



Television Department

1771 N Street, NW
Washington, DC 20036-2891
(202) 429-5362
Fax: (202) 775-3516

October 18, 1996

Dear Colleague:

October 28, 1995 marks 11 months since the FCC Advisory Committee on Advanced Television Service approved and sent to the FCC a ringing endorsement of the ATSC digital television standard. Under the leadership of Dick Wiley, representatives from broadcasting, cable, telephone, receiver and equipment manufacturers, and even computer interests, supported the standard which put American companies at the forefront of the digital communications revolution.

Today, however, because of the intrusion of Microsoft, cable companies, and a few motion picture producers, this standard has not been approved. It is stalled at the FCC as politics appears to be setting the agenda for the future of broadcast television. All of us know how important a standard is in the development of a new technology. You do not have to look much further than the plight of AM Stereo or the unnecessary battles between VHS and Beta to know how important a standard can be.

Officials of NAB, MSTV, ALTV, the Broadcasters Caucus, EIA and many industry organizations have tried in vain to bring the ATSC standard to a final vote at the FCC, knowing that a majority of commissioners have spoken out favorably on its adoption. Unfortunately, our separate efforts have been unsuccessful. Therefore, I believe it is time to coordinate our efforts and urge FCC Chairman Reed Hundt to bring the standard up for a vote before 1996 ends.

To this end, I hope you will join me for a summit at NAB headquarters on October 28—the standard's 11th month anniversary—to develop a strategy to achieve this goal. This effort has industry-wide support, including the organizations listed above. As we have successfully demonstrated over the past several years, when we work together, we are very successful, but our competitors benefit when we are divided. This is an issue in which we must show our united support for the future of free over-the-air television.

Please join me at NAB Headquarters on Monday, October 28 from 10:00 a.m. to noon to discuss our strategy. Please let Chuck Sherman, NAB Senior Vice President for Television, know if you can meet with your colleagues at this vital meeting. He can be reached at 202-429-5361.

Sincerest regards,

A handwritten signature in cursive script, appearing to read "Eddie".

VIA FAX



DTV Summit Update

**From the desk of Eddie Fritts
President and CEO**

Summit on the Digital Television Standard

Monday, October 28, 1996

12:00 noon

NAB Headquarters
1771 N Street, N.W.
Washington, D.C.

Next Monday's DTV Summit, originally scheduled for 10:00 a.m., has been moved to 12 noon. This change will allow us to tie in visits to the FCC for our designated spokespersons.

The Summit will consist of a working lunch that will include a private briefing, followed by a press conference at 1:30 p.m. The program will conclude at 2:30 p.m. Thereafter, a group of selected representatives will be meeting with Commissioners Chong, Ness, and Quello, and with the staff of Chairman Hundt, who is out of town.

As I wrote to you earlier, this Summit marks the eleven month anniversary since the FCC Advisory Committee on Advanced Television Service approved and sent to the FCC its endorsement of the ATSC digital television standard. However, despite widespread industry support and favorable reactions from a majority of FCC Commissioners, FCC Chairman Reed Hundt has declined to bring the proposed standard up for a vote. The time has come to present a united front in urging that the DTV standard be adopted promptly. Not only broadcasters, but equipment manufacturers, labor leaders, and consumer advocates will take part in this effort to speed the adoption of a digital standard.

I hope you will be able to join us to discuss this issue of vital importance to our industry's future. If you have any questions, or to R.S.V.P. for the DTV Summit, please call the NAB Television Department at (202) 429-5362.

The digital television letter was addressed to the following organizations:

Ms. Catherine Hutchinson
Apple Computer, Inc.
One Infinite Loop, MS: 76-8CH
Cupertino, CA 95014

Mr. Jeffrey Campbell
Compaq Computer Corporation
1300 Eye Street
Suite 490 East
Washington, DC 20005

Mr. Ted A. Heydinger
Dell Computer Corporation
1225 Eye Street, NW
Suite 130
Washington, DC 20005

Ms. Grace Hinchman
Digital Equipment Corporation
15401 H Street, NW
Suite 950
Washington, DC 20005

Mr. Michael R. Haley
IBM Corporation
IBM Telecommunications and Media ISU
Mail Drop 3233
Route 100
P. O. Box 100
Somers, NY 10589

Mr. Paul Misener
Intel Corporation
1634 Eye Street, NW
Suite 300
Washington, DC 20006

Mr. Craig Mundie
Microsoft Corporation
One Microsoft Way, 9S/1122
Redmond, WA 98052

Mr. Edward O. Fritts
President and CEO
National Association of Broadcasters
1771 N Street, NW
Washington, DC 20036

Mr. Michael J. Sherlock
ATSC Broadcasters Caucus
National Broadcasting Company
30 Rockefeller Plaza
Room 5250
New York, NY 10112

Ms. Margita White
President
Association for Maximum Service Television
1776 Massachusetts Avenue
Suite 310
Washington, DC 20036

Mr. Gene Reynolds
President
Directors Guild of America
7920 Sunset Boulevard
Los Angeles, CA 90046

Mr. Jack Valenti
President and CEO
Motion Pictures Association of America
1600 Eye Street, NW
Washington, DC 20006

Mr. Gary Shapiro
President
Consumer Electronics Manufacturers
Association
2500 Wilson Boulevard
Arlington, VA 22110-3834

Dr. Peter J. Bingham
Grand Alliance
Philips Laboratories
Philips North America Corporation
345 Scarborough Road
Briarcliff Manor, NY 10510-2099

Mr. Stan Barron
Society of Motion Picture and Television
Engineers
30 Rockefeller Plaza
New York, NY 10112

Mr. Victor Kemper
American Society of Cinematographers
1782 North Orange Drive
Hollywood, CA 90028

10/25/96 17:47

Monday's Schedule

- 10:00am News Conference Rehearsal
Briefing for FCC Visits
- 12:00pm DTV Summit - Working Lunch
- 1:45pm News Conference
EOF Opens
Dick Wiley
Joe Clayton, Thomson
Linda Golodner, Natl Consumer League
Neil Braun, NBC
EOF moderates Q&A
- 2:30pm Delegation to FCC
Fritts, Baumann, Robert Graves, Joe Flaherty,
Neil Braun, Jack Golodner/Mike Emick (Labor)
Joe Clayton
- 3:00pm Meeting with Commissioner Ness
- 3:30pm Meeting with Commissioner Quello
- 4:00pm Meeting with Commissioner Chong
- 4:30pm Meeting with Chairman's staff

45

DTV Summit RSVP = "Y"

25-Oct-96

Phnum	LastName	FirstName	MiddleName	Orgname	Source	RSVP
7	Bahr	Morton		Communications Workers of Ame	Phone In	<input type="checkbox"/>
283981	Barber	Fred		Capitol Broadcasting Co., Inc.	GroupExecs	<input type="checkbox"/>
276851	Blackwell	William E.		Jefferson-Pilot Communications C	GroupExecs	<input type="checkbox"/>
	Born	Marvin		Dispatch Best. Group	Phone In	<input type="checkbox"/>
276911	Braun	Neil		NBC Television Network	DTV-VIP	<input type="checkbox"/>
6	Clayton	Joe		RCA	Phone In	<input type="checkbox"/>
317894	Cohen	Jules		Consultant	General	<input type="checkbox"/>
310438	Duggan	Brvin		Public Broadcasting Service	General	<input type="checkbox"/>
317898	Faannon	Peter		Citizens for HDTV	General	<input type="checkbox"/>
277038	Florile	Michael J.		Dispatch Broadcast Group	GroupExecs	<input type="checkbox"/>
276374	Fisher	Andrew	S.	Cox Broadcasting Company	GroupExecs	<input type="checkbox"/>
276472	Ritz	Jerald	N.	Allbritton Communications	GroupExecs	<input type="checkbox"/>
	Furtow	Jason		Sony	GR	<input type="checkbox"/>
5	Gardner	Frank		Scrrips Howard Broadcasting	Phone In	<input type="checkbox"/>
317891	Graves	Robert		Advanced Television Systems Co	General	<input type="checkbox"/>
276916	Hayes	John E.		Providence Journal Company	TVBoard	<input type="checkbox"/>
300818	Hedlund	James		ALTV	DTV-VIP	<input type="checkbox"/>

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Pnum	LastName	FirstName	MiddleName	Orgname	Source	RSVP
317985	Hill	Ardell		Media General Bst. Group	Phone In	<input type="checkbox"/>
317889	Hopkins	Robert		Sony Pictures	General	<input type="checkbox"/>
4	Isacs	Michael		The Providence Journal Companie	Phone In	<input type="checkbox"/>
317975	Jameson	Paula		PBS	General	<input type="checkbox"/>
276545	Keelor	James	M.	Cosmos Broadcasting Corp.	GroupExecs	<input type="checkbox"/>
3	Lowry	Dick			Phone In	<input type="checkbox"/>
	Mahony	Terry		NBC Television Network	Phone In	<input type="checkbox"/>
317974	Mohrman-Gillies	Marilyn			General	<input type="checkbox"/>
300959	Netchvolodoff	Alex		Cox Broadcasting Company	General	<input type="checkbox"/>
2	Newcomb	John		Wabash Valley Broadcasting	Phone In	<input type="checkbox"/>
292037	Okun	Robert		NBC Television Network	DTV-VIP	<input type="checkbox"/>
277076	Pills	William		ABC Inc.	DTV-VIP	<input type="checkbox"/>
276876	Reese	Bruce		Bonreville International Corp.	Phone In	<input type="checkbox"/>
317887	Reitmeier	Glenn		Sarnoff	General	<input type="checkbox"/>
308464	Richer	Mark		Advanced Television Systems Co	General	<input type="checkbox"/>
8	Rosenberg	Marvin			General	<input type="checkbox"/>
	Schmidt	Greg		LIN Television Corporation	Phone In	<input type="checkbox"/>
276254	Scott	Patrick	M.	Fisher Broadcasting Inc.	TVBoard	<input type="checkbox"/>
276298	Siegel	John	C.	United Television Inc.	GroupExecs	<input type="checkbox"/>
1	Silverman	Larry			Phone In	<input type="checkbox"/>

Pnum	LastName	FirstName	MiddleName	Orgname	Source	RSVP
	Theilan	Dennis		Sony	GR	<input checked="" type="checkbox"/>
276362	Thomas	Tom		Park Communications, Inc.	Phone In	<input checked="" type="checkbox"/>
283995	Tolar	Thomas		Sarkes Tarzian Inc.	GroupBoxes	<input checked="" type="checkbox"/>
309939	Waldron	Gerry		Covington & Burling	General	<input checked="" type="checkbox"/>
317899	Widoff	Joe		WBTA-TV	General	<input checked="" type="checkbox"/>

DTV

PRESS CONFERENCE

October 28, 1996

SPEAKERS (in order of appearance):

Edward O. Fritts

President and Chief Executive Officer
National Association of Broadcasters

Richard E. Wiley

Partner, Wiley, Rein & Fielding
Former Chairman, Federal Communications Commission
Chairman, FCC Advisory Committee on Advanced Television Services

Joseph P. Clayton

Executive Vice President
Marketing and Sales - Americas and Asia
Thomson Consumer Electronics

Linda F. Golodner

President
National Consumers League

Neil S. Braun

President
NBC Television Network

NEWS



National Association of Broadcasters
1771 N Street, NW
Washington, DC 20036-2891

DIGITAL TELEVISION PROPONENTS CHARGE THAT OPPONENTS OF UNIVERSAL STANDARD ARE ANTI-COMPETITIVE

Urge FCC To Adopt Proposed Standard By Thanksgiving

WASHINGTON, DC, October 28, 1996 -- Broadcasters, electronics manufacturers and consumers today charged that Microsoft and a handful of other computer companies are blocking competition and progress in digital television. They called upon the Federal Communications Commission to approve by Thanksgiving a consensus universal broadcast standard developed over the past decade.

"It's been eleven months since the FCC Advisory Committee on Advanced Television Service submitted a flexible digital TV plan that addresses private sector concerns. Now we are being held up at the eleventh hour by a single group that wants to stifle competition," said National Association of Broadcasters President/CEO Edward O. Fritts. "Until the FCC adopts a digital standard, America's lead in digital television technology is at risk, and so are the tens of thousands of jobs for Americans who will bring the new technology to the public."

The flexible digital plan was developed by the Advanced Television Systems Committee (ATSC) in response to an FCC request for an industry consensus on a broadcast transmission standard for digital television (DTV). The ATSC standard is based on three basic video scanning formats (each with several screen-shape and picture-rate options). Those formats accommodate both the progressive scanning used by the computer industry and television's international standards, which all use interlaced scanning. The combination of formats allows broadcasters to smoothly make the transition to high definition television (HDTV), while providing consumers with the most flexible data and picture transmission technology known to mankind.

"Free broadcast television is perhaps the last great common American experience," said Neil Braun, president of the NBC television network. "For 50 years, Americans have known that the set they buy in Los Angeles will work in New York and will keep working for years no matter how technology changes. We stand at the threshold of a breathtaking advancement in the quality and potential of television to bring even more information, entertainment and now interactive services into American homes."

"I believe adoption of the digital TV standard will unleash a new wave of technology investment as did the addition of color to television," said Joseph P. Clayton, executive vice president of Thomson Consumer Electronics and chairman of the Consumer Electronics Manufacturers Association.

- more -

Representatives of the computer, cable and broadcast industries fully participated in the development of the ATSC universal digital TV standard. The decision to forward the standard to the FCC for adoption was made without a dissenting voice on November 28, 1995.

Recently, a handful of computer companies and Hollywood film makers objected to the large number and diversity of transmission formats included in the ATSC standard. Yet ATSC added many of the additional progressive scanning formats specifically at the behest of the computer industry. The ATSC standard actually includes three times as many progressive as interlaced formats (the type now used by broadcasters). In fact, the ATSC standard is the most computer-friendly digital television system on the planet, far more so than the European Community's competing Digital Video Broadcast standard (interlaced only) that is being heavily marketed around the world while the FCC delays approval of the ATSC standard.

Microsoft and few other computer companies are now promoting a separate, untested and ill-defined proposal that is intended to support video transmission to today's computers but makes no attempt to provide interoperability with other video service providers, such as cable, satellite and home playback devices. The biggest problem with the computer companies' proposal is that it has no proven capability or even a viable concept for incorporating HDTV -- in fact, similar approach in Europe and elsewhere have been abandoned as too complex and technically inefficient. As a result, the computer companies' proposal would threaten viewers' access not only to digital-quality free broadcast programming, but also to future information services that could be offered over the airwaves to compete with services now available through computer technology.

The NAB's Fritts added, "This 11th-hour attempt by Bill Gates and a few computer companies to scuttle this standard is anti-competitive and self-serving. Consumers want the certainty of free TV. They don't want to be forced to buy new computers and software every year just to watch their favorite TV programs, and they don't want to be left wondering if their computers will crash in the middle of the evening news. That could happen if computers ultimately become the delivery vehicle for American television."

Digital tv provides an extraordinary improvement in picture and sound quality. It also offers the potential for vastly expanded broadcast formats, interactive services and the eventual return to the public domain of large amounts of the analog spectrum currently used by broadcasters.

The ATSC standard is not a government-created standard. It is the result of the unprecedented cooperation of a team of 1000 experts from all the various sectors affected.

-30-

Contact: Dennis Wharton
Patti McNeill
(202) 429-5350



October 28, 1996

STATEMENT

Bob Iger, President and CEO, ABC
Bob Wright, President and CEO, NBC

We join in urging the FCC to adopt, without further delay, the ATSC industry-approved standard for digital television. The ATSC standard will put America's television industry at the forefront of the digital television revolution with the world's best system. Indeed, broadcasters are committed and prepared to provide high-quality digital television programming to consumers.

But time is running out. After hundreds of millions of dollars and nearly a decade of development, testing and research, representatives of the broadcast, cable and computer industries reached agreement on a standard and, without dissent, recommended its adoption to the FCC. But that standard is now in jeopardy due to eleventh-hour objections by a few members of the computer industry urging reconsideration of issues that were fully debated and resolved -- with their involvement -- during the nine-year consensus-setting process. In fact, the proposed standard is flexible enough to accommodate computer technology, and it further encourages innovation.

The FCC must adopt a uniform broadcast standard for digital television *now*. Delay here is the enemy of progress. Equipment cannot be built, nor stations begin to buy the vast amount of equipment necessary for digital transmission, unless and until they know what the standard will be. The public too will need such certainty so that all sets in every home in America will be capable of receiving all channels. In short, sets bought in New York will have to work in Seattle. Only then will consumers be able to benefit from a host of innovative digital program services and enhancements that will be available free, universally and over the air.

We don't object to continued discussions as long as those discussions don't engender further delay. Fast action is simply imperative to enable broadcasters to begin the important task of bringing the benefits of digital television to the American public.

CBS

CBS Inc., 51 West 52 Street
New York, New York 10019-6188
(212) 975-6050

Peter A. Lund
President and Chief Executive Officer

Dear Mr. Chairman:

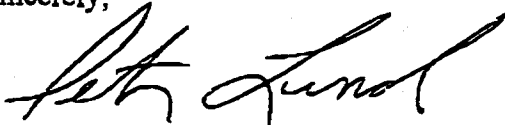
CBS emphatically stands behind the ATSC industry-approved digital television standard. Having answered the call of your predecessors and contributed substantial funds and expertise to this consensus driven advanced television development process over the past decade, we are convinced the ATSC approved standard is a triumph of American ingenuity. Its adoption will help put the American public on the best path to digital television whose distribution is free and universal, and where television sets remain comparatively inexpensive and long lasting.

While the argument has been made that standards can stunt innovation, I believe just the opposite is true in this case. As soon as a standard is set, the best and the brightest can begin to develop a host of products designed to that standard. Moreover, the flexibility and headroom built into the ATSC standard can accommodate all manner of innovation for the foreseeable future.

Perhaps some critics of the ATSC standard either do not fully understand its capabilities, or they have motives other than those presently stated. CBS will be happy to participate in discussions to reassure representatives of other industries about the standard or to accommodate legitimate concerns they may have. But I hope the FCC will take into account that some of the critics may fall into the latter category whose only aim is further delay in adopting any standard other than one that suits their narrow business plans. Should that happen, American viewers who have to upgrade their television sets every few years are likely to wonder how that aspect of the public's interest was determined.

To avoid further unnecessary delay, I hope the FCC will make clear that it intends to act on the standard in the very near future, certainly before year's end. In return, that should allow parties of good faith to resolve any remaining questions in a timely fashion. Thank you.

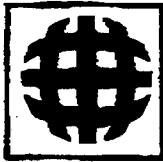
Sincerely,



The Honorable Reed Hundt, Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

October 28, 1996

cc: The Honorable James Quello
The Honorable Susan Ness
The Honorable Rachelle Chong



News Corporation

1211 AVENUE OF THE AMERICAS • NEW YORK, NY 10036 • 212-852-7100 • FAX: 212-852-7094

RUPERT MURDOCH, A.C.

CHAIRMAN AND CHIEF EXECUTIVE

October 25, 1996

The Honorable Reed Hundt
Chairman, Federal Communications Commission
1919 M Street, NW, Room 814
Washington, DC 20554

Dear Chairman Hundt:

Because of a long-standing commitment, I am unable to join my broadcast colleagues in meeting with you today. But, I join my colleagues in urging the Federal Communications Commission to move forward as expeditiously as possible in adopting a standard for digital television.

The Grand Alliance Standard was developed after years of consultation between broadcasters and various other industry groups including the cable and computer industries. No compromise can satisfy all of the concerns of all parties; that is the nature of a compromise. While we are willing to continue discussing the concerns of all interested parties, at some point in the very near future a standard must be adopted. We urge the Commission not to hold a digital standard hostage to the illusive goal of appeasing every affected party.

We greatly appreciate your efforts to bring broadcasters and, most importantly, our viewers the improvements of digital technology. With thanks for your consideration,

Yours sincerely,

Rupert Murdoch



October 28, 1996

The Honorable Reed Hundt
Chairman,
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Mr. Chairman:

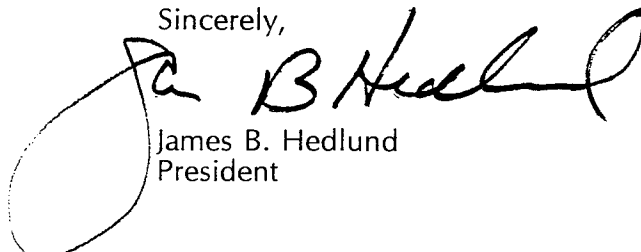
On behalf of this nation's local television stations, I urge you to adopt the ATSC-DTV digital television standard as soon as possible. Nearly a year has passed since the Advisory Committee on Advanced Television recommended the standard to the FCC. After years of extensive testing, including active participation by members of the computer industry, the time has come to move forward. A year is more than ample time for the FCC to properly evaluate the system.

The ATSC-DTV digital television standard will create the most advanced terrestrial digital television system in the world. The American people will receive a vast array of new programming services over-the-air. Local television stations across the country are eager to begin the transition to free, over-the-air digital broadcasting. This will not happen unless the FCC adopts the ATSC-DTV standard soon. As the FCC learned with AM stereo, standards are essential for the deployment of new technology in broadcasting.

Continued delay serves no useful purpose. Everyday, the European DVB standard, which is not as computer friendly as the ATSC-DTV standard, gains in the world's digital marketplace. The American system, with its jobs and technology benefits, loses ground because of FCC inaction. Lacking a free, digital, over-the-air system, consumers have no option but to rely on pay services to receive quality, digitally transmitted video images. Finally, re-engineering the ATSC-DTV standard could take years, delaying the time when spectrum can be recaptured by the government.

Because we have the best system in the world, ALTV believes that further discussions with opposing parties will give us an opportunity to fully explain the system to them. Nonetheless, the time has come to move forward and not re-argue engineering issues that have already been debated at length in the Advisory Committee process. Accordingly, we fully support Commissioner Ness' efforts to resolve this issue by Thanksgiving.

Sincerely,



James B. Hedlund
President

cc: FCC Commissioners

Contact: Frank McCann
James Harper

Time for Action

THOMSON EXECUTIVE URGES ADOPTION OF DIGITAL HDTV STANDARD; SAYS FAILURE TO DO SO WILL HARM CONSUMERS, STIFLE INVESTMENT

WASHINGTON, D.C., October 28, 1996 -- Joined by broadcasters, union officials and consumer advocates, a leading U.S. consumer electronics executive declared today that "it's time for the Federal Communications Commission (FCC) to adopt the digital HDTV standard so that the television industry can enter the 21st century."

Joseph P. Clayton, Executive Vice President of Indianapolis-based Thomson Consumer Electronics, told a joint news conference at National Association of Broadcasters (NAB) headquarters here that FCC approval of a new broadcast transmission standard "will unleash a new wave of investment and job creation."

Without a clearly mandated standard, he warned, "consumer electronics manufacturers will be reluctant to invest in the development and production of widescreen, digital HDTV receivers." He predicted that "a favorable FCC vote this year will assure mid-1998 introduction of the first digital television receivers in concert with the broadcast industry."

As for the impact on consumers, Clayton said that mandating a standard is "the only way to guarantee a rapid transition from today's NTSC to the world of digital broadcasting, while assuring compatibility of all TV sets throughout the United States."

Adoption of the new standard, he said, "will give consumers enormous choice as they enter the digital television era. It will mean that TV receiver manufacturers, with the benefit of high-volume production, will be able to offer consumers a full range of high-performance, cost-effective and reliable digital sets, just as we have done with analog color TVs for more than four decades."

By contrast, Clayton suggested that "those computer companies making an eleventh-hour bid to derail the standard are seeking to impose the computer industry's business model on TV-oriented consumers. Rather than high-quality, long-lasting, affordable receivers, their so-called 'baseline' proposal for digital television is untested, unproven and perhaps unreal."

He said "Having this candid discussion of viewpoints now should not be an impediment to the discussions suggested by FCC Commissioner Susan Ness that would involve various interested industries. She has shown great initiative in her proposal, and I can assure you that the television receiver industry will be supportive."

On the convergence of TV receivers and personal computers, Clayton noted that his company has joined with Compaq in developing "a TV/PC large-screen product that I expect will be the talk of the Consumer Electronics Show (CES) next January." He predicted that "consumers will continue to watch sports and movies on large-screen receivers in their family and living rooms, while serious computing will take place in home office environments."

One of the strengths of the proposed HDTV standard, Clayton said, is that it "promotes convergence without giving some software and computer companies the power to veto what should be the public's vote on how and where they view TV."

Thomson, which manufactures and markets RCA, GE and ProScan brand video products, is a worldwide leader in digital video technology. In addition to co-developing the Digital Satellite System (DSS) with Hughes Electronics, Thomson played a key role in the development of digital HDTV through its active participation as a member of the Grand Alliance.

#

Convergence With Computers Isn't an Issue; It Has Already Happened

The computer industry has railed long and hard that certain aspects of the ATSC digital television (DTV) Standard will prevent convergence of the television and computer industries. For example, Microsoft's filing with the FCC states that the inclusion of interlaced scanning in the standard "is outmoded and incompatible with today's computer applications." The computer companies that oppose the ATSC standard claim it would "stifle the convergence of television and computers and growth of the United States computer industry." Sounds like a serious problem. But consider a few examples of the actual status of "convergence" in the current marketplace:

- TV set manufacturers are offering product lines right now that allow viewers to switch seamlessly from tv (analog interlaced images from the television world) to the World Wide Web (progressive scan images from the computer world). Both Philips and Sony are offering WebTV™ Internet tv terminals at under \$350 that provide anyone with an ordinary analog interlaced tv set full access to the World Wide Web.
- Zenith is introducing NetVision (expected to hit store shelves in late 1996), a 27-inch tv set that allows selection and manipulation of the World Wide Web from the TV's remote control.
- Toshiba's new Infinia desktop computer comes complete with a TV tuner. Their press release announcing this multimedia unit claims that "Dad can catch the latest action in the basketball game while continuing to work on his presentation."
- Netscape and Progressive Networks have announced that 40 companies in the computer world have agreed on a standard for delivery of real-time video and audio over the Internet. Netscape says "this is the equivalent of the ATSC standard for television." No doubt that's where lots of the programming will come from.

Clearly convergence will not be stifled by the ATSC DTV standard. It's already here!

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
AFL-CIO**

**COMMUNICATIONS WORKERS OF AMERICA/NABET
AFL-CIO**

**INTERNATIONAL UNION OF ELECTRONIC, ELECTRICAL,
SALARIED, MACHINE AND FURNITURE WORKERS
AFL-CIO**

October 8, 1996

The Honorable Albert Gore, Jr.
Vice President of the United States
Old Executive Office Building
Washington, D.C. 20501

Dear Mr. Vice President:

Our three unions, the IBEW, CWA and IUE, have been closely involved in the development of, and now debate over, digital television and have a tremendous stake in the outcome. In addition, the AFL-CIO is on record supporting the proposed Grand Alliance transmission standard proposed for adoption by the FCC (copy enclosed).

As you know, tens of thousands of our members manufacture the finest television receivers in the world at numerous assembly and component facilities throughout the United States, including the Philips plant in Greenville, Tennessee (the second largest television plant in the world).

Two of our major employers, RCA and Philips, have pledged in writing to manufacture HDTV receivers in the U.S. if the FCC sets a transmission standard.

Our members also work by the thousands in the free broadcasting industry. They have an equally large stake in the debate over transmission standards and channel allocation of new broadcast channels for digital television, including HDTV. It is estimated that as stations convert to digital, billions of dollars will be invested by manufacturers and broadcasters which will create tens of thousands of new "high wage - high tech" quality jobs beginning in 1997!

Mr. Vice President, we applaud your advocacy of government's limited role in the free market; government is occasionally needed to set the framework so that innovation can occur within the private sector. From such action, investors get the confidence they need to invest, so that, in turn, consumers can enjoy better products at reasonable prices and new jobs can be created. We believe that the matter of digital HDTV transmission standards fits squarely within this philosophical context and that the FCC should adopt the full standard and mandate its exclusive use by broadcasters.

Over nine years ago, a Republican-led FCC challenged our private sector to invent an advanced television broadcasting system that would be superior to the Japanese satellite-only, analog HDTV system. Since then, four FCC Chairmen from both political parties have fostered this design, guided and overseen its development, and anticipated its adoption as the new broadcast standard for America. What ensued was an unprecedented peacetime effort by our finest scientists and business people in the consumer electronics, broadcasting, cable, production and computer industries to author a transmission standard for HDTV.

The resulting Grand Alliance system proved that the ATSC digital television standard unquestionably represents the finest digital video technology on earth and will provide consumers with universal access to the digital age, boosting fulfillment of the promise of the National Information Infrastructure and, yes, the Internet! The ATSC standard provides for full interoperability with computers and information industry transmission standards and leaves enormous room for future innovation and augmentation by all involved in the future television business. This standard will easily allow software providers to offer a dazzling array of future products and services to the American consumer.

In short, the proposed ATSC Standard is technologically superior to any other in the world, computer-friendly and flexible to accommodate future innovation.

We believe very strongly that the FCC should approve this ATSC Standard now. Frankly, the delays already incurred since this standard was formally recommended last November by the FCC Advisory Committee have already cost American business both credibility and economic opportunity. We want America to retain its technological leadership in digital video technology and as well as valuable export opportunities. As you know, Mr. Vice President, Canada and South America are ready to adopt the ATSC Standard pending U.S. government adoption. That could effectively guarantee that the U.S. standard could become a world standard which would be fully competitive with any alternatives now under development elsewhere. This would be a huge accomplishment that would sustain our technological pre-eminence, harness further creative power in the U.S. and create untold export capabilities for manufacturing and software products and services. The alternative would be to suffer the potential embarrassment of adopting, de facto or de jure, a lesser digital standard developed elsewhere. And, of course, many thousands of job opportunities would be forfeited.

If the FCC were to choose not to adopt this standard, the broadcasting medium on which most Americans rely for information, education, and entertainment would be dealt a devastating setback and all Americans would suffer from the inevitable diminution of a key

media competitor mired in the analog world. Our country would fall behind in the larger digital world. Many thousands of job opportunities will be lost and the consumer will lose the full benefits of the new digital television.

Mr. Vice President, we urge the Administration to press for adoption of the full ATSC Standard as soon as possible. We would be pleased to meet with you to discuss this important public policy matter.

Sincerely yours,


J.J. Barry


Morton Bahr


William Bywater

cc: Chairman Reed Hundt
Commissioner Quello
Commissioner Chong
Commissioner Ness
John J. Sweeney, President, AFL-CIO



CWA



For Immediate Release
October 17, 1996

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FCC Delay Threatens U.S. Jobs

Three Union Leaders Urge FCC Adoption of HDTV Standards

Washington, DC – Three union leaders warn that if the Federal Communications Commission (FCC) does not adopt national standards soon for the digital television industry, thousands of high-tech American manufacturing jobs will be lost. “The new digital television technology that is available to boost high-tech manufacturing in this country and provide high-quality entertainment and information is not being swiftly encouraged. This lack of foresight is leaving another opening for high-tech foreign competitors to fill the void in American markets,” the union leaders warned.

In a letter to Vice President Gore, union presidents from the International Brotherhood of Electrical Workers (IBEW), Communications Workers of America (CWA) and the International Union of Electronic Workers (IUE) wrote in support of the speedy adoption of the digital video technology standards agreed to by the Grand Alliance – the group of computer industry manufacturers and consumer electronic broadcasters responsible for studying the emerging technology.

“The Grand Alliance ATSC Standard should be adopted now. The delays already incurred since the standard was recommended last November by the FCC Advisory Committee have already cost American business both credibility and economic opportunity,” the letter stated.

“We want America to retain its technological leadership in digital video technology as well as to foster its valuable export opportunities. If we do not adopt these transmission standards now, other countries competing in this market will set the industry standard and the American market will not only be dealt an embarrassing blow, it will also lose thousands of high-tech job opportunities.”

“Adopting these standards, however, would sustain our technological pre-eminence, harness further creative power in the U.S. and create untold export capabilities for manufacturing and software products and services.”

– more –

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"Thousands of our members manufacture the finest television receivers in the world at numerous assembly and component facilities throughout the United States. Two of our major employers, Thompson and Philips, have pledged in writing to manufacture HDTV receivers in the U.S. if the FCC sets a transmission standard."

"Our members also work by the thousands in the free broadcasting industry. They have an equally large stake in the debate over transmission standards and channel allocation of new broadcast channels for digital television. It is estimated that as stations convert to digital, billions of dollars will be invested by manufacturers and broadcasters which will create tens of thousands of new 'high wage - high tech' quality jobs beginning in 1997!"

"If the FCC does not adopt this new standard, the broadcasting medium Americans rely on for information, education and entertainment will be dealt a devastating setback and all Americans will suffer from the inevitable diminution of a key media competitor mired in the analog world. Our country will fall behind in the larger digital world."

Conservative economists and some in the business community have been critical of any FCC action, claiming that the marketplace should be allowed to determine standards for digital television. However, the union leaders stressed that "government is occasionally needed to set the framework so that innovation can occur within the private sector. With established government standards, investors gain the confidence they need to invest, so that, in turn, consumers can enjoy better products at reasonable prices and new jobs can be created."

Labor Unions

Demand HDTV Standard

By TED HEARN

WASHINGTON — Predicting the loss of thousands of high-tech jobs without government action, three big labor unions stepped up their support for the TV station lobby by demanding federal adoption of a digital TV transmission standard.

In a recent letter to Vice President Al Gore, the unions said the standard, which the cable industry opposes, is critical to launching free, over-the-air digital TV and to establishing the United States as the world leader in this manufacturing sector.

The letter was sent as the National Association of Broadcasters prepares for a closed-door summit today (Oct. 28) to map strategy with its allies in order to win adoption of the digital transmission standard, said NAB spokesman Dennis Wharton.

The Federal Communications Commission is considering whether to adopt a transmission standard, but progress has been slowed by opposition from the cable industry, from prominent Hollywood filmmakers and from segments of the computer and software industries.

"If the FCC were to choose not to adopt this standard, the broadcasting medium on which most Americans rely for information, education and entertainment would be dealt a devastating setback," the unions said.

The call for a federal standard came from the leaders of the Communications Workers of America, the International Brotherhood of Electrical

Workers and the International Union of Electronic, Electrical, Salaried, Machine and Furniture Workers (IUE) in an Oct. 8 letter to Gore.

The three unions combined represent about 1.5 million workers.

Some FCC members are pushing for an interindustry compromise.

"They realize how important this is to their members," Wharton said.

FCC chairman Reed Hundt is reluctant to adopt a standard. Aides said Hundt might go along with a minimum standard that would sunset after a few years.

Hollywood is concerned that the configuration of movies would not be fully compatible with the digital standard, and computer and software companies fear that they will not be able to serve consumers that have digital TVs with products designed for computer screens.

The cable industry is opposed to the standard, arguing that it would lock in a technology that would be difficult to get the government to reverse. Moreover, the National Cable Television Association said standard-setting would stifle innovation.

The standard was recommended by a multi-industry working group called the

Grand Alliance, which included cable. The standard is flexible in that it can be employed to beam a single, high-definition (HDTV) picture or multiple standard-definition pictures. The cable industry is not opposed to voluntary use of the Grand Alliance standard.

For months, the Clinton administration's Larry Irving, director of the National Telecommunications and Information Administration, has been trying to piece together a compromise, and several FCC commissioners have been pushing for some sort of interindustry compromise.

The labor unions said although private-sector development of a standard was normally the proper course, "government is occasionally needed to set the framework so that innovation can occur within the private sector."

The unions said a government-decreed standard would give manufacturers the confidence to build receivers on a large scale and TV stations the confidence to upgrade their stations in order to beam digital signals to homes with the proper receivers.

"Two of our major employers, RCA and Philips [Consumer Electronics Inc.], have pledged in writing to manufacture HDTV receivers in the U.S. if the FCC sets a transmission standard," the

unions said. "It is estimated that as stations convert to digital, billions of dollars will be invested by manufacturers and broadcasters, which will create tens of thousands of new, 'high-wage, high-tech,' quality jobs beginning in 1997."

The unions also took issue with claims that the Grand Alliance standard was not computer-friendly. They said the standard provides for full interoperability, and it leaves "enormous room" for future innovation.

"This standard will easily allow software providers to offer a dazzling array of future products and services to the American consumer," the unions said. MCN



187519
**National Council
of Senior Citizens**

Executive Director
Steve Protulis
Washington, DC

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October 3, 1996

Mr. Steve Brobeck
Executive Director
Consumer Federation of America
1424 16th Street, N.W.
Washington, D.C. 20036

Dear Steve:

It has come to my attention that CFA has taken a position on the issue of digital television which I and others find disturbing.

As you may know, the National Council of Senior Citizens and the entire AFL-CIO is in support of the adoption of the Grand Alliance EDTV transmission standard by the Federal Communications Commission. That is because the adoption of this standard will create many thousands of jobs in the U.S., particularly among unionized workers in the consumer electronics and broadcasting sectors. Furthermore, the rapid transition to digital TV promised by the standard's adoption will be of large benefit to senior citizens and consumers because it will foster intense competition that will mean reasonable prices and impressive products.

As a CFA Board member, I do not recall the adoption of any resolution on this critical subject, nor am I aware of any internal debate. I do not in any way construe CFA's position on this matter as either pro labor or pro consumer. Nor am I happy with the fact that CFA's position seems to be guided primarily by the Media Access Project, a group with which I have no connection. Accordingly, I would like the CFA to re-evaluate its position as soon as possible.

I look forward to your response.

Sincerely,

Steve Protulis
Executive Director

cc Morton Bahr, President, CWA
John J. Barry, President, IBEW
William H. Bywater, President, IUE
Larry Mitchell, Comptroller, Ohio AFL-CIO