channel, a VHF transition channel, or no channel at all.

52. The National Association of College Broadcasters ("NACB") asks that the Commission reserve ATV channels in the same proportion as they are reserved on NTSC. Arizona State also urges that each vacant noncommercial allocation be kept in reserve for future public ATV use. Both NACB and Arizona State ask that we provide noncommercial educational television stations with additional time in which to apply for, and construct ATV facilities.

53. It is clear from comments received that noncommercial licensees will face unique problems in their transition to ATV, chiefly in the area of funding, where noncommercial broadcasters appear to be subject to the vagaries of forces and parties beyond their control. Indeed, historically, we have recognized "that in making our statutory findings as to financial qualifications, greater leeway must be accorded the educational station because of its very nature." NTA Television Broadcasting Corp., 44 FCC 2563, 2574 (1961). (Citation omitted.)

54. Commenters should address whether noncommercial broadcasters would obtain sufficient relief in the event that we adopt for all existing broadcasters a paired channel assignment scheme and requirements such as proposed above. If we do not adopt that proposal or, if adopted, it does not provide sufficient relief for noncommercial broadcasters, we ask for comment on what further relief would be appropriate and will permit them to participate in the channel assignment process on an equitable basis. In particular, commenters may address the implications of our system instead of a fixed channel scheme.

55. A second problem that noncommercial broadcasters commented on was the length of the application/construction period. We have previously expressed our belief that to provide different schedules for commercial and noncommercial broadcasters would not be conducive to the goal of a speedy and smooth transition. It is still our preference to establish a firm transition schedule, but with the safeguard of having that schedule subject to periodic review. Additionally, unique problems can be dealt with on a case-by-case basis. We believe this may be preferable to establishing two separate classes of broadcasters, each with its own schedule, causing confusion to the public and additional administrative burdens to the Commission.

56. Additionally, commenters should address other things that the Commission can do to assist them in their conversion to ATV. For instance, the broadcast of "advertisements" is currently prohibited by Section 399B of the Communications Act. Commenters may want to address whether this should be viewed as applying only to one program service or, if to all program services broadcast by noncommercial broadcasters, whether it would be desirable for the Commission to seek legislative alteration of this prohibition. We also ask commenters to discuss whether the transition to digital by noncommercial broadcasters might be facilitated through re-defining what "noncommercial" means. If the Commission mandated only that the minimum required broadcast programming must be 'noncommercial,'' would it be possible for noncommercial broadcasters to finance the transition through commercial and flexible uses of the spectrum that would not interfere with the noncommercial broadcast stream? Is

there other relief that we can grant noncommercial broadcasters to minimize restrictions on their operations and allow them greater flexibility?

K. All-Channel Receiver Issues

57. In 1962, Congress adopted the All Channel Receiver Act, which authorizes us to require that television receivers "be capable of adequately receiving all frequencies allocated by the Commission to television broadcasting." 12 Pursuant to this authority we required that all TV receivers be capable of UHF channel reception and adopted standards to make reception of UHF channels comparable with reception of VHF channels.13 We previously determined in this proceeding that the All Channel Receiver Act does not mandate the manufacture of dual-mode (ATV and NTSC) receivers. We expressed concern that such a requirement might overly or prematurely burden consumers, and sought comment on whether there is any need to require that manufacturers produce receivers capable of both NTSC and ATV reception during the period prior to full conversion to ATV

58. With ATV now considered to include both HDTV and SDTV, we request comment on whether SDTV receivers should be required to have the ability to receive an HDTV signal or vice versa, and whether we should regulate how such a signal must be displayed.

We understand that companies are working on receiver designs that would display the Grand Alliance HDTV signal as a lower resolution SDTV picture. Such as conversion could result in relatively inexpensive receivers or converter boxes for NTSC receivers, compared with the projected HDTV receiver costs. We seek comment on whether permitting the manufacture and sale of receivers that display only NTSC, SDTV, or HDTV signals, or a combination of two but not all three, would be consistent with the All Channel Receiver Act or otherwise would be in the public interest. Should we require that, during the transition period, all sets be capable of receiving and displaying NTSC and SDTV signals? Should we require "all-format" receivers capable of receiving and displaying NTSC, SDTV and HDTV signals, and, if so, how should we require HDTV signals to be displayed, in a true HDTV fashion or as a lower resolution SDTV picture? What impact should a decision not to require HDTV broadcasting have on whether we should require all receivers to have HDTV reception and display capabilities? Should a decision on one be coupled with the other? What impact should a decision to adopt only minimal broadcast SDTV requirements have on this question? Would limiting the sale of NTSC equipment help consumers by assuring that they do not purchase equipment that will soon be obsolete, or harm them by, for example, depriving them of access to equipment they may need to obtain the benefit of other video equipment they have, such as VCRs? If we permit the sale of NTSC equipment, should we require a visible label warning that, as of a date certain, it will no longer be able to provide over-the-air broadcast reception? Or, if we permit the sale of NTSC equipment after the specified date, should we require that the sale of such equipment be accompanied by the provision of or ability to use a digital converter? We believe that the All Channel Receiver Act provides us with adequate authority to address these issues. We ask for comment on how we should exercise it.

L. Must Carry and Retransmission

59. We have not previously addressed the impact of ATV on cable television carriage or retransmission consent obligations. Sections 614 and 615 of the Communications Act of 1934 contain the cable television "must carry" requirements. Section 325 contains revised "retransmission consent" requirements, pursuant to which cable operators may be required to obtain the

^{12 47} U.S.C. 303(s).

¹³ See 47 CFR 15.117.