

August 15, 2007

Mr. Jack Krumholtz
Managing Director,
Federal Government Affairs
Microsoft Corporation
1401 Eye Street, N.W.
Suite 500
Washington, D.C. 20005

Dear Jack:

I read with interest your recent statement regarding the Federal Communications Commission (FCC) Office of Engineering and Technology (OET) test of a Microsoft prototype unlicensed device that was issued a failing grade with findings of unacceptable interference to existing signals. I must say that Microsoft's response on behalf of the high tech industry's effort to wedge these devices into interference zones in spectrum now occupied by television is perplexing at best. Microsoft doesn't seem to get that the FCC process is not a game and they cannot have a do-over. On behalf of the entire U.S. broadcasting industry, it is: 1) outrageous that Microsoft now claims the device did not work, after the fact; 2) unacceptable that the high tech industry spent immensely valuable FCC and government time and engineering resources only to, in the end, claim a faulty device was to blame for an undesirable result. With the immense importance of the testing to innumerable stakeholders, one would think that your industry would certainly ensure the good working order of the prototype device(s), at the very least.

As you now know, the recent FCC study found unequivocally that ... "[T]he sample prototype White Space Devices submitted to the Commission for initial evaluation do not consistently sense or detect TV broadcast or wireless microphone signals. Our tests also found that the transmitter in the prototype device is capable of causing interference to TV broadcasting and wireless microphones." In short, the study found that the devices "do not consistently sense or detect TV broadcast or wireless microphone signals." One particular device failed to sense operating TV signals 40 to 75% of the time and "is capable of causing interference to TV broadcasting." A second study found that "unlicensed prototypes" also interfered with digital cable service connected directly to a TV set.

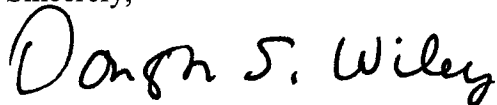
The bottom line is that the use of these devices now or in the future poses an unacceptable risk of harmful interference that would permanently undermine over-the-air television in the United States. Nearly 21 million homes – one in five of all television-

equipped households – rely exclusively on free, over-the-air television broadcasts. Interference from personal and portable devices would also be particularly devastating to the millions of Americans who have recently purchased digital television sets or who will receive government subsidized digital-to-analog converter boxes to ready for the February 2009 digital television transition. These consumers – already battling confusion over the digital television transition – will be left wondering why the switch left them unable to receive either an analog or a digital signal.

As you know, even a small amount of interference freezes a digital picture, making it unwatchable. This affects new DTV sets and government-subsidized digital-to-analog converter boxes. And this interference will be permanent because it occurs on our final digital TV channels. Once millions of unlicensed devices are in consumers' hands, they cannot be traced or recalled. Interference may come from the next apartment or from a neighbor down the street. To protect consumers' DTV sets and the DTV transition, personal and portable unlicensed devices should NOT be allowed to operate in the TV band.

Broadcasters fully support efforts to deliver the promise of broadband to rural America. We believe there are ways to utilize “unused” spectrum through fixed systems that can offer the advantages of broadband to rural consumers without threatening viewers who rely on over-the-air television. The FCC can promote rural broadband by conducting a careful spectrum analysis and deploying “fixed” broadband services. I know you will agree that a smooth digital transition is of the utmost importance to Congress, to the FCC and to the American people. Please do not continue to jeopardize the success of that transition in 100-plus million American homes by permanently undermining digital television. Millions of unlicensed devices in the TV band of spectrum would do just that.

Sincerely,

A handwritten signature in black ink that reads "Douglas S. Wiley". The signature is written in a cursive, slightly slanted style.

Douglas S. Wiley
Executive Vice President, Administration and Agencies