

DRAFT Minutes
Advanced Television Systems Committee, Inc.
Board of Directors Meeting
National Association of Broadcasters
1771 N Street NW
Washington, DC

December 8, 2004

1. Call to Order; Determination of Quorum; Approval of Agenda

Chairman Phil Livingston (Panasonic Broadcast) called the meeting to order at 10:02 AM. The Attendance List is **Attachment 1**. A quorum was determined. The agenda (**Attachment 2**) was approved.

2. Opening Comments

Mr. Livingston said the board had a full agenda and should move forward expeditiously.

3. Consideration of the Draft Minutes of September 29, 2004 and October 8

The board considered the draft Minutes of the board meeting on September 29, 2004 (**Attachment 3**). Wayne Luplow (Zenith) suggested that the words 'he thought that' be removed from the second sentence of section number 19. The board approved the minutes with the change suggested by Mr. Luplow. The board considered the minutes of the October 8th conference call meeting (**Attachment 4**). The minutes were approved with revisions to correct the date and to remove the word "teleconference" next to some of the attendee names.

4. Report of the President

a. Membership Report

Mr. Richer gave the membership report (**Attachment 5**). Referring to a letter from Paul Liao (**Attachment 6**), Mr. Richer said that the reorganization of Panasonic would result in the loss of a member. Mr. Livingston affirmed Panasonic's ongoing support of ATSC.

b. Status of Ballots

Mr. Richer presented the status of ballots (**Attachment 7**). Mr. Richer congratulated Graham Jones and T3/S1 on the approval of the PMCP Standard. He went on to congratulate Michael Dolan and T3/S13 on the approval of the Software Download Standard.

Mr. Richer announced the results of the letter ballot for the ATSC Board of Directors and Chairman. Ed Barrett (Sony), Mike McEwen (CDTV), Wayne Luplow (Zenith) and Brian Smith (Phillips) were elected to three-year terms. Robert Rast (Micronas) was elected Chairman of the Board of Directors for 2005. Mr. Livingston and Mr. Richer thanked Sterling Davis (Cox Broadcast), Pat. Griiffis (Microsoft) and Victor Tawil (MSTV) for their service on the board. On behalf of the board, Vice Chair Lynn Claudy (NAB) presented a

gift to Mr. Livingston and thanked him for his service as chairman.

c. Financial Report

Mr. Richer gave the financial report (**Attachment 8**). He said he believed the organization would end the year with positive net revenue in spite of the significant legal expense incurred as a result of the CEA E-VSB related allegations.

d. Other

Mr. Richer reported that yesterday's ACAP seminar was a success. Attendees from various industry segments provided positive feedback. Mr. Richer thanked the speakers and the sponsors (ATSC Forum, DTS, Thales and Tektronix). Mr. Rast suggested that future board meetings might include a presentation on a specific technical activity. Peter Symes (SMPTE) commented that careful consideration must be exercised before adding items to an already packed board agenda. Mr. Richer said that ATSC would conduct a half-day PSIP seminar on January 25th in conjunction with the Hollywood Post Alliance Technology Retreat.

Mr. Richer reported that he received a number of notices concerning owed taxes from the IRS relating to the First Pay scam. ATSC has already paid the back taxes and interest. Mr. Richer reminded the board that the IRS had not officially indicated they would waive the penalties. Mr. Richer called the IRS and was told the penalties will be abated after ATSC provides certain requested documentation.

Mr. Richer said the layout for the most recent newsletter was done in-house by Lisa Hester. The ability to do the layout internally will significantly reduce the cost of the newsletter. He mentioned that ATSC is looking for additional sponsors for the 2005 edition.

5. Review of E-VSB Related Allegations.

The board agreed to go into executive session and guests were asked to leave the room. William Blumenthal, King & Spalding, presented the results of his investigation.

After summarizing the detailed manner by which the investigation had been conducted, Mr. Blumenthal addressed each of the E-VSB related allegations and reviewed the factual findings with respect to each allegation. He summarized his conclusions as follows: (1) The investigation revealed no antitrust violation on the part of ATSC or its members. (2) The investigation revealed no material irregularities in the process of developing or balloting E-VSB. (3) As to the broader set of potential procedural reforms advocated by CEA and certain other ATSC members, ATSC enjoys substantial discretion in evaluating options. The current ATSC procedures were carefully designed with a view towards legal considerations, among others, but there is room for modification if that is the wish of the members.

During the presentation, Ralph Justus (CEA) suggested that Mr. Richer leave the room during Mr. Blumenthal's presentation of issues relating to CEA's allegations against the President. Mr. Griffis made a motion that Mr. Richer be allowed to stay in the room

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~~during the presentation regarding the CEA allegations against him. The motion was seconded by Mr. Tawil and approved with a single dissenting vote.~~

Mr. Tawil made a motion that Mr. Livingston send a letter to Gary Shapiro summarizing the results of the review, with an emphasis on the need to move forward, and that a separate letter be sent from Mr. Blumenthal to CEA's attorney. Executive session was concluded and guests were invited to rejoin the meeting.

At the suggestion of Mr. Justus, the agenda was prioritized and the board agreed to move items 8, 9, 10 and 13 to the bottom of agenda.

6. Due Process

a. Ad-Hoc Committee report

Mr. Richer gave a presentation (**Attachment 9**) summarizing the work of the ad-hoc group. Mr. Rast asked what the steps were moving forward. Mr. Richer said that the ad hoc group might be able to propose some principals for board consideration at the next meeting.

b. Presentation by Sharp & Sony

Craig Tanner (Sharp) gave a presentation (**Attachment 10**) regarding some CE manufacturers concerns. He said that the items were discussed during a meeting on Nov. 10th attended by James Williamson (Sony), John Godfrey (Pioneer), Mark Richer, Phil Livingston and himself. Mr. Tanner suggested that he thought there was some urgency to this matter and suggested that revision of the by-laws could be done quickly.

Mr. Claudy stated he was bothered by the acceptance of this presentation as an agenda item. He also expressed concern that the letter from the six CE companies was not on letterhead and not signed. He further stated that, as a matter of policy, the board should not accept such a letter. Mr. Livingston explained that he had drafted a presentation summarizing the points made in the Nov. 10th meeting, but concluded it would be more appropriate to have Mr. Tanner express those view points. Mr. Livingston said the letter was a different issue. Mr. Tanner said he would provide the names and contact information for the appropriate individuals at each company.

Mr. Blumenthal commented that the process ATSC has today was developed with a lot of careful thought. He said many of the procedures that are sources of tension today were designed that way for particular reasons. He went on to say those reasons may no longer be applicable, or the balances that people might strike today might be different from those that people chose to strike in the past. He went on to say the organization has a lot of leeway, but needs to carefully consider the ramifications of changes to the process.

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Mr. Richer thanked Mr. Tanner, Mr. Godfrey and Mr. Williamson for taking the initiative to meet with Mr. Livingston and himself. He said the meeting gave him a better understanding of their viewpoints.

Richard Annibaldi (Pioneer) said his company does not necessarily endorse all of the points in Mr. Tanner's presentation. He said the letter from the manufacturers is a separate input.

c. Letter from JVC, Mitsubishi, Pioneer, Samsung, Sharp & Sony

Mr. Livingston said he thought the letter (**Attachment 11**) was somewhat conciliatory and positive, and was merely urging the Board to move forward with consideration of changes to the ATSC due process. He noted that consideration of changes to the due process were delayed because of the activities resulting from the CEA allegations regarding the E-VSB ballot. Mr. Luplow asked if the letter required a response. Craig Tanner stated the letter did not require a response. Mr. Justus said a good faith response would be in order. Mr. Tawil commented that he thought the board should be more formal in dealing with this type of correspondence. He suggested that, in the future, the board should not discuss input received within 48 hours of a meeting. He said consideration of such a document should be delayed until the next meeting so that the board has adequate time to consider the matter. Sterling Davis made a motion that the ATSC chair send a letter of response. The motion was seconded by Glenn Reitmeier (NBC) and approved. Mr. Tanner was asked to provide the contact names for the Nov. 10th letter.

7. Budget & Finance

Mr. Claudy presented the proposed budget for 2005, which was unanimously approved by the Budget & Finance Committee (**Attachment 12**). He said the dues structure would remain the same, and went on to summarize the major changes from the 2004 budget. He said the proposed budget did not include funding for the ATSC Forum. He said the committee thought that business decision should be left for board consideration. He outlined the options for funding the Forum. Mr. Luplow made a motion to ballot the proposed 2005 budget to the membership, with a recommendation that it be approved. The motion was seconded by Mr. Tawil and approved.

Mr. Luplow suggested the Forum could be funded out of the 2004 surplus. Sterling Davis (Cox Broadcasting) made a motion to fund the unbudgeted expense of the ATSC Forum in the amount of \$25,000 with surplus 2004 funds. The motion was seconded by Mr. Rast. The motion failed

8. Goals Committee

Mr. Rast said he thought the status of the 2004 Goals should be reviewed and reported on at the January Board Meeting. He went on to say he hoped to draft the 2005 Goals for

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consideration at the same meeting. He asked for volunteers to serve on the 2005 goals committee. Mr. Luplow, Mr. Scott, Mr. Claudy and Mr. Reitmeier volunteered to serve on the committee.

9. Annual Meeting

Mr. Richer said the 2005 ATSC Annual Meeting is scheduled for May 10th in the Washington area. He would like to freshen up the program and a possible theme could be the tenth anniversary of A/53, but with a focus on the future. He suggested the board form a small committee to help develop the program. Mr. Scott, Mr. Reitmeier, Mr. Justus and Mr. Rast volunteered to work on the committee for the annual meeting.

10. Retreat Follow Up

a. Survey Results

Phil Livingston reported he was disappointed in the response to the survey (**Attachment 13**). He said most respondents would like to have a retreat in 2005.

b. Comments on Retreat Summary

Mr. Livingston stated the retreat summary with Mr. Flaherty's proposed edits was circulated to the Board for comment. He reported one Board member responded that he thought the retreat summary should not be modified. Mr. Flaherty said some of his proposed edits addressed spelling errors and others addressed things he thought to be factual errors. The board agreed that the inclusion of the edits proposed by Joe Flaherty would be left to the judgment of Mr. Richer and Mr. Livingston. The report would then be considered final.

Mr. Richer suggested the next board retreat be held sometime in the second quarter of the new year.

Mr. Justus stated he had previously requested that the raw verbatim responses to the questionnaires be made available to the Board. Mr. Livingston responded that the moderator of the retreat, Gary Arlen, indicated that it would be very difficult for him to provide the raw responses in a non-attributable format. Mr. Richer said the staff could create such a document with the board's understanding that they would have access to the attributable individual responses.

c. Draft Mission Statement

Mr. Livingston presented the most recent draft of the mission statement (**Attachment 13**). The board agreed to remove the words, "fixed, mobile and pedestrian" and "of standard definition, high definition and data services". Mr. Rast said he thought the draft read as if a committee wrote it and it should be shortened. Lisa Hester, ATSC, said she thought corporate mission statements should be no more than fifteen words. Mr. Richer suggested the goals committee work on the mission statement. Mr. Scott suggested brevity is key and agreed that the goals committee would be a good forum for further consideration.

11. IS Report

Art Allison (NAB) provided the IS report (**Attachment 14**). Mr. Allison went on to explain the rationale for the IS request to the board to direct T3 to develop compliance standards for A/53 and A/65 (**Attachment 15**). Mr. Allison reminded the Board the initial request had been made at the September board meeting. Mr. Justus indicated he did not think there was a need for development of these compliance standards. Tom Hankinson (ABC) pointed out that DVB created a similar document that has been very helpful. Mr. Allison said these specifications would address broadcast stream compliance, not receivers. Mr. Rast suggested the work might result in the development of a Recommended Practice rather than a Standard. He went on to suggest that a small group draft a clear and concise statement of work for T3 to be considered at the next board meeting. Mr. Richer said he thought the purpose of the document was to provide the parameters that must be verified when analyzing a bit stream to confirm compliance with A/53 and A/65. He said this work should have been done years ago, but it was not too late to create a document for A/53 and A/65, and that this type of document should be considered for future standards. Mr. Reitmeier suggested another option might be to develop a standards summary compliance sheet. Mr. Isnardi (IEEE) suggested the DVB document could be used as template. He also suggested that it be a living document that could be updated as standards are developed. Mr. Reitmeier said he thought, when ATSC standards are developed, the document should include an appendix that provides a compliance checklist. Mr. Justus said he thought it is the role of private companies to develop test and monitoring equipment. Mr. Hankinson responded that manufacturers interpret the standards differently. Mr. Richer said it is likely that test and measurement equipment manufacturers would build their equipment based upon ATSC-developed compliance parameters. Mr. Allison suggested he work with Mr. Reitmeier, Mr. Isnardi and Mr. Justus to develop a clear statement of work for T3 for consideration at the next board meeting. The board agreed to Mr. Allison's suggestion.

12. T3 Report

Ralph Justus presented the T3 report (**Attachment 16**) and the ATSC Specialist Group and Working Group Activities document (**Attachment 17**).

13. Membership Committee

Mr. Reitmeier reported he plans to look toward 2005 industry functions and conventions to further promote membership in ATSC.

14. Nominating Committee

Mr. Hankinson reported that the work of the 2004 Nominating Committee has been completed. He said the ballot results indicate success in terms of trying to balance the board by industry segment. Mr. Richer said he thought Mr. Hankinson and the Nominating Committee did a great job dealing with some difficult issues. He went on to report he received a few negative comments from members about the structure of the ballot.

Mr. Richer asked the Board to clarify its decision made during the July 1, 2004 meeting regarding the posting of membership vote tallies. He said he believed the board motion

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~~was only intended to address ballots for standards and recommended practices, and not such things as board elections. A motion was made by Mr. Tawil that ballot tallies for board elections not be published. The motion was seconded by Sterling Davis and approved.~~

15. Intellectual Property Committee

No Report.

16. Applications Subcommittee Report

Due to lack of time, no verbal AS report (**Attachment 18**) was given. ATSC Forum Report

17. ATSC Forum Report

Due to lack of time, no verbal Forum report (**Attachment 19**) was given.

18. Other Business

There was no other business.

19. Schedule of Future Meetings

The next board meeting is scheduled for January 19th in Washington, DC.

20. Adjournment

Mr. Tawil thanked Mr. Livingston for his extraordinary service as chairman. Mr. Livingston received a round of applause. The meeting was adjourned at 4:10 PM.

Attachments

- Attachment 1 Attendance
- Attachment 2 Agenda
- Attachment 3 Minutes of September 29, 2004
- Attachment 4 Minutes of October 8, 2004
- Attachment 5 Membership Report
- Attachment 6 Letter from Paul Liao, Panasonic
- Attachment 7 Status of Ballots
- Attachment 8 Financial Report
- Attachment 9 Due Process Ad Hoc Report
- Attachment 10 Presentation by Craig Tanner
- Attachment 11 Letter from JVC, Mitsubishi, Pioneer, Samsung, Sharp & Sony
- Attachment 12 Proposed 2005 Budget
- Attachment 13 Retreat survey results and draft mission statement
- Attachment 14 IS report
- Attachment 15 IS request for compliance standard
- Attachment 16 T3 Report
- Attachment 17 Specialist Group and Working Group Activities Report
- Attachment 18 Applications Subcommittee Report
- Attachment 19 ATSC Forum Report