

538

**PRESS STATEMENT  
OF  
COMMISSIONER JAMES H. QUELLO**

Re: Tentative Decision and Further Notice of Inquiry in the Matter of Advanced Television Systems and Their Impact on the Existing Television Broadcast Service; Review of Technical and Operational Requirements: Part 73-E, Television Broadcast Stations; Reevaluation of the UHF Television Channel and Distance Separation Requirements of Part 73 of the Commission's Rules (MM Docket No. 87-268).

America is on the verge of creating higher resolution television technology for both entertainment enjoyment and educational purpose. Such technology will require more spectrum than currently is allocated to broadcasters. There lies the problem that broadcasters and the Federal Communications Commission must resolve.

Today, I join my colleagues in reaching some fundamental tentative decisions regarding the development of Advanced Television (ATV) technology. We agree that providing for terrestrial use of ATV technology would benefit the public and that the benefits of this technology can be realized most quickly if existing broadcasters are permitted to implement ATV. Furthermore, we believe that service to viewers using NTSC receivers must be continued irrespective of the actual manner by which ATV services will be delivered. We are predisposed to require that ATV systems be NTSC compatible. Finally, we find that it is in the public interest not to retard the development of ATV technology in other services or on non-broadcast media.

I part company with my colleagues on the tentative decision that any spectrum needed for ATV systems will be obtained from spectrum now allocated to broadcast television. While I hope that ATV systems can be accommodated within existing broadcast allocations, I believe that it is premature to make this decision. Since all NTSC compatible ATV systems are confined to the realm of computer simulation, it is too early to know if the assumptions necessary to accommodate ATV within currently allocated broadcast spectrum can be accepted, e.g., channel and co-channel restrictions and UHF taboo restrictions.

My colleagues and I are approaching the issue of spectrum needs for ATV from two different perspectives. My colleagues believe that by identifying specific spectrum allocation options we will be establishing the boundaries within which ATV technology will have to be developed. I argue that while my colleagues raise important questions, such questions are premature and work to restrict the marketplace development of

ATV technology. Furthermore, the spectrum allocation proposals are based on untested technical assumptions. I would have preferred waiting until laboratory or field tests of ATV technologies were completed before we attempted to allocate additional spectrum to existing broadcasters. By testing ATV technologies we would know the appropriate technical conditions essential to allocating additional spectrum. Unfortunately, the Notice adopted by the majority is riddled with hypothetical situations and untested assumptions resulting in hypothetical questions. At best, the Commission is likely to receive hypothetical answers.

I draw your attention to a statement made by Mr. Faroudja of Faroudja Laboratories in the August 29, 1988 issue of Broadcasting Magazine (See, page 9). In testing SuperNTSC advanced television transmission system on two California cable systems, it was discovered that the predicted results of some tests differed from the results gained from tests conducted under actual cablecasting conditions. Mr. Faroudja is quoted as saying "It shows how far practice is from theory." The spectrum scenarios presented in the Notice adopted by the majority is theory. Allocation and allotment theories presented in this Notice may lead the Commission to inappropriate decisions and I cannot support proposals based on sheer speculation.

The Notice addresses several specific issues and I will be addressing these issues in a separate statement to be released at a later time. However, there are some issues that deserve comment at this time. The standards section of the Notice leads one to believe that the Commission has a role in the establishment of an ATV standard(s). First, I believe that it is premature to address the issue of standards. In any event, since the issue of standard setting is raised, I would have preferred an array of options describing the Commission's possible roles in standard setting. I would have preferred stating that the Commission will play a role in establishing a standard(s) either by selecting a standard or by approving an industry standard. Questions asked in this section suggest that one possible role the Commission can play is that of an interested bystander while letting the marketplace select a standard. I believe that the marketplace should be able to operate in the development stage of ATV, however, to assure the introduction of ATV service to the public a standard or standards will have to be selected. The Commission has a fundamental role to assure ATV does not travel the road of AM stereo.

Since I have already stated that the spectrum allotment proposals are premature, it stands to reason that I believe all the "what if" questions associated with each proposal are premature. The Notice concludes that allotting additional spectrum to existing broadcasters for the provision of ATV service is in the public interest -- a conclusion I support.

Yet, by presenting specific scenarios, e.g., an additional 6 MHz for non-NTSC compatible ATV transmission, we are raising Ashbacker<sup>1</sup> issues. Furthermore, as we raise the potential for Ashbacker concerns we are diminishing our stated public interest justification for allocating additional spectrum to existing broadcasters. Needless to say, such detailed aspects of spectrum allotment options are premature.

Finally, the issue of flexible use was raised in the initial Notice and the commenters overwhelmingly opposed the concept. Now, by placing conditions on flexible use -- permitted only during some transitional period and on a non-interfering basis -- we once again seek comment on this issue. A more fundamental question I ask is how pertinent is flexible use to the development of ATV?

As a practical matter, I believe that we are needlessly spending Commission resources and the resources of the public by raising questions that may not contribute to the development and implementation of ATV. I believe that we should allow the FCC Advisory Committee on Advanced Television Service and the broadcast industry time to develop and test ATV systems before we attempt to determine an appropriate allotment plan.

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1/ Ashbacker Radio Corp. v. FCC, 326 U.S. 327 (1945). The granting of an application for a broadcast license that is mutually exclusive with another, without considering the merits of the other application at the same time, deprives the other of the opportunity for a hearing as guaranteed by Section 309 of the Act.