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FCC ACTS TO EXPEDITE DTV TRANSITION AND CLARIFY DTV BUILD-OUT RULES

Washington - The FCC today modified a number of its Digital Television (DTV) transition rules, including broadcast service area replication, maximization and channel election rules, in order to enable more broadcasters to get on the air with a digital signal and to help speed the DTV transition.

In a Memorandum Opinion and Order on Reconsideration of its first "periodic review" of the DTV transition adopted today, the Commission said it was concerned that some of its initial requirements may be having the unintended consequence of hindering, rather than furthering, the DTV transition. It said the "mid-course corrections" in today's reconsideration order would help prioritize elements that are the most important to the DTV transition, and serve the goals of maximizing the number of DTV stations on the air and providing an incentive to consumers to purchase DTV equipment.

The changes the Commission adopted today will permit stations to elect a more graduated approach to providing DTV service. Broadcasters would be permitted initially to build lower-powered, and therefore less expensive, DTV facilities, and retain the right to expand their coverage area as the digital transition continues to progress.

- *The Commission temporarily deferred its earlier requirement that commercial broadcasters replicate their entire current grade B NTSC analog service area with their DTV signal by December 31, 2004 (or December 31, 2005 for non-commercial broadcasters) or lose interference protection to the unreplicated areas. Instead, stations can initially construct and operate facilities that offer DTV services to at least their community of license, while retaining interference protection to its allotted service area. This will allow broadcasters to go on the air with lower-powered, and therefore less expensive, facilities and permit them to expand their coverage to their entire existing service area as the DTV transition progresses.
- * The Commission temporarily deferred its requirement that stations granted construction permits for maximized facilities construct such maximized facilities by the initial build-out date in order to retain interference protection to the full authorized facilities.
- * The Commission temporarily deferred its requirement that commercial stations with both analog and digital channel assignments within the DTV core (channels 2-51) elect by December 31, 2003 (December 31,2004 for non-commercial stations) which channel they will use for their post-transition digital channel. It said that a more graduated approach would give stations more time to increase power and gain experience at these higher power levels before having to choose which of their two channels will provide optimal DTV service.

- * The FCC said that it will set new dates for replication, maximization and channel election in the next periodic review. These new deadlines may be earlier than but will not be later than the end of 2006 or the date by which 85% of the television households in a licensee's market are capable of receiving the signals of digital broadcast stations, whichever is later.
- * The Commission provided that television stations may operate digitally at a reduced schedule by providing, at a minimum, a digital signal during prime time hours. This modified operating requirement does not affect DTV licensees' simulcast obligations. Thus, starting on April 1, 2003, a DTV station must provide a digital signal at least 50% of the time it transmits an analog signal; on April 1, 2004, 75%; and on April 1, 2005, 100%.
- * The Commission declined to modify its deadlines for stations to meet the increased city-grade signal strength requirements imposed in the periodic review order. (December 31, 2004 for commercial stations and 2005 for non-commercial stations).
- * The Commission declined to issue a blanket extension of remaining DTV construction deadlines (May 1, 2002 for commercial stations, May 1, 2003 for non-commercial stations). It said there is substantial evidence that the conversion is progressing. It said that one survey indicated that more than two-thirds of commercial stations will meet the 2002 deadline, and that the modified build-out requirements being adopted in today's Order will allow many stations that did not anticipate meeting the deadline to now be able to do so.
- * The Commission stated that in limited circumstances it will now consider financial hardship as a ground for extending the applicable construction deadline in addition to the previously enumerated grounds. Stations seeking an extension of time to construct DTV facilities on this basis must provide detailed evidence that the cost of meeting the minimum buildout requirements exceeds the station's financial resources. The Commission said that a brief downturn in the economy or advertising revenues will not be considered a sufficient showing of financial hardship. Rather, the showing must reflect the particular station's financial status over an economically significant period of time. In addition, the applicant must provide detailed evidence of its good faith efforts to meet the deadline, including its efforts to obtain the necessary financing. A new standard form will be issued to be used by broadcasters in seeking an extension of the construction deadline, and such extension requests must be filed at least 60 days, but no more than 90 days prior to the applicable construction deadline.
- * The FCC declined to modify its process for determining when two DTV applications are mutually exclusive with each other, but clarified the relative treatment of DTV applications and new analog TV station applications. It also clarified some DTV application processing procedures for determining unacceptable interference and maximum allowable power.
- * The Commission said it would defer to a future proceeding technical issues raised in the on-going proceeding, including the issues of receiver performance standards, DTV tuners, the ATSC PSIP standard, and labeling requirements for television receivers.

Action by the Commission by Memorandum Opinion and Order on Reconsideration, (FCC 01-330) Chairman Powell, Commissioners Abernathy, Copps and Martin, with Commissioner Copps issuing a separate statement.

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