappropriate or undesirable" in subsection (c)(2) to "in the sole judgment of the permittee or licensee." As revised, Section 73.624(c) reads as follows:

§ 73.624 Digital Television Broadcast Stations

(c) Provided that DTV broadcast stations comply with paragraph (b) of this section, DTV broadcast stations are permitted to offer services of any nature, consistent with the public interest, convenience, and necessity, on an ancillary or supplementary basis. The kinds of services that may be provided include, but are not limited to computer software distribution, data transmissions, teletext, interactive materials, aural messages, paging services, audio signals, subscription video, and any other services that do not derogate DTV broadcast stations' obligations under paragraph (b) of this section. Such services may be provided on a broadcast, point-to-point or point-to-multipoint basis, provided, however, that any video broadcast signal provided at no direct charge to viewers shall not be considered ancillary or supplementary.

(1) DTV licensees that provide ancillary or supplementary services that are analogous to other services subject to regulation by the Commission must comply with the Commission regulations that apply to those services, provided, however, that no ancillary or supplementary service shall have any rights to carriage under Sections 614 or 615 of the Communications Act of 1934, as amended, or be deemed a multichannel video programming distributor for purposes of Section 628 of the Communications Act of 1934, as amended.

(2) In all arrangements entered into with outside parties affecting service operation, the DTV licensee or permittee must retain control over all material transmitted in a broadcast mode via the station's facilities, with the right to reject any material in the sole judgment of the permittee or licensee. The licensee or permittee is also responsible for all aspects of technical operation involving such services.

(3) In any application for renewal of a broadcast license for a television station that provides ancillary or supplementary services, a licensee shall establish that all of its program services on the analog and the DTV spectrum are in the public interest. Any violation of the Commission's rules applicable to ancillary or supplementary services will reflect on the licensee's qualifications for renewal of its license.

* * * * *
# APPENDIX C

## ADDITIONAL ELIGIBLE BROADCASTERS

Addendum to Appendix E of the Fifth Report and Order in MM Docket No. 87-268

Television Licensees and Permittees Receiving Digital Television Channel Assignments

<table>
<thead>
<tr>
<th>Call Sign</th>
<th>Channel</th>
<th>Name of Licensee</th>
<th>Station Location</th>
<th>City and State</th>
</tr>
</thead>
<tbody>
<tr>
<td>840720KG</td>
<td>38</td>
<td>Coast TV</td>
<td>Santa Barbara</td>
<td>CA</td>
</tr>
<tr>
<td>KAWJ(TV)</td>
<td>36</td>
<td>Three Feathers Communications, Inc.</td>
<td>Hutchinson</td>
<td>KS</td>
</tr>
</tbody>
</table>