locate a new transmitter site, and to allow ATV equipment to become available, required that we establish these application and construction periods.

43. We propose to establish a procedure by which broadcasters have six months in which to make an election and confirm to the Commission that they want an ATV license. After that, they would have the remainder of the three-year period in which to supply supporting data as we may require. If they elect not to construct an ATV facility, or elect to construct but do not proceed to do so, their NTSC licenses will expire at the end of the ATV conversion period and they will have to cease broadcasting. This process would have the benefit of identifying early on locations where existing broadcasters do not want to transition to ATV and where applications from new entrants for ATV stations could therefore be considered.

44. We ask that commenters address all aspects of the construction period. Is the current six-year period appropriate, too long, or is it insufficient? We believe that the exclusive eligibility period can be shortened, primarily by requiring licensees to make an election within the first six months after the adoption of an ATV standard or final Table of Allocations, whichever is later, as to whether to convert. This should not place an undue burden on licensees. Broadcasters have now been on notice for a number of years of the general direction in which we are moving toward digital television and some, we understand, have begun planning in earnest for the transition. Moreover, much digital broadcasting equipment has been developed and demonstrated. Commenters should provide information on their ability to apply for and construct ATV facilities and discuss the difficulties they would have in meeting a shorter time frame.

45. Nevertheless, we are mindful of the difficulties to be encountered by television broadcasters converting to ATV. Sources of financing may be limited and their willingness to support the conversion is unknown. For some stations tower sites may need to be found, leases negotiated and towers built. Equipment will have to be purchased and installed, and the capacity of industry to supply over 1500 broadcasters with new equipment, from cameras to transmitters to antennas, all within the same time frame is not currently known. Given the different aspect ratio for ATV as opposed to NTSC, new studio sets may have to be designed and constructed in order for stations to originate programming. We fully appreciate that this transition will

not be an easy task. Accordingly, we request comment on the practical difficulties licensees will have in successfully undertaking the conversion and on proposed solutions.

I. Small Markets

46. We previously decided not to adopt a "staggered approach" to initial ATV implementation with large markets required to implement first and small markets last. While recognizing that small market stations produce less revenue than those in large markets, adversely affecting their ability to finance the transition, we also noted that our extension of the application/ construction period to a total of six years, and our "sliding scale" approach 11 should provide small market stations adequate relief. Nevertheless, we indicated that if the application/construction period appeared insufficient, we could adjust it at later reviews.

47. We now seek comment on whether we should reconsider this decision, and if so, on what type of relief should be provided from the six year deadline and to whom? For example, should there be a general extension of the deadline for a certain class of stations? If so, for how long and to whom? Should it be to stations that make a showing of financial hardship and if so how would that be defined? Should there be a different rule for small markets? What about stations serving economically disadvantaged areas? How should "small markets" or "economically disadvantaged areas" be defined? Commenters should address whether such a general extension would result in slowing the implementation of advanced television in these markets.

48. We also seek comment on whether a waiver would be an appropriate way to address the issues of stations who can not afford to make the transition to digital. If commenters believe a waiver would be an appropriate mechanism, they should specify what factors the Commission should consider in granting such a waiver. They should also address ways to reduce the administrative burden of such a waiver process on the Commission and on licensees.

49. Finally, we seek comment on an alternative proposal which would allow the Commission to automatically extend the deadline for a licensee that has not built after the six-year period if no one else files for the ATV license. If, at the end of the six-year period, another party applies to construct the unbuilt ATV facility, should we permit the incumbent broadcaster to retain its preferential status if it makes a sufficient showing in this regard? Such a policy would recognize that in some markets economic factors may not support all of the stations introducing digital broadcast within the six-year time frame. If, however, there is a new entrant who can provide service immediately, then the public might be better served by the immediate initiation of service.

J. Noncommercial Stations

50. We earlier sought comment on whether some additional measures of relief or further action should be taken on behalf of noncommercial stations with respect to the presumptive six-year application/construction deadline. We indicated that we would consider a wide array of alternatives to mitigate the problems faced by noncommercial broadcasters.

51. Commenters addressing the difficulties of noncommercial broadcasters in converting to digital television chiefly seek relief with respect to the financial qualifications that they would have to demonstrate. The Association of America's Public Television Stations, Corporation for Public Broadcasting, and Public Broadcasting Service ("Public Television") argue that, because of funding constraints, it will take substantially longer than three, or even six years, for public stations to be able to obtain necessary funds to convert to ATV. Public Television asks that noncommercial educational stations be allowed to file ATV applications without certifying or demonstrating financial qualifications on the filing date. Rather, it believes such licensees should be given three years after the filing of an ATV application to demonstrate, with a business plan, how they will raise matching funds and that public broadcasters should not have to make any showing with respect to having sufficient access to funds to meet their operating costs in the first 90 days of operation. Public Television asks that we accept no competing applications while that application is being processed. In this way, public broadcasters would be able to timely file and avoid the possibility of being able to obtain only a short-spaced UHF

¹¹ Under the sliding scale approach, parties applying early in the six-year application/construction period would have the remainder of the application period and the full three-year construction period in which to construct. Thus, they would have a longer time to devote to construction of ATV facilities than those applying later. Should we adopt our proposal to require an election by the end of the sixth month, licensees filing earlier in the remaining two-and-one-half years would still have more time in which to construct than those filing later in that period.