continue to rely on NTSC transmissions. As discussed above, purchase of an ATV receiver or converter is not the only meaning of ending reliance on NTSC transmission, so projections solely of ATV receiver penetration may not be the most accurate benchmark for deciding when broadcasters should cease NTSC transmission and surrender a 6 MHz channel.

34. We now wish to consider whether some objective benchmark(s) could be used to determine when broadcasters should cease NTSC transmission. Is it possible to end the transition period in a market by tying the transition period to some objective benchmark(s)? If so, what benchmark(s) should be used? The conversion could be considered complete when the number of households that rely on NTSC has fallen to a given percentage. We ask parties to comment on tying the transition period and final conversion date to the percentage of households in a market that rely on NTSC transmission. If the final conversion date is triggered when the number of households that rely on NTSC falls to a given percentage, what should the threshold percentage be that triggers the final conversion date? How would we measure the number of households that rely on NTSC transmission from year to year? Should we measure households or television sets? What other objective benchmarks should we consider in determining the transition period and the final conversion date? To what extent should the availability of inexpensive digital receivers and converters be used as a benchmark in determining the length of the transition period?

35. We previously reasoned that by adopting a target date approach we could speed the transition to digital technologies. Are there mechanisms other than the date certain approach that we adopted in 1992, that we could put in place to create incentives for rapid adoption of ATV by consumers, broadcasters, manufacturers, and others? For example, should we consider having the transition period end at the earlier of a date certain or attainment of an objective benchmark? We seek information on how broadcasters could assist consumers by providing alternate methods of acquiring or leasing digital equipment in the short term so that the transition costs can be reduced and the transition schedule can be shortened. Could broadcasters in a market cooperate in leasing converters and/or ATV receivers to consumers? Would cooperation between broadcasters in a market raise anti-competitive concerns? If so, how could the cooperative arrangements of

broadcasters be adapted to reduce household reliance on NTSC transmission without raising these concerns?

G. Recovery of Spectrum

36. We have put broadcasters on notice that when ATV becomes the prevalent medium, they will be required to surrender a 6 MHz channel and cease broadcasting in NTSC, reiterated that we are awarding broadcasters interim use of an additional 6 MHz channel, and clarified that broadcasters who do not convert to ATV will nevertheless have to cease broadcasting in NTSC.

37. The rationale underlying the recovery of spectrum was the freeing of spectrum of significant value for other uses. The spectrum to be used for the transition to ATV has significant value for other services and benefits and that any delay in reclaiming the reversion spectrum carries potential costs to the public.

38. When the transition to digital technologies is complete, we must have some mechanism in place to recover the extra 6 MHz channel. One option would be to continue renewing licenses for five year periods but explicitly terminate authority to use one of the 6 MHz channels at the end of the transition period. If we were to adopt a "two-license" approach, one of the two licenses could expire at the end of the transition period. We ask parties to comment on the advantages and disadvantages of each approach.

39. We remain committed to the recovery of spectrum. In addition, we believe that spectrum will be of greater value if available in large contiguous nationwide blocks. To create contiguous blocks of spectrum following the transition period, it may be necessary to move some digital broadcast stations to new channels that are contiguous with others. This would have the effect of condensing broadcast assignments to a narrower band of spectrum without eliminating any licenses. Today, television broadcasters have over 400 MHz assigned to them, but NTSC technology does not permit all of the channels to be used in the same geographic area. We believe that the "Grand Alliance" digital system does not have these difficulties. By moving some digital broadcast stations, we would be able to obtain a more spectrum-efficient arrangement by condensing broadcasting assignments to less than 400 MHz. We believe that information concerning spectrum recovery and moving some digital broadcast stations to new channels should be solicited at this time to assure the future availability of contiguous

spectrum and encourage immediate planning and investment in new services. We request comment on our tentative plans to create contiguous blocks of spectrum.

40. While broadcasters have been given notice that they must surrender a 6 MHz channel after full conversion to digital technologies, no final decisions have been made concerning which of the two channels would be surrendered. Allowing licensees to determine which 6 MHz channel they would use for digital transmission and which channel they would surrender may result in broadcasters providing digital services on channels scattered throughout the VHF and UHF broadcast band. Allowing this would inhibit the formation of large contiguous blocks of spectrum. To minimize the number of digital broadcast stations that may need to be moved to new channels to facilitate the creation of large contiguous blocks of VHF and/or UHF spectrum, it will likely be necessary for us, not the licensee, to determine which 6 MHz channel the broadcaster must use for digital transmission and which channel must be surrendered. Also, we believe that by making these decisions early we can aid broadcasters in their investment decisions.

41. In order to create the maximum amount of contiguous spectrum following the transition period, it may be necessary to move some digital broadcast stations to new channels. We recognize that there are costs associated with moving stations to new channels. We request comment on the benefits and costs of moving stations to new channels. We also seek comment on how to minimize the costs of moving stations to new channels. Finally, we ask parties to comment on whether each broadcaster should pay for its own move, whether all broadcasters should pay for the costs of relocation, or whether the licensee the bumps the broadcaster should pay to move the broadcaster, as was done in the emerging technologies band for PCS.

H. Length of Application/Construction Period

42. We previously granted existing broadcasters three years from the effective date of ATV system selection or an ATV Allotment Table, whichever is later, in which they exclusively may apply for a preferred or "set-aside" ATV channel, and a total of six years to both apply for and construct an ATV facility. We previously stated that such factors as the time needed to raise the necessary capital to invest in ATV technology, to plan for the creation of a new station, including, in some cases, having to