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FCC Announces Fiscal Year 2002 Regulatory Fees

The Commission has announced the amounts of the annual regulatory fees for Fiscal Year 2002. *The fees must be paid to the FCC between Tuesday, September 10, 2002 and Wednesday, September 25, 2002.* Included as part of this Memorandum are two tables which set forth the

new fee amounts applicable to broadcasters. For more information on the annual regulatory fees, please contact any of the lawyers in the Communications Practice Group.

Commission Seeks Comment on Revised Strategic Plan for 2003-2008

The Commission has announced that it is seeking comment on the latest draft of its revised strategic plan for the years 2003 to 2008. The plan, required by the Government Performance and Results Act of 1993, sets forth the goals and objectives that the agency has set for itself over the six-year planning period.

Commenters are asked to specifically focus on (a) the strategic direction proposed in the plan as embodied in the general goals and objectives; (b) additional information to provide context for the goals; and (c) means and methods to enable the agency to meet the goals and objectives.

The draft strategic plan can be viewed at <http://www.fcc.gov/omd/strategicplan>.

Comments on the plan must be filed with the Commission by August 2, 2002, and may be submitted by paper filing through the postal system (addressed to Strategic Plan Comments, Karen Wheelless, 445 12th Street, SW, Room 1-A807, Washington, DC 20554) or via email (Kwheelles@fcc.gov).

Media Bureau Approves Use of Digital Data Insertion System by NTSC TV Stations

The Media Bureau has approved a request by Dotcast, Inc. to allow the use of a digital data insertion system, dNTSC™, by NTSC television stations, including low power television stations. The approval, announced in a *Letter* (DA 02-1552, released June 28, 2002), will allow TV licensees to use the system without further FCC consent.

According to the Bureau, the system “adds a radio-frequency-based data subcarrier onto NTSC television transmissions at the output of the transmitter’s exciter.” The Bureau’s approval is

conditioned on additional testing regarding potential interference problems which is underway at the Advanced Television Testing Center.

The Bureau noted that the services made possible by the technology, including movies and music on demand, broadband Internet service and distance learning, may well create a new revenue stream for licensees that will assist in financing the transition to DTV. For more information on the system, please contact any of the lawyers in the Communications Practice Group.

Copyright Owners May Submit Claims for 2001 Cable and Satellite Royalties Electronically

Due to recent difficulties with mail delivery, the Copyright Office of the Library of Congress is allowing copyright owners claiming royalties under the statutory license for cable retransmission of over-the-air television and radio stations, 17 U.S.C. 111, and the statutory license for satellite retransmissions of over-the-air stations, 17 U.S.C. 119, to file their claims electronically for 2001 royalties. Claimants may file a single claim for royalties, or a joint claim on behalf of more than one copyright owner, by on-line submission or by sending an email with the claim attached. Instructions for electronic submission of cable and satellite claims are available on the Copyright Office website. **All submissions, whether sent by mail or electronically, must be made during the period commencing at midnight on July 1, 2002, and terminating at midnight on July 31, 2002.**

For those filing their claims by mail, the Copyright Office has posted on its website forms that may be downloaded and printed for submission of cable and satellite claims. It is not a requirement that the forms be used for mailed claims, but it is strongly recommended.

While the Copyright Office will continue to accept claims submitted through the postal system, it is urging claimants to submit their claims electronically. Broadcasters who wish to electronically file **cable claims** should go to <http://www.copyright.gov/carp/cable/claims.html>. To electronically file **satellite claims**, go to <http://www.copyright.gov/satellite/cable/claims.html>. For more information on the claims process, including assistance in preparing and filing claims, please contact any of the lawyers in the Communications Practice Group.

FCC Expands Eligibility for CARS to All MVPDs

The Commission has modified its rules regarding the Cable Television Relay Service (CARS) to allow all multichannel video programming distributors (MVPDs) to apply for CARS licenses. Private Cable Operators (PCOs), Direct Broadcast Satellite Operators (DBS), Open Video Systems (OVS), and others who provide multiple channels of video programming will be authorized to join cable television systems and Wireless Cable Systems (MMDS) in utilizing CARS microwave frequencies to enhance their distribution of video programming.

While the Commission reaffirmed that the predominant use of CARS frequencies should be video transmission, the FCC noted that it reserved the opportunity to consider the flexible use of CARS bands in other proceedings and to consider the expansion of eligibility to use CARS.

Commission Issues Notice of Inquiry for Ninth Annual Report to Congress on the Status of Competition in the Market for the Delivery of Video Programming

The Commission has issued a *Notice of Inquiry* seeking information with which to prepare its ninth annual report to Congress on the state of competition in the video programming delivery market, as mandated by Section 628(g) of the Communications Act. The report will seek to compare video distribution alternatives that are available to consumers, to evaluate the degree of choice that consumers enjoy, and to properly define the economic market where the competition occurs. The annual report will report on changes since the 2001 report. **Comments in response to the Notice of Inquiry are due by July 29, 2002, and reply comments are due by August 30, 2002.** For more information on the report, as well as assistance in the preparation and filing of comments and reply comments, please contact any of the lawyers in the Communications Practice Group.

Media Bureau Seeks Comment on Experimental Economics Study on Horizontal Concentration in the Cable Industry

The Commission recently conducted a study utilizing the methodology of experimental economics to attempt to measure the extent to which different levels of horizontal concentration among multichannel video programming distributors (MVPDs) might affect the flow of video

programming to consumers. Experimental economics, according to the FCC, examines economic interactions among market participants in controlled laboratory settings.

The study simulated a market environment in which buyers and sellers purchased and sold programming. The study was announced by *Public Notice* DA 02-1304, released June 3, 2002, and has been released by the Office of Plans and Policy as OPP Working Paper No. 35, "Horizontal Concentration in the Cable Television Industry: An Experimental Analysis," by Mark Bykowsky, Anthony M. Kwasnica and William Sharkey.

The Media Bureau is seeking comments on the study, particularly as to its value as empirical evidence in the FCC's consideration of the pending cable ownership rulemaking (FCC 01-263), as well as the AT&T/Comcast license transfer proceeding. **Comments on the study are due by July 18, 2002, with reply comments due by August 2, 2002.** For more information on the study, as well as assistance in the preparation and filing of comments and reply comments, please contact any of the lawyers in the Communications Practice Group.

New EAS Rules Became Effective on May 16, 2002

The Commission's revisions to the Emergency Alert System (EAS) rules, the first significant changes to the EAS since it replaced the Emergency Broadcast System in 1994, became effective on May 16, 2002. We reported on the adoption of the rule changes by the FCC in **Memorandum to Broadcast Clients**, BC No. 02-01 (March 8, 2002). A primary thrust of the rule changes is to better enable EAS to be utilized in cases of child abduction where authorities believe the child is in danger of serious bodily injury or death. So-called AMBER plans are now in place in several states. For more information on the rule changes and their impact on your operations, please contact any of the lawyers in the Communications Practice Group.

Deadlines for Mandatory Electronic Filing of FCC Forms 301-CA, 302-CA, 323, 323-E, 346, 349 and 350 Announced by Media Bureau

In recent *Public Notices* the Media Bureau has announced deadlines for mandatory electronic filing of a number of FCC forms. Beginning on May 21, 2002, Forms 301-CA (Application for Authority to Make Changes in a Class A Television Broadcast Station, June 2000 edition), 346 (Application for Authority to Construct or Make Changes in a Low Power TV, TV Translator, or TV Booster Station, June 2000 edition), 349 (Application for Authority

to Construct or Make Changes in a FM Translator or FM Booster Station, March 2001 edition) and 350 (Application for a FM Translator or FM Booster Station License, April 2001 edition) are required to be filed electronically with the FCC.

Beginning on June 11, 2002, Form 302-CA (Application for Class A Television Broadcast Station Construction Permit or License) must also be filed electronically with the FCC.

Beginning on July 1, 2002, Forms 323 (Ownership Report for Commercial Broadcast Station) and 323-E (Ownership Report for Noncommercial Educational Broadcast Station) are required to be filed electronically with the FCC.

The Media Bureau's electronic filing system can be accessed at <http://www.fcc.gov/mb>. For more information on electronic filing, please contact any of the lawyers in the Communications Practice Group.

New FM Allotments

The following new FM allotments have been announced recently by the FCC. Allocations marked with an asterisk are reserved for noncommercial educational use. Filing windows will be announced in future auction *Public Notices*. For more information, please contact any of the lawyers in the Communications Practice Group.

Community	Channel
Boscobel, WI	244C3
Olathe, CO	270C2
Woodbury, GA	233A
Reliance, WY	265C3
Earle Lake, TX	237C3
Montana City, MT	293A
Plainville, GA	285A
Rosholt, WI	263A
Morgantown, KY	256A
Boswell, OK	282C3
Frederic, MI	237A
Pierce, NE	248C2
Coosada, AL	226A
Pineview, GA	226A
Diamond Lake, OR	299A
Salome, AZ	270A
Paulden, AZ	263C3
Custer, MI	263A
Cheyboygan, MI	249C3
Onaway, MI	292C2
Parker, AZ	247C3
Mason, TX	269C3
Bearden, AR	224A
Benadives, TX	282A
Freer, TX	288A
Ballinger, TX	238A
Eldorado, TX	293A
George West, TX	292A
Grandin, MO	283A
Pawhuska, OK	233A
Weinert, TX	266C3

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Fiscal Year 2002 FCC Regulatory Fees Applicable to Broadcasters

Fee Category	Annual Fee (\$)
PLMRS (per license) (exclusive use) (47 CFR Part 90)	5
Microwave (per license) (47 CFR Part 101)	10
218-219 MHz (formerly IVDS) (per license) (47 CFR Part 95)	25
General Mobile Radio Service (per license) (47 CFR Part 95)	5
Multipoint Distribution Services (MMDS & LMDS) (per call sign) (47 CFR Parts 21 and 101)	430
AM Radio Construction Permits	370
FM Radio Construction Permits	1500
TV (47 CFR Part 73) VHF Commercial	
Markets 1 through 10	47,050
Markets 11 through 25	34,700
Markets 26 through 50	23,625
Markets 51 through 100	15,150
Remaining Markets	3,525
Construction Permits	2,750
TV (47 CFR Part 73) UHF Commercial	
Markets 1 through 10	12,800
Markets 11 through 25	10,300
Markets 26 through 50	6,600
Markets 51 through 100	3,875
Remaining Markets	1,075
Construction Permits	5,175
Satellite Television Stations (all markets)	805
Construction Permits - Satellite Television Stations	420
LPTV, TV & FM Translators and Boosters (47 CFR Part 74) (includes Class A TV stations)	320
Broadcast Auxiliary (47 CFR Part 74)	10
Earth Stations (47 CFR Part 25)	140
International (HF) Broadcast Stations (47 CFR Part 73)	495

Fiscal Year 2002 FCC Regulatory Fees for Radio Stations

Population Served	AM Class A	AM Class B	AM Class C	AM Class D	FM Classes A, B1 & C3	FM Classes B, C, C1 & C2
Less than 20,000	\$500	\$375	\$275	\$325	\$375	\$500
20,001 to 50,000	925	725	375	525	725	925
50,001 to 125,000	1,500	975	525	775	975	1,500
125,001 to 400,000	2,250	1,575	800	950	1,575	2,250
400,001 to 1,000,000	3,125	2,525	1,425	1,700	2,525	3,125
Over 1,000,000	4,975	4,100	2,075	2,625	4,100	4,975