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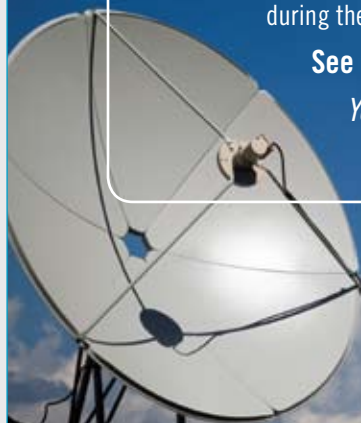
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FCC Update: Decision on Localism Coming Soon

The Federal Communications Commission (FCC) is continuing to drive a proposal to help ensure that broadcast stations “offer programming responsive to the needs and interests of the communities they are licensed to serve.” The Report on Broadcast Localism and Notice of Proposed Rulemaking includes specific proposals intended to increase local programming and to promote diversity in broadcast content.

Among the proposals made in the report are:

- Qualified Low Power Television (LPTV) stations would be required to provide three hours per week of locally produced programming
- Licensees would be required to establish permanent advisory boards in each station area for consultation on community needs and issues

Thus far, the FCC has received more than 83,000 written comments from stakeholders and has heard testimony of 500 panelists offered during the six field hearings on localism conducted throughout the country last year. Barring further extensions to the comment period, the FCC will consider the comments that it has received and make a decision soon about how to go forward.

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—WARREN BUFFETT



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FCC Watches DTV Transition Test in Wilmington

Although the official Digital Television (DTV) conversion doesn't take place until Feb. 17, 2009, commercial broadcasters in Wilmington, N.C., have agreed to turn off their analog signals on Sept. 8 and broadcast only digital signals to their viewers. A PBS station, WUNJ, will broadcast in both digital and analog.

According to the commission, the Wilmington pilot project will serve as a test case to see how broadcasters and consumers fare in an analog-to-digital transition. According to FCC Chairman Kevin Martin, the Wilmington pilot project "will help us spot issues that we need to address elsewhere in the country before next February."

The commission selected Wilmington as a test market because all of the commercial stations there have already completed construction of their DTV channels and are operating at full post-transition power.

While there are concerns about how the February DTV transition will go, the general consensus at the recent Cable Show in New Orleans was that it should proceed relatively smooth. Speaking on a panel called Digital Transition: Preparing for the End of Analog TV Broadcast, a group of experts felt there may be an "Oops period" after Feb. 17 in which some people miss their preferred programming. But they predicted that most consumers would simply obtain a DTV converter box and that the deadline would not provoke a significant outcry.

Some other stations were taking up grass roots efforts and holding town hall meetings to discuss why the changes are happening and what each consumer should do. Univision recently held a town hall meeting in Chicago and more than 700 people came to learn about DTV conversion. Univision plans also to visit Los Angeles to do grassroots preparation for the February transition deadline.

Although not mandated to go digital, if you are a low power television network NPR Satellite Services can assist with recommendations on cost effective means to go digital. NPRSS sells compressed digital video and can improve reliability, reach, and control cost. For more information on how NPRSS can help with your broadcasting needs please call 202.513.2626 or linkup@npr.org.

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Copies of the Report, and of related documents, are available for downloading at <http://www.fcc.gov/localism/>.

NPR Satellite Services works hard to create solutions that can adapt to the changing needs of our customers. If you are planning changes based on the FCC Report, feel free to contact us for help matching your new plans with the optimal distribution technology. Contact NPR Satellite Services at 202.513.2626 or linkup@npr.org.



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HD Radio Sales Slowly Gaining Ground

HD Radio has been slow to catch on with the public, but recent surveys and reports indicate that brighter days may be ahead. According to retailer surveys and reports, HD radio sales are slowly growing, primarily due to falling product prices and increasing public recognition of the benefits of multi-casting. The market for car HD radio sales is looking good too, with more of these units sold than products intended for home use.

Falling costs are likely the biggest boon to acceptance of HD radio. Stereo receivers with HD capabilities were, as recently as a year ago, priced in the thousands of dollars. Now, consumers can purchase Sony standalone component HD tuners for

\$100, and in-dash CD receivers with embedded HD radio are at a similar price point.

Furthermore, close to one thousand radio broadcasters are now multicasting several programs at the same time on their frequencies. As consumers are educated on multi-casting, the appeal of HD is certain to rise. Some retailers also are promoting the superior sound quality of HD radio as compared to satellite radio providers XM and Sirius.

For more information on how NPRSS can help you with your HD radio broadcasting needs, please contact us at 202.513.2626 or linkup@npr.org.

Broadcasters are supporting the low-power TV (LPTV) industry in calling on the NTIA to work with the FCC to ensure more DTV-to-analog pass-through converters are made available in the marketplace. The lack of such boxes for some LPTV viewers could result in a disruption of their service and “inconvenience and confuse” viewers, NAB President-CEO David Rehr wrote in a letter to the NTIA.

NPRSS Secures Expanded Satellite Access Through 2018

NPRSS celebrated a key milestone recently when NPR President Kevin Klose signed an agreement with Intelsat to provide satellite capacity through 2018 and ensure the vitality of the network.

Currently NPR uses three transponders on the Galaxy 16 satellite to transmit content. This new agreement provides access to space on a fourth transponder (transponder 7), which began last month. In October, the space will expand to include the entire transponder.

The expanded capacity will allow for an increase in business during the next ten years. It also extends the existing leases for Transponders 1, 3, and 5 of Galaxy 16. In addition, the agreement ensures backup satellite capacity in the event of failure of the primary satellite.

The signing ceremony was attended by George Gimourginas, Director of NPRSS Business Activities; Kurt Riegelman, Intelsat Senior Vice President for Global sales; and representatives from NPR and the Corporation for Public Broadcasting.

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