

Digital TV is coming to your town — not necessarily your TV.

By Darlene White Natale

STAY TUNED

In April, the Federal Communications Commission (FCC) launched the greatest metamorphosis in television since the advent of color TV, declaring that digital television will be the status quo in America by 2006.

Digital television differs from your current analog TV reception by producing a very sharp, crisp image, formatted like a movie theater screen, with CD-quality sound. Digital signals will render your existing TVs and VCRs junk.

In April at the National Association of Broadcasters Convention, Bethel Park-based Information Transmission Systems (ITS) put one of its transmitters on a mountain outside of Las Vegas. "It was fantastically clear, the image and the resolution," says the company's Dale Dalesio. "It's kind of like looking at a monitor and you think you can reach into it. Everyone who has seen these images and monitors says they want it."

The question is, will everyone be able to get it? And will the digital revolution's redistribution of the public airwaves be a fair trade, or a giant government giveaway?

Buy The Sky, Give Away The Sky

To encourage a coordinated digital transition, the FCC will give each currently licensed

broadcaster a new frequency to begin broadcasting digital transmissions while still broadcasting analog programs. For instance, WTAE will continue analog broadcasts on its existing channel while simultaneously broadcasting in digital on another. By 2006, broadcasters are scheduled to return their current analog frequencies to the FCC, which will then sell or assign them for use with pagers, new technology or emergency services.

Don Simon, executive vice-president of Common Cause, a consumer advocacy group, calls issuing new licenses to broadcasters a \$70 billion giveaway of public property. Simon blames the broadcast lobby's major political contributions for the passage of the Telecommunications Act of 1996 and the subsequent license giveaway. Simon claims the National Association of Broadcasters (NAB) spent \$2.3 million lobbying Congress in the first six months of 1996 alone.

Auctioning the public airwaves is not unprecedented. Cellular companies, phone companies and cable providers must bid for their frequencies, adding as much as \$10 billion to the federal coffers. Some see the digital frequency giveaway as a net loss. According to Adam Thierer of the Heritage Foundation, a conservative think tank, "the broadcasters, using specious arguments and blatant political influence, have convinced Congress to forego an additional \$10 billion to \$70 bil-

lion in spectrum revenues and just give this spectrum away to their industry without taxpayer compensation."

While few have dared to speak out about this in the broadcast media or Congress, former senator Bob Dole (R-Kansas) called the giveaway "a giant corporate welfare program." In 1996, Rep. Barney Frank (D-Massachusetts) tried to pass an amendment requiring the auction of the digital spectrum. Only 16 other House members voted for the auction. Apparently, few politicians are willing to take on the powerful broadcast media.

Criticism of the giveaway has been harsh. Acerbic *New York Times* columnist William Safire thinks it's "as if each American family is to be taxed \$1,000 to enrich the stockholders of Disney, G.E. and Westinghouse." Common Cause calls it "the largest corporate welfare giveaway in our nation's history."

But that's not the way local broadcaster Nancy Hahn sees it. "I don't regard it as a giveaway," she says. "That's something that I have more than earned. It was mine in the first place. They're not giving me anything that I didn't have before."

Hahn is the owner of UHF Channel 63 and the only female station owner in Pennsylvania. The 12 years since she put the station on the air, she says, have been difficult. "I gave this station my blood to build it. ... If the government took my frequency and left

me with nothing, that would be a sin. ... I was the one who put the frequency on the air, worked for it and gave it everything. The FCC didn't do that. ... In essence, we should be able to get a profit on the frequencies the [FCC] sells."

FCC Chairman Reed Hundt wanted to auction off the digital channels. Echoing Supreme Court decisions classifying the airwaves as public property, he labels the frequency giveaway the "biggest single gift of public property to any industry in this century." Yet last month, on Congressional orders, Hundt signed on the dotted line to issue instant licenses to broadcasters.

Digital Dollars

The controversy doesn't end with the gift of frequencies. Broadcasters must purchase all-digital equipment by 2006. "We're spending millions of dollars in order to retool our entire operation," says Oleen Eagle, station manager of Cornerstone TeleVision's WPCB, a small Pittsburgh-area Christian station, "and ... the big gift they're giving us is the use of a second channel for simulcasting for five years. So, not only do we have to incur the cost of going digital, but then we have to incur the cost of simulcasting two different signals of the same programming, which will mean that our operating costs will double."

Joseph Heston, vice president of the station manager at WTAE, estimates the cost of digital conversion to be \$8 million to \$14 million. He is quick to add that, so far, some of the necessary equipment doesn't even exist. The required length of time broadcasters must simulcast remains uncertain, too, he says, because the original FCC rules state that the conversion time line will be reevaluated every two years. Heston expects the ultimate cost of simulcasting to surpass today's estimates, due to high operational and power costs.

There is also serious doubt that the analog airwaves will be returned by 2006. Unless the government provides the poor and those who refuse to buy the new digital TVs with free converter boxes, analog signals are likely to continue. Even with converter boxes, the new wider digital format will deliver a smaller letter-boxed picture on analog screens, with big bands of black at the top and bottom.

"There are going to be a lot of people who find it a real hardship to keep up with this," warns Cornerstone's Eagle. "The last major change in television was black and white to