Capitol Broadcasting Company, Inc., 2619 Western Blvd., P.O. Box 12000, Raleigh, NC 27605

JIM GOODMON
President/CEO
(919) 821-8504
Fax (919) 821-8733
email: jgoodmon@cbc-raleigh.com

July 27, 2004

VIA FACSIMILE AND ELECTRONIC FILING

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street S.W.
Washington, DC 20554

RE: In the Matter of Second Periodic Review of the Commission's Rules and Policies Affecting the Conversion to Digital Television (MB Docket No. 03-15)

Dear Chairman Powell:

Capitol Broadcasting Company, Inc. (CBC) remains an enthusiastic supporter of the visual experience of high-definition television and the flexibility of the entire digital signal. Through an agreement with NHK, Japan Broadcasting Corporation, we are pleased to broadcast gavel-to-gavel coverage of the Democratic National Convention in high-definition on WRAZ-DT in Raleigh-Durham and on WJZY-DT in Charlotte, while simulcasting our regular network programming in analog and standard-definition. In addition, WRAL NewsChannel is airing CBS convention coverage in standard-definition from 4:00 to 11:00 pm daily. We will do the same for the Republican National Convention. Obviously, in an analog world, this would not be possible.

CBC embraced the digital transition launching WRAL-HD just 34 days after receiving an experimental license. At that time in July 1996, the broadcast digital world was at the starting line. In July 2004, the finish line is not in sight, but we are making progress. Having been on the air for eight years, we look forward to the end of the transition. Therefore, CBC supports any intra- or inter-industry agreements, regulation or legislation that moves the **digital** transition forward, including a date certain. However, many uncertainties must be resolved, and we are grateful that the Federal Communications Commission (the Commission) plans to act on some of those issues addressed in the above docket in the near term. CBC offers the following additional comments.

- CBC supports the MSTV "channel election and repacking plan," but encourages the Commission to consider the technical unknowns related to low VHFs by treating them as out-of-core for election purposes. We also encourage the Commission to recognize digital "early-adopters" by giving them priority in the second round of elections. Two factors we hope you will consider are the length

of time the station has been broadcasting in digital, as well as the station's current operating power level.

- CBC supports intra-market negotiations and agreements, so that all broadcasters within a given market can work together to resolve the repacking issue prior to an election process *(presuming no interference issues requiring Commission involvement)*. However, we would appreciate some indication from the Commission that there is no anti-trust implication in that process.

- CBC also supports the MSTV maximum certification process vs. the "use it or lose it" proposal. Our positions on replication and maximization are very different. We view replication as a responsibility to our current viewers, and as a result, all of our stations are fully replicating their analog coverage. However, we view maximization in two ways: as an opportunity to reach new viewers and as a situational opportunity to promote digital.

  When CBC began allocating its financial and people resources to the digital transition, we wanted to invest those resources for maximum impact on the transition. For CBC, WRAL-DT represented a situational opportunity to promote digital. Even though WRAL-DT is out-of-core at Channel 53, we maximized immediately, because as a CBS affiliate, we could offer extensive prime time and special events programming in high-definition. To complement the CBS high-definition line-up, to continue our local news, sports, weather and public affairs commitment, and to concentrate our digital resources, we chose to allocate much of our digital budget to high-definition programming, including building the nation's first high-definition newsroom and launching a 24-hour local news channel. Maximizing WRAL-DT's signal, with the confluence of those other factors, made sense.

  Each station's local situation is different – whether there are interference factors, zoning issues, out-of-core situations, or economic decisions that resources are better spent creating local high-definition programming or additional multicast channels. We agree that a station cannot continue to be protected at maximization coverage without certifying that they will maximize by the end of the transition, but unlike replication, we believe that there are no public policy reasons progressed by requiring maximization during the channel election and repacking process.

CBC also hopes that the Commission will act on three other rulemakings very soon, including the Public Interest Obligations of TV Broadcast Licenses (MM Docket No. 99-360), Children's Television Obligations of Digital Television Broadcasters (MM Docket No. 00-167), and Standardized and Enhanced Disclosure Requirements for

Television Broadcast Licensee Public Interest Obligations (MM Docket No. 00-168), as well as all dockets related to multichannel carriage of our digital signals.

Thank you for your consideration. We look forward to continuing to move the digital transition forward.

Best regards,

James F. Goodmon

James F. Goodmon

cc:

The Honorable Kathleen Q. Abernathy
The Honorable Michael J. Copps
The Honorable Kevin J. Martin
The Honorable Jonathan S. Adelstein
W. Kenneth Ferree, Chief of the Media Bureau
Rick C. Chessen, Chair, DTV Task Force and Associate Media Bureau Chief
Jonathan P. Cody, Legal Advisor, Office of Chairman Powell
Stacy Robinson Fuller, Media Legal Advisor, Office of Commissioner Abernathy
Jordan Goldstein, Senior Legal Advisor, Office of Commissioner Copps
Catherine C. Bohigian, Legal Advisor/ Media Issues, Office of Commissioner Martin
Johanna M. Shelton, Advisor for Media Issues, Office of Commissioner Adelstein