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FCC ADOPTS RULES FOR DIGITAL AUDIO BROADCASTING

Washington, DC – The Federal Communications Commission (FCC) today adopted a *Second Report and Order, First Order on Reconsideration, and Second Further Notice of Proposed Rulemaking* (Order) that will advance the offering of digital radio services to American consumers, as part of the broader digital migration that is underway across all media. The *Second Report and Order* adopts several rules that will allow terrestrial radio broadcasters to provide increased local services to their communities.

In October 2002, the FCC selected IBOC as the technology enabling AM and FM radio broadcast stations to begin digital operations. IBOC is a method of transmitting near-CD quality audio signals to radio receivers along with new data services such as station, song and artist identification, stock and news information, as well as local traffic and weather bulletins. With IBOC, a radio station is also capable of splitting its digital channel so that it may broadcast multiple streams of digital audio programming. Importantly, IBOC allows broadcasters to use their current radio spectrum to transmit AM and FM analog signals simultaneously with new digital signals.

Since the Commission first authorized Digital Audio Broadcasting ("DAB") on an interim basis, over 1200 stations have notified the Commission that they have commenced or intend to commence hybrid digital broadcasting. Radio stations broadcasting in a digital format using in-band on-channel ("IBOC") technology are able to offer listeners enhanced sound quality, improved reception, as well as new multicasting and datacasting services.

In today's Order, the Commission:

- Refrains from imposing a mandatory conversion schedule for radio stations to commence digital broadcast operations;

- Allows FM radio stations to operate in the extended hybrid digital mode;

- Requires that each local radio station broadcasting in digital mode to simulcast a digital signal of at least comparable audio quality to its analog signal;

- Adopts a flexible bandwidth policy permitting a radio station to transmit high quality audio, multiple program streams, and data casting services at its discretion;

- Allows radio stations to time broker unused digital bandwidth to third parties, subject to certain regulatory requirements;

- Applies existing programming and operational statutory and regulatory requirements to all free DAB programming streams;

- Authorizes AM nighttime operations;

- Dismisses several pending Petitions for Reconsideration and Petitions for Rulemaking that asked, *inter alia*, the Commission to reconsider the adoption of iBiquity's in-band, on-channel (IBOC) system as the technology chosen for DAB transmission**;**

- Seeks further comment on appropriate limits to the amount of subscription services that may be offered by radio stations; and

- Seeks comment on whether the Commission should adopt any new public interest requirements for digital audio broadcasters.

The item will be available online at www.fcc.gov.

Action by the Commission, March 22, 2007 by Second Report and Order, First Order on Reconsideration, and Second Further Notice of Proposed Rulemaking (FCC 07-33). Chairman Martin, Commissioners Tate, and McDowell, with Commissioner Copps and Adelstein approving and dissenting in part. Separate statements issued by Chairman Martin, Commissioners Copps, Adelstein, Tate, and McDowell.

MB Docket No. 99-325

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