program service of the ATV channel. If a program is available only on the analog service, then all viewers (those with digitally capable and analog-only sets) will need to watch it in the analog service. In a simulcast environment, the number of consumers who will lose access to a specific program service will be reduced by the number who have a digitally capable set or set top converter.

We ask parties to comment on this proposal, including assessing its impact on broadcasters' ability to provide HDTV service, and to offer other viable alternatives, keeping in mind our goals of avoiding a reliance on NTSC service and assuring recovery of large blocks of contiguous spectrum at the conclusion of a speedy and smooth transition process. We are open to suggestions and will consider any option that does not slow the conversion to digital television. For instance, commenters may wish to comment on whether the simulcast requirement should be tradeable. That is, should a licensee be permitted to purchase time on a competitor's ATV station on which to broadcast its analog programming?

25. Also, we seek comment on the phasing in of a simulcasting requirement. We believe that at the beginning of the transition a broadcaster should be required to simulcast little or no NTSC programming. Few viewers would have ATV receivers at that stage. Later, as fewer consumers depend upon analog television and ATV equipment proliferates, we tentatively believe that the simulcasting requirement should be increased. Commenters are invited to comment on the relevant time periods for each phase and the amount of simulcasting that should be required in each such phase.

2. Licensing of ATV and NTSC Stations

26. We revisit the question of whether licensees' NTSC and ATV station licenses should be considered a single license or two separate and distinct licenses. We previously decided to treat the licensee as having two paired licenses. That is, each licensee's NTSC and ATV station would receive a separate license. Because the licenses were to be paired, however, if a licensee's NTSC license were to be revoked or not renewed while its ATV application was pending, the licensee would lose its priority eligibility status. Also, if either a licensee's NTSC or ATV license were revoked or not renewed. the remaining license would automatically suffer the same fate. We nonetheless indicated that we would consider permitting a licensee to voluntarily surrender its NTSC channel while retaining the corresponding ATV

channel on a case-by-case basis in the interest of spectrum efficiency.

27. We decided that broadcasters would be operating two distinct facilities having different characteristics and, frequently, transmitting from different locations. Treating the ATV and NTSC channels as separately licensed facilities would, we concluded, simplify enforcement and administration. However, we paired the two licenses to prevent the separate transfer of one channel of the pair because we believed that would make it impossible to recapture one of the 6 MHz channels at the end of the transition period and still leave the existing licensee with a broadcast outlet.

28. We tentatively conclude that substantial benefits could be obtained if, instead of licensing the NTSC and ATV facilities separately, we authorized both under a single, unified license. It would ease administrative burdens on the Commission and broadcasters alike by reducing the number of applications that would have to be filled out, filed and processed. Licensing the two facilities under a single authorization is also consistent with our view that the authorizations may be issued pursuant to our broad authority under Section 316 of the Act to modify an existing license. Finally, treating the two facilities under a single license would retain the sound policy announced in the Second Report/Further Notice of treating both facilities the same from the revocation/non-renewal standpoint. We seek comment on this tentative conclusion.

29. Commenters advocating separate licenses for the ATV channels may wish to address whether, if NTSC and ATV licenses were licensed separately, we should allow the sale of an authorization for an unbuilt ATV facility. Allowing such transfers could speed the transition to digital ATV by putting transition spectrum into the hands of parties willing and able to construct ATV facilities. Commenters should be mindful, however, that even if NTSC and ATV licenses were to be issued separately and unpaired the NTSC licensee would have to cease its NTSC operations at the end of the transition period. Moreover, unpairing the NTSC and ATV licenses would raise complex issues regarding simulcast and retransmission/must carry rights. In the event we adopt an NTSC-ATV simulcast requirement, should the transfer of a separated ATV license be permitted only if the programming on the accompanying NTSC license were simulcast in digital?

F. Transition Period

30. In the Third Report/Further Notice we made a preliminary decision to establish a transition period that concludes 15 years from the date of adoption of an ATV system or a final Table of ATV Allotments is effective, whichever is later. In addition, we adopted a schedule of periodic reviews to permit us to monitor the progress of ATV implementation and to make any necessary adjustments. We decided that the transition period should not be modified without a substantial showing that the change is in the public interest. We reiterated that we planned to award broadcasters interim use of an additional 6 MHz channel to permit a smooth, efficient transition to an improved technology with as much certainty and as little inconvenience to the public and the industry as possible. Finally, we clarified that, in general, broadcaster who do not convert to ATV will nevertheless have to cease broadcasting in NTSC at the end of the 15-year transition period.

31. There may now be reasons to expect that broadcasters will adopt ATV more rapidly than was anticipated in 1992, when we last analyzed the transition period. The broadcast industry, including equipment manufacturers, have been at the forefront of developing digital technology for television. Other new services, such as "video dialtone," that would use digital transmission technologies are also being initiated or planned. In this environment, broadcasters have added incentive to convert more rapidly in order to remain competitive.

32. Consumers will buy or rent digitally capable receivers or set-top converters as their choice of digitallybased video products expands. For each household which transitions to any of the new media, including over-the-air digital, there will be at least one less television set reliant upon over-the-air NTSC analog transmissions. Given the degree of competition that exists between suppliers of electronic equipment, and expected economies of scale resulting from the proliferation of digitally based media, we anticipate that declining costs will translate into reduced prices and increased sales of digital receivers and converters to consumers.

33. We previously cautioned that broadcasters' cessation of NTSC transmission and surrender of a 6 MHz channel would depend on ATV becoming the prevalent medium, stemming in part from our concern over the number of households that might