

cover BLM's costs of processing certain documents relating to its minerals programs. The primary purpose of this rule is to charge those who benefit from these minerals programs, rather than the general public, the costs of BLM minerals documents processing. In response to public requests for additional time, BLM extends the comment period 60 days from the original comment period closing date of February 13, 2001, to the extended comment period's closing date of April 16, 2001.

**DATES:** Send your comments to BLM on or before April 16, 2001 to assure BLM will consider them in preparing the final rule.

**ADDRESSES:** Send your comments to the Bureau of Land Management Administrative Record, Room 401 LS, 1849 C Street, NW., Washington, DC 20240, or hand deliver comments to the Bureau of Land Management Administrative Record, Room 401, 1620 L Street, NW., Washington DC. For information about filing comments electronically, see the **SUPPLEMENTARY INFORMATION** section under "Electronic access and filing address."

**FOR FURTHER INFORMATION CONTACT:** For questions about fluid minerals (oil, gas, geothermal resources) call Kermit Witherbee at (202) 452-0335. For questions about solid minerals, including coal, Durga Rimal at (202) 452-0372. If you require a telecommunications device for the deaf (TDD), you may call the Federal Information Relay Service at 1-800-877-8339 between 8:00 a.m. and 4:00 p.m. Eastern time, Monday through Friday, excluding Federal holidays.

#### **SUPPLEMENTARY INFORMATION:**

##### **Electronic Access and Filing Address**

You can view an electronic version of this proposed rule at BLM's Internet home page: [www.blm.gov](http://www.blm.gov). You can also comment via the Internet at: [WOCComment@wo.blm.gov](mailto:WOCComment@wo.blm.gov). Please include "Attention: AC64" and your name and return address in your Internet message. If you do not receive a confirmation from our system that we have received your Internet message, contact us directly at (202) 452-5030.

##### **Written Comments**

Written comments on the proposed rule should:

- A. Be specific;
- B. Be confined to issues pertinent to the proposed rule;
- C. Explain the reason for any recommended change; and

D. Reference the specific section or paragraph of the proposal you are addressing.

The BLM may not necessarily consider or include in the Administrative Record for the final rule comments which BLM receives after the close of the comment period (See **DATES**) or comments delivered to an address other than those listed above (See **ADDRESSES**).

You can review comments, including names, street addresses, and other contact information of respondents at this address during regular business hours (7:45 a.m. to 4:15 p.m.), Monday through Friday, except Federal holidays. If you are an individual respondent you may request confidentiality. If you request that BLM consider withholding your name, street address, and other contact information (such as: Internet address, FAX or phone number) from public review or from disclosure under the Freedom of Information Act, you must state this prominently at the beginning of your comment. BLM will honor requests for confidentiality on a case-by-case basis to the extent allowed by law. BLM will make available for public inspection in their entirety all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses.

Dated: February 6, 2001.

**Piet deWilt,**

*Acting Assistant Secretary, Land and Minerals Management.*

[FR Doc. 01-3739 Filed 2-12-01; 8:45 am]

**BILLING CODE 4310-84-P**

## **FEDERAL COMMUNICATIONS COMMISSION**

### **47 CFR Part 73**

**[MM Docket No. 00-39; FCC 01-24]**

#### **Broadcast Services; Radio Stations, Television Stations**

**AGENCY:** Federal Communications Commission.

**ACTION:** Proposed rule.

**SUMMARY:** In this document, the Commission explores the issues and concerns raised by parties regarding DTV reception capability, and we propose to require that certain types of new television sets have the capability to demodulate and decode over-the-air DTV signals by a date certain. We also seek comment on how best to implement such a requirement, including alternatives for phasing-in

DTV reception capability in a manner that would minimize costs for both manufacturers and consumers. Finally, we propose to adopt labeling requirements with respect to television receivers that are not capable of receiving over-the-air broadcast television signals but, instead, are intended for use only with cable television reception.

**DATES:** Comments are due by April 6, 2001; reply comments are due by May 7, 2001.

**ADDRESSES:** Federal Communications Commission, 445 12th Street, SW., Washington, DC. 20554.

**FOR FURTHER INFORMATION CONTACT:** Roger Holberg, or Mania Baghdadi, Mass Media Bureau, Policy and Rules Division, (202) 418-2120 or Alan Stillwell or Bruce Franca, Office of Engineering and Technology, (202) 418-2470.

**SUPPLEMENTARY INFORMATION:** This is a synopsis of the *Further Notice of Proposed Rule Making ("FNPRM")* in MM Docket No. 00-39, FCC 01-24, adopted January 18, 2001, and released January 19, 2001. The complete text of this document is available for inspection and copying during normal business hours in the FCC Reference Center, Room CY-A257, 445 12th Street, SW., Washington, DC. and may also be purchased from the Commission's copy contractor, International Transcription Service (202) 857-3800, 445 12th Street, SW., Room CY-B402, Washington, DC. The *FNPRM* is also available on the Internet at the Commission's website: <http://www.fcc.gov>.

#### **Synopsis of Further Notice of Proposed Rule Making**

##### *I. Background*

1. In the Commission's digital television proceeding (MM Docket No. 87-268) we repeatedly indicated our intent to hold periodic reviews of the progress of the conversion to digital television and to make such mid-course corrections as were necessary to ensure the success of that conversion. In the *Fifth Report and Order*, 62 FR 26966, May 16, 1997 ("5R&O"), we stated that we would conduct such a review every two years. We commenced this, the first, periodic review, with a *Notice of Proposed Rule Making ("NPRM")*, adopted March 6, 2000 (65 FR 15600, March 23, 2000). In that *NPRM* we stated that the conversion is progressing and that television stations are working hard to convert to digital television. We invited comment on several issues that we considered essential to be resolved in order to ensure that progress

continued and that potential sources of delay were eliminated. In a *Report and Order* ("R&O"), also adopted January 18, 2001, in this proceeding we resolved a number of issues raised in the initial *NPRM*. We also adopted this *FNPRM* in order to solicit comment on the issues of whether and, if so, how to implement a DTV receiver requirement, whether to require labels on all DTV receivers designed for use only with a signal source other than broadcast (e.g., cable, DBS, etc.), and whether to update our current DTV standard to reflect amendments to the ATSC DTV Standard that have been made since we substantially incorporated that standard into our rules.

## II. Discussion

2. In response to the *NPRM* in this proceeding, a number of parties have argued that the Commission should require digital reception capability in all receivers, aside from particular performance thresholds. Their comments also implicated the accurate identification and marketing of receivers with various capabilities. In addition, consumer advocates have complained that any requirement that all receivers contain digital reception capability places an undue burden on consumers, and particularly low-income consumers. These comments have raised pertinent questions on which we will seek further information and comment to develop a full record on the current pertinence of such recommendations.

3. *DTV Receiver Standards—DTV Demodulation Requirement.* The NAB and the NABA submit that the Commission should adopt rules requiring every new television receiver sold to include the capability to receive DTV signals. The NAB states that this requirement is needed because market forces are not working to effect DTV receiver penetration except at an extremely slow pace. It observes that current DTV receivers are not in the marketplace in great numbers and existing sales volume of DTV receivers will not support the timely conversion and recovery of spectrum envisioned by the Commission and Congress. The NAB and the NABA argue a requirement that new TV receivers be capable of tuning DTV channels is therefore needed to push the transition along quickly. They specifically propose that the Commission require all new television receivers thirteen inches and greater in diagonal screen size to be capable of receiving all frequencies allocated by the Commission to television broadcasting, including all NTSC and all DTV channels. Although the NAB and NABA conclude the increased

burden on consumers is temporary and thus acceptable, other commenters have concluded otherwise. The Consumer Federation of America (CFA) argued that a tuner requirement would place a burden on consumers, especially low-income consumers who "may potentially be priced out of the market. \* \* \*" CFA also stated that "[w]ithout more programming it is clear that there will not be a timely and complete transition to digital television. \* \* \*"

4. The NAB argues that the Commission has authority for such action under the All Channel Receiver Act (ACRA), and that there is precedent in the all channel television receiver rules. It observes that the *Senate Report* accompanying that legislation noted three points in favor of promoting UHF receivers that are equally applicable to DTV: (1) That this is a unique situation; (2) while there will be an increased cost, it is expected that this will be substantially reduced once the benefits of mass production are fully realized; and (3) in any event, the relatively slight increase in cost will be a small price to pay for the unlocking of the \* \* \* valuable UHF channels. The NAB submits that there are obvious parallels to DTV. It states that the DTV process is a unique transition of the entire television system to digital technology. The NAB and NABA state that while the price the public will pay to purchase an all channel receiver will initially be higher, the costs of such receivers will fall substantially as production increases. And finally, they state that the higher costs will be a small price to pay for "unlocking" the valuable DTV channels and, in addition, unlocking the valuable NTSC channels to be returned for public benefit and use.

5. In addition, in their reply comments CEA and Thomson argue that the ACRA does not provide the Commission authority to require DTV tuners in every set. They argue that in passing the ACRA, Congress only intended to ensure the viability of UHF broadcasting and that it did not foresee or intend to accommodate new modes of broadcasting, particularly digital broadcasting. CEA further argues that Congress explicitly considered but rejected empowering the Commission generally to set receiver standards. Thomson argues that in the DTV proceeding, the Commission itself acknowledged the ACRA's narrow scope in this area when it found that the Act does not mandate the manufacture of so-called dual-mode receivers, i.e., receivers capable of receiving both analog and DTV signals.

6. As NAB, NABA and other commenters observe, DTV receivers are

not yet available in the market in large quantities, and certainly not in sufficient volume to support a rapid transition to an all-digital broadcast television service. We request comment on whether a requirement to include DTV reception capability in certain new television sets could help to develop the production volumes needed to bring DTV prices down to where they are more attractive to consumers and thereby promote the more rapid development of high DTV set penetration. In particular, we seek comment on whether we should require that certain types of TV sets have the capability to demodulate and decode over-the-air DTV signals. Under such a requirement, TV sets would have to provide useable picture and sound commensurate with their video display and audio capabilities when receiving any of the recognized ATSC video formats. Such a requirement would not necessitate full HDTV capability in TV sets. For example, a TV set that had only NTSC level display capabilities would only have to be able to demodulate and decode DTV signals and present them at a standard definition display level equivalent to its NTSC capabilities. This capability would reduce reliance on analog television transmissions. We are, however, concerned about the potential impact of such a requirement on consumers, especially low-income consumers. We therefore seek comment on the initial projected costs of such a requirement as well as realistic estimates of those costs over time. We also seek comment on consumer television receiver purchasing patterns, especially those of low-income consumers.

7. We request comment on how best to implement DTV reception capability requirements, if we were to adopt them. We recognize that consumer electronics manufacturers would need time to implement such a requirement. The cost of DTV receiver components is still relatively high and it would not be economically feasible at this point to include DTV capability in smaller screen receivers, i.e., 20 inches or less. In this regard, we understand the cost considerations associated with including DTV reception capability in TV sets now, and do not wish to impose undue costs on consumers or disrupt TV set pricing structure or the availability of TV receivers to consumers. One approach to minimize the impact of such a requirement would be to phase it in over time to take advantage of declining costs associated with electronics manufacturing volumes and apply the requirement initially only to

receivers with large screen sizes, e.g., 32 inches and above. Such receivers are typically higher priced units where the cost of DTV components would be a smaller percentage of the cost of a receiver. Each manufacturer would be required to include DTV capability in an increasing percentage of the large screen units it markets each year. For example, in the first year of the requirements, 20 percent or some other percentage of each manufacturer's large screen models would be required to have DTV receive capability and this percentage would increase on some schedule in subsequent years. Separate set-top DTV receiver could be included in meeting the reception capability requirements. As the costs of components decrease, the requirement for DTV reception capability could be applied to more units each year by reducing the threshold screen size and by increasing the portion of units that would have to comply. We seek comment on what would be an appropriate minimum screen size for an initial requirement and the schedule for extending such requirements to other receivers. We also request comment on the cost implications of DTV reception capability requirements for both consumers and manufacturers.

8. We further request comment on whether any DTV reception capability requirements we might adopt should be based on percentages of the models marketed by each manufacturer, rather than units of production. In addition, we invite interested parties to submit other plans that would result in new TV receivers being equipped with DTV capability that would result in widespread penetration of TV receivers in households to enable the transition from analog to digital TV service consistent with the intent of Congress in 47 U.S.C. 309(j)(14), and a discussion of the likely effectiveness of such alternative plans.

9. With regard to our authority to establish requirements for DTV receiver capabilities, we observe that 47 U.S.C. 303(s), as noted above, provides the Commission with authority to require that television receivers be capable of adequately receiving all frequencies allocated by the Commission to television broadcasting. While Congress in 1962 did not anticipate the advent of digital television service, a plain language reading of this section does not limit our authority to analog television receivers, nor does it limit our authority to channels in the UHF band. Inasmuch as the frequencies allocated to television broadcasting now include those channels allotted for DTV service, 47 U.S.C. 303(s) provides the Commission

with authority to require that television receivers be capable of adequately receiving those channels. Moreover, the ACRA's legislative history suggests that Congress' reasoning in enacting the statute supports such a conclusion. We seek comment on how to construct any DTV tuner requirement consistent with any relevant statutory authority, including 47 U.S.C. 303(s) and any other relevant sections of the Communications Act.

10. *Receiver Labeling.* Turning to another issue concerning digital television receivers, we observe that television receivers could be marketed that do not have the capability to receive over-the-air broadcast signals. For example, receivers intended only for use in receiving cable or direct broadcast satellite service might not include the capability to tune over-the-air broadcast television signals. While we are not aware of any such receivers that are being marketed at this time, such devices would be permissible under our rules. In this regard, the all-channel reception provisions of 47 CFR 15.117(b) would not apply to receivers that did not have any capability for receiving broadcast signals. We expect that consumers will continue to expect that all digital television receivers will be able to receive over-the-air digital broadcast signals and that manufacturers therefore will continue to equip all television receivers with this capability. If, however, manufacturers do at some point chose to produce receivers that can be used with digital cable systems but cannot receive digital broadcast signals, we believe that consumers should be so notified prior to purchase. We therefore intend to explore this question and possible Commission responses. We seek comment on whether any manufacturers are producing or plan to produce digital television receivers that can receive digital cable transmissions but are incapable of receiving digital broadcast signals off-the-air. We also seek comment on whether the Commission should require any digital television receivers that cannot receive off-the-air digital broadcast signals to carry a label informing consumers of this limitation on the receivers' functionality. Parties supporting such a labeling requirement may wish to propose labels keeping in mind our goals of ease of understanding for consumers and low cost and ease of compliance for manufacturers.

11. *Update of the DTV Standard.* As indicated above, there has been an update to the ATSC DTV Standard since 1996, when we adopted it. When we incorporated most of the ATSC DTV Standard into our rules by reference, we

made reference to the version of that Standard which was the most recent iteration of the Standard at that time. Specifically, we incorporated by reference "ATSC Digital Television Standard, 16 Sep 95." However, as commenters noted, this standard has been updated since we incorporated it into our rules. Accordingly, we seek comment on whether we should revise our rules to include reference the March 16, 2000, amendment to the standard. Commenters favoring revision should specify whether we should refrain from incorporating any parts of this update, as we did with regard to the eighteen video format constraints in the original ATSC DTV Standard. Additionally, we specifically do not plan on considering in regard to updating the standard comments urging us to amend the standard with regard to its 8 VSB modulation component, or to fundamentally change the standard in any other way such as, for example, by prohibiting its use of interlaced scanning, changing the audio component of the standard, or altering its frame aspect ratios.

### III. Conclusion

12. At the outset of this proceeding we stated that the conversion to digital is progressing and television stations are working hard to convert to DTV. The comments we received in response to the *NPRM* have mostly further confirmed our initial impressions. We believe that the conversion is, indeed, making progress and that the actions we are taking, and proposing, herein will hasten this transition. Particularly, our choice of an early channel election for commercial licensees and our decision not to require replication of NTSC service should well conduce to allowing stations to make plans and purchase equipment at the earliest practicable times. We believe that specific receiver performance standards are neither necessary nor useful at this time but we are inclined that a mandatory phase-in of a DTV reception capability in receivers will best ensure the rapid progress of the transition at a reasonable cost to consumers. We will continue to monitor the progress toward the DTV conversion and will in future reviews take those actions needed to accomplish a smooth transition by December 31, 2006.

### IV. Administrative Matters

13. *Comments and Reply Comments.* Pursuant to 47 CFR 1.415, 1.419, interested parties may file comments on or before April 6, 2001, and reply comments on or before May 7, 2001. Comments may be filed using the

Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. See *Electronic Filing of Documents in Rulemaking Proceedings*, 63 FR 24,121 (1998).

14. Comments filed through ECFS can be sent as an electronic file via the Internet to <http://www.fcc.gov/e-file/ecfs.html>. Generally, only one copy of an electronic submission must be filed. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment via e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to [ecfs@fcc.gov](mailto:ecfs@fcc.gov), and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

15. Parties who choose to file by paper must file an original and four copies of each filing. All filings must be sent to the Commission's Secretary, Magalie Roman Salas, Office of the Secretary, Federal Communications Commission, 445 Twelfth Street, SW., TW-A325, Washington, DC 20554.

16. Parties who choose to file paper should also submit their comments on diskette. These diskettes should be addressed to: Wanda Hardy, Paralegal Specialist, Mass Media Bureau, Policy and Rules Division, Federal Communications Commission, 445 Twelfth Street, SW., 2-C221, Washington, DC 20554. Such a submission should be on a 3.5 inch diskette formatted in an IBM compatible format using Word 97 or compatible software. The diskette should be accompanied by a cover letter and should be submitted in "read only" mode. The diskette should be clearly labeled with the commenter's name, proceeding (including the lead docket number in this case (MM Docket No. 00-39), type of pleading (comment or reply comment), date of submission, and the name of the electronic file on the diskette. The label should also include the following phrase "Disk Copy—Not an Original." Each diskette should contain only one party's pleadings, preferably in a single electronic file. In addition, commenters must send diskette copies to the Commission's copy contractor, International Transcription Service, Inc., 445 Twelfth Street, SW., CY-B402, Washington, DC 20554.

17. Comments and reply comments will be available for public inspection during regular business hours in the FCC Reference Center, Federal Communications Commission, 445

Twelfth Street, SW., CY-A257, Washington, DC 20554. Persons with disabilities who need assistance in the FCC Reference Center may contact Bill Cline at (202) 418-0270, (202) 418-2555 TTY, or [bcline@fcc.gov](mailto:bcline@fcc.gov). Comments and reply comments also will be available electronically at the Commission's Disabilities Issues Task Force web site: [www.fcc.gov/df](http://www.fcc.gov/df). Comments and reply comments are available electronically in ASCII text, Word 97, and Adobe Acrobat.

18. This document is available in alternative formats (computer diskette, large print, audio cassette, and Braille). Persons who need documents in such formats may contact Martha Contee at (202) 4810-0260, TTY (202) 418-2555, or [mcontee@fcc.gov](mailto:mcontee@fcc.gov).

19. *Ex Parte Rules*. This proceeding will be treated as a "permit-but-disclose" proceeding, subject to the "permit-but-disclose" requirements under 47 CFR 1.1206(b), as revised. *Ex parte* presentations are permissible if disclosed in accordance with Commission rules, except during the Sunshine Agenda period when presentations, *ex parte* or otherwise, are generally prohibited. Persons making oral *ex parte* presentations are reminded that a memorandum summarizing a presentation must contain a summary of the substance of the presentation and not merely a listing of the subjects discussed. More than a one or two sentence description or the views and arguments presented is generally required. See 47 CFR 1.1206(b)(2), as revised. Additional rules pertaining to oral and written presentations are set forth in section 47 CFR 1.1206(b).

20. *Initial Regulatory Flexibility Analysis*. With respect to this *FNPRM*, an Initial Regulatory Flexibility Analysis (IRFA) is contained. As required by the Regulatory Flexibility Act, see 5 U.S.C. 603, the Commission has prepared an IRFA of the possible economic impact on small entities of the proposals contained in this *FNPRM*. Written public comments are requested on the IRFA. Comments on the IRFA must be filed in accordance with the same filing deadlines as comments on the *FNPRM*, and must have a distinct heading designating them as a response to the IRFA.

21. As required by the Regulatory Flexibility Act (RFA), the Commission has prepared this present Initial Regulatory Flexibility Analysis (IRFA) of the possible significant economic impact on small entities by the policies and rules proposed in this *FNPRM*. Written public comments are requested on this IRFA. Comments must be identified as responses to the IRFA and

must be filed by the deadlines for comments on the *FNPRM* provided above. The Commission will send a copy of the *FNPRM*, including this IRFA, to the Chief Counsel for Advocacy of the Small Business Administration (SBA). See 5 U.S.C. 603(a). In addition, the *FNPRM* and the IRFA (or summaries thereof) will be published in the **Federal Register**.

22. *Need for, and Objectives of, the Proposed Rules*. Beginning in 1987, the Commission undertook to bring the most up-to-date technology to broadcast television. That resulted in several Commission decisions including those adopting a digital television (DTV) standard, DTV service rules, and a Table of DTV Allotments. The Table of DTV Allotments provides each existing television broadcaster with a second channel on which to operate a DTV station for the transition period after which one of its channels will revert to the government for use in other services. The transition deadline established by Congress is December 31, 2006. The Commission is permitted to extend that deadline on a market-by-market basis if more than 15 percent of viewers will be left without service from (1) a digital television receiver; (2) an analog television receiver equipped with a digital/analog converter; or (3) a multi-channel video provider that carries local broadcast stations. The Commission is issuing this *FNPRM* to explore whether a requirement to include DTV reception capability in new television sets would help develop the production volumes needed to bring DTV receiver prices down quickly to where they are more attractive to consumers and thereby promote the more rapid development of high DTV set penetration, enabling compliance with the statutory transition deadline.

23. *Legal Basis*. This *FNPRM* is adopted pursuant to sections 1, 2(a), 4(i), 7, and 303 of the Communications Act, 47 U.S.C. 151, 152(a), 154(i), 157, and 303.

24. *Description and Estimate of the Number of Small Entities To Which the Proposed Rules Will Apply*. The RFA directs agencies to provide a description of, and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted. The RFA defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction." In addition, the term "small business" has the same meaning as the term "small business concern" under section 3 of the Small Business Act. A small business concern is one which: (1) Is independently

owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the SBA.

25. Pursuant to 5 U.S.C. 601(3), the statutory definition of a small business applies "unless an agency, after consultation with the Office of Advocacy of the [SBA] and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the **Federal Register**." A "small organization" is generally "any not-for-profit enterprise which is independently owned and operated and is not dominant in its field." Nationwide, as of 1992, there were approximately 275,801 small organizations. "Small governmental jurisdiction" generally means "governments of cities, counties, towns, townships, villages, school districts, or special districts with a population of less than 50,000." As of 1992, there were approximately 85,006 local governments in the United States. This number includes 38,978 counties, cities, and towns; of these, 37,566, or 96 percent, have populations of fewer than 50,000. The Census Bureau estimates that this ratio is approximately accurate for all governmental entities. Thus, of the 85,006 governmental entities, we estimate that 81,600 (91 percent) are small entities.

26. Rules adopted in this proceeding could apply to manufacturers of DTV receiving equipment and, particularly, television receivers. The SBA has developed a definition of small entity for manufacturers of household audio and video equipment (SIC 3651). This includes all such companies employing 750 or fewer employees. The Commission has not developed a definition of small entities applicable to manufacturers of electronic equipment used by consumers, as compared to industrial use by television licensees and related businesses. Therefore, we will utilize the SBA definition applicable to manufacturers of Household Audio and Visual Equipment. According to the SBA's regulations, a household audio and visual equipment manufacturer must have 750 or fewer employees in order to qualify as a small business concern. Census Bureau data indicate that there are 410 U.S. firms that manufacture radio and television broadcasting and communications equipment, and that 386 of these firms have fewer than 500 employees and would be classified as small entities. The remaining 24 firms have 500 or more employees; however, we are unable to determine how many

of those have fewer than 750 employees and therefore, also qualify as small entities under the SBA definition. Furthermore, the Census Bureau category is very broad and specific figures are not available as to how many of these firms are exclusive manufacturers of television equipment, and particularly television receivers, for consumers or how many are independently owned and operated. We conclude that there are approximately 386 small manufacturers of television equipment for consumer/household use but, in any event, no more than 410 are small entities.

27. *Description of Projected Reporting, Recordkeeping, and Other Compliance Requirements.* At this time, we do not expect that the proposed rules would impose any additional recordkeeping or recordkeeping requirements. However, compliance may require the manufacture of some types of DTV capable receivers. While this would have an impact on manufacturers of television receivers, it will be similarly costly for both large and small manufacturers and, in any event, the cost will ultimately be borne by the consumer. We seek comment on whether others perceive a need for extensive recordkeeping.

28. *Steps Taken to Minimize Significant Impact on Small Entities, and Significant Alternatives Considered.* The RFA requires an agency to describe any significant alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives (among others): (1) The establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities.

29. The *FNPRM* recognizes that if the Commission were to require DTV reception capability in new television receivers that action would pose new burdens on consumer electronics manufacturers, especially in the initial period when production volumes are relatively low. The *FNPRM* further observes that the cost considerations associated with DTV reception capability are such that it could not be economically feasible at this point in time to include DTV capability in smaller screen receivers, *i.e.*, 20 inches or less. We believe that as production increases, the price and size of the

components needed for DTV reception will decline substantially, so that the incremental cost of including that capability in TV receivers will eventually become low. In addition, as the goal of this effort is to convert broadcast television service to digital operation, all television receivers will have to be able to receive DTV service at the end of the transition.

30. In order to minimize the impact of a DTV reception capability requirement on manufacturers, if the Commission were to conclude that one were needed, the *FNPRM* suggests a plan by which the requirement would first apply to receivers with large screen sizes, *i.e.*, 32 inches or larger. Larger screen receivers generally are more expensive units, so that the additional cost of manufacturing them with DTV capability would be a much lower percentage of the total cost than it would for smaller screen units. As discussed, the requirement would apply to only a small portion of larger screen receivers at first; over time the percentage of units that would have to have DTV reception capability would increase and the requirement would also be extended to smaller screen units in the same incremental manner. To minimize the impact on manufacturers, receivers would only be required to have the capability to receive and decode over-the-air DTV signals. Thus, TV sets subject to the requirement would only have to provide useable picture and sound commensurate with their video and sound capabilities when receiving any of the recognized ATSC video formats. The requirement as proposed would not mandate full HDTV capability in TV sets. We also requested comment on whether we should base a requirement on percentages of the models marketed by each manufacturer, rather than units of production. This should benefit small entities by allowing them to provide DTV capability in their larger receivers, with a higher profit margin, rather than requiring them to provide such capability across their product line including sets where the market is more price conscious and price sensitive.

31. The *FNPRM* also solicits comment on a proposal to require receiver manufacturers to label as such television sets that are not capable of receiving over-the-air DTV broadcasts but which, instead are intended for digital use only in conjunction with cable television and/or broadcast satellite reception. This proposed requirement is intended to provide the consuming public with easily understandable information concerning

the capabilities of the receivers being purchased.

32. The principal alternatives for minimizing the impact of the transition on manufacturers include plans that would relax the schedule for the percentages of units required to comply. The *FNPRM* requests comments on this proposal and also invites interested parties to submit alternatives. The labeling proposal will be made as simple and inexpensive to comply with as possible to minimize the impact on small entity producers. Comments on how it may be made even simpler are solicited.

33. Federal Rules that May Duplicate, Overlap, or Conflict With the Proposed Rules. None.

34. *Initial Paperwork Reduction Act Analysis*. This *FNPRM* may contain either proposed or modified information collections. As part of our continuing effort to reduce paperwork burdens, we invite the general public to take this

opportunity to comment on the information collections contained in this *FNPRM*, as required by the Paperwork Reduction Act of 1996. Public and agency comments are due at the same time as other comments on the *FNPRM*. Comments should address: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) ways to enhance the quality, utility, and clarity of the information collected; and (c) ways to minimize the burden of the collection of information on the respondents, including the use of automated collection techniques or other forms of information technology. In addition to filing comments with the Secretary, a copy of any comments on the information collections contained herein should be submitted to Judy Boley, Federal Communications Commission, 445 Twelfth Street, SW.,

Room C-1804, Washington, DC 20554, or via the Internet to [jboley@fcc.gov](mailto:jboley@fcc.gov) and to Edward C. Springer, OMB Desk Officer, 10236 NEOB, 725 17th Street, NW., Washington, DC 20503 or via the Internet to [Edward.Springer@omb.eop.gov](mailto:Edward.Springer@omb.eop.gov).

## II. Ordering Clauses

35. Pursuant to the authority contained 47 U.S.C. 151, 152(a), 154(i), 157 and 303, this *FNPRM* is adopted.

36. The Commission's Consumer Information Bureau, Reference Information Center, shall send a copy of this *FNPRM*, including the Initial Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

Federal Communications Commission.

**Shirley Suggs,**

*Chief, Publications Branch.*

[FR Doc. 01-3638 Filed 2-12-01; 8:45 am]

**BILLING CODE 6712-01-P**