

DOWJONES | Newswires**FCC Mulling New Plan For Digital-TV Spectrum**

By Scott Ritter

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WASHINGTON (Dow Jones)--The Federal Communications Commission is studying a plan to sell a valuable slice of broadcast airwaves, a move that could jump-start the nation's transition to digital-TV.

FCC Chairman Reed Hundt told the Senate Commerce Committee today that government engineers are discussing the idea with the broadcast industry. A proposal could be ready as early as next month, he said.

The move would likely help speed the controversial switch from analog technology to next-generation digital television, which promises theater-like images and CD-quality sound.

While the FCC's current digital-TV plan has generated vocal opposition from some on Capitol Hill, the latest proposal - promising big bucks for government coffers at an earlier date - could ease that resistance. It could also ease pressure on broadcasters, who say they can't afford to pay for the spectrum while at the same time spending millions of dollars to upgrade their equipment for digital technology.

"It could be a real win-win," an FCC official familiar with the proposal said.

FCC engineers envision a plan to sell off prime broadcast spectrum currently set aside for channels 60 through 69. Winning bidders would have to protect the roughly 100 stations that currently use the airwaves until those stations complete the transition to digital and are broadcasting on different channels.

Under the FCC's current plan, broadcasters would simulcast their programs on both the analog and digital channels until most of the nation's televisions are capable of receiving digital signals. At that point, roughly seven years or so, the analog spectrum would be returned to the government and sold to the highest bidder.

The new proposal, however, would start generating revenue sooner. The block of airwaves that would be sold represents roughly half of the analog spectrum broadcasters would be required to return to the government, officials said.

The FCC typically does not estimate the revenue generating potential of spectrum auctions. But because the block of airwaves could be used for most any kind of communications technology, it would be highly prized, Hundt said.

"There's no doubt whatsoever that that particular band of spectrum is the beachfront property of cyberspace," Hundt told the panel. "Clearly it's worth a great deal of money."

Arizona GOP Sen. John McCain, who wants broadcasters to pay for digital spectrum, is studying the latest proposal, an aide said. Indeed, if the plan proves feasible, McCain may offer legislation paving the way for the plan, the aide noted.

Hundt told the Senate panel that the commission hopes to formally propose the plan in July. A final rule could come by the end of the year, he said.

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