

spectrum issues, definition of the service, public interest obligations, transition issues, recovery of spectrum, length of the application/construction period, issues related to small markets and noncommercial stations, all-channel receiver issues, and must-carry and retransmission consent, to ensure that the rules that we fashion in this proceeding serve the public interest in all respects. We also institute an inquiry to invite comment as to where in the spectrum broadcasters should eventually be located and as to the amount, value and uses of the spectrum that could eventually be recovered when the conversion to digital television is completed.

**DATES:** Comments are due by October 18, 1995, and reply comments are due by December 4, 1995.

**ADDRESSES:** Federal Communications Commission, Washington, DC 20554.

**FOR FURTHER INFORMATION CONTACT:** Saul Shapiro (202-418-2600) or Roger Holberg (202-776-1653), Mass Media Bureau.

**SUPPLEMENTARY INFORMATION:** This is a synopsis of the Commission's Fourth Notice of Proposed Rule Making and Third Notice of Inquiry in MM Docket No. 87-268, FCC 95-315, adopted July 28, 1995, and released August 9, 1995. The complete text of this *NPRM and NOI* is available for inspection and copying during normal business hours in the FCC Reference Center (Room 239), 1919 M Street, NW., Washington, DC, and also may be purchased from the Commission's copy contractor, International Transcription Service, (202) 857-3800, 2100 M Street, NW., Suite 140, Washington, DC 20037.

### Synopsis of Notice of Proposed Rule Making

1. With this Fourth Further Notice of Proposed Rule Making and Third Notice of Inquiry ("Notice"), we continue the process of moving toward the next era of broadcast television: *digital* broadcast television. In previous orders in this Advanced Television ("ATV")<sup>1</sup> proceeding,<sup>2</sup> our focus was on fostering

<sup>1</sup> Advanced Television ("ATV") refers to any television technology that provides improved audio and video quality or enhances the current NTSC television system.

<sup>2</sup> Our earlier Notices and Orders are: Notice of Inquiry, 52 FR 34259, September 10, 1987; Tentative Decision and Further Notice of Inquiry, 53 FR 38747, October 3, 1988; First Report and Order, 55 FR 39275, September 26, 1990; Notice of Proposed Rule Making, 56 FR 58207, November 18, 1991; Second Report and Order/Further Notice of Proposed Rule Making, 57 FR 21744 & 21755, May 22, 1992; Second Further Notice of Proposed Rule Making, 57 FR 38652, August 26, 1992; Memorandum Opinion and Order/Third Report and Order/Third Further Notice of Proposed Rule

the development of High Definition Television ("HDTV").<sup>3</sup> Technological evolution now obliges us to revisit some of those decisions and consider new information, which we do in this document.

2. The current technology allows for multiple streams, or "multicasting," of Standard Definition Television ("SDTV")<sup>4</sup> programming at a quality at least comparable to, and possibly better than, the current analog signal, as well as CD-quality audio signals and the rapid delivery of huge amounts of data. It allows broadcasters to send, simultaneously, video, voice and data. In addition, it allows broadcasters to provide a range of services dynamically, that is, it allows them to switch easily and quickly from one type of service to another.

3. Revisiting our earlier decisions is consistent with our statutory responsibility to "encourage the provision of new technologies and services to the public," 47 U.S.C. 157, as well as with our general statutory obligations to promote the public interest, since these developments have the potential to provide profound benefits to the American public.

4. In deciding what rules should govern the transition to digital television, we recognize our obligation to manage the spectrum efficiently and in the public interest and to take account of the legitimate interests of all those with a stake in that transition. With the foregoing considerations in mind, we will pursue and balance the following goals in this proceeding: (1) Preserving a free, universal broadcasting service; (2) fostering an expeditious and orderly transition to digital technology that will allow the public to receive the benefits of digital television while taking account of consumer investment in NTSC television sets; (3) managing the spectrum to permit the recovery of contiguous blocks of spectrum, so as to promote spectrum efficiency and to allow the public the full benefit of its spectrum; and (4) ensuring that the spectrum—both ATV channels and recovered channels—will be used in a manner that best serves the public interest.

5. It has become apparent that the flexibility of the Grand Alliance system

Making in MM Docket No. 87-268, 57 FR 53679 & 53588, November 12, 1992.

<sup>3</sup> High Definition Television offers approximately twice the vertical and horizontal resolution of NTSC, which is a picture quality approaching 35 millimeter film, and has sound quality approaching that of a compact disc.

<sup>4</sup> Standard Definition Television ("SDTV") is a digital television system in which picture quality is approximately equivalent to the current NTSC television system.

will allow for more applications and alternative uses than we had previously contemplated. We are issuing this Fourth Further Notice of Proposed Rule Making and Third Notice of Inquiry to invite comment on several aspects of this changed ATV environment and their ramifications for this proceeding.

#### A. Spectrum Issues

6. The Commission previously decided that ATV would be introduced by assigning existing broadcasters a temporary channel on which to operate an ATV station during a transition period and that the spectrum needed for the transition would be obtained from the spectrum currently allocated to broadcasting. We continue to believe that providing 6 MHz channels for ATV purposes represents the optimum balance of broadcast needs and spectrum efficiency. We invite comment, however, on any means of achieving greater spectrum efficiency.

#### B. Definition of Service

7. We reaffirm in this proceeding our intention to preserve and promote universal, free, over-the-air television. We envision that the 6 MHz channel earmarked for ATV will be used for free, over-the-air broadcasting. The digital transmission system currently proposed would provide broadcasters with new flexibility and new capabilities as they embark on serving the American public with the next generation of television. Broadcasters will be capable of providing through ATV not only a vastly improved high definition picture, but also multiple program streams. In addition, the ATV system is capable of nonbroadcast uses that are nonvideo and/or subscription-based in nature. Allowing at least some level of flexibility would increase the ability of broadcasters to compete in an increasingly competitive marketplace, and would allow them to serve the public with new and innovative services. Flexibility could also allow for a more rapid transition to digital broadcasting. Nonetheless, any flexibility afforded broadcasters must not undermine our American system of universal, free, over-the-air television. In establishing a regulatory framework for the provision of ATV in light of this new flexibility, we therefore seek comment on the following questions:

- Should we require broadcasters to provide a minimum amount of HDTV and, if so, what minimum amount should be required?
- To what extent should we allow broadcasters to use their ATV spectrum for uses other than free, over-the-air broadcasting? We recognize that we