

Summary, Statement of Marc A. Pearl  
Executive Director Consumer Electronics Retailers Coalition  
October 16, 2007

In order for the Transition to succeed, an effective public-private partnership is necessary. This includes coordination of message, outreach, and a recognition that cooperation and communication between the sectors is an essential component.

**Legislation.** While the Transition legislation was imperfect, it would be a mistake for the Congress to even seriously raise the prospect of fiddling with or trying to ‘fine tune’ this law. Doing so would ruin the credibility of our collective public education efforts at a vital time when a coordinated, sustained and comprehensive campaign is needed. CERC and its members have always supported the goal of a “hard date” precisely because *the Transition will not be credible to consumers so long as there is any doubt whatsoever that it will occur at the time, and on the terms, already enacted by the Congress.*

**THE FCC.** The FCC’s appropriate role is to exercise leadership, based on its vast experience and expertise. For several years CERC has worked closely with the Commission on DTV messaging and public education, and we continue to look to the Commission for leadership and guidance. It should be recognized, however, that the Commission has no experience, expertise, or delegated authority as to the regulation of retailer practices. The Congress has delegated this authority elsewhere. Attempting to exercise such powers, in the absence of either expertise or clear authority, in our view is not the best application of the Commission’s resources. CERC and its members, however, have specifically pledged to the Commission their desire to work as partners to achieve and apply a unified message and program, and respect the FCC’s leadership.

**THE NTIA “CECB” PROGRAM.** CERC and its members have worked informally and formally, since the passage of the law, to help the NTIA devise a program that would attract the broadest possible participation of qualified retailers of every appropriate size, specialty, geographic location, and means of sales. Substantial progress has been made. The “Coupon Eligible Converter Boxes” (“CECBs”) of two manufacturers have been certified. Our members have received very substantial, but not complete, information on the Team’s Point Of Sale (“POS”) technological options. There are still key pieces that have not been made available to retailers – such as the terms of the agreement that a retailer would need to sign in order to participate, and the metrics for a retailer to be considered “qualified” to participate. But I am more confident than ever that CERC’s members and many, many other qualified retailers throughout the country of all sizes and capacities, *will* participate in the program *if* its voluntary, marketplace-oriented nature is preserved and if it seamlessly interfaces with retailers’ current systems. I am less confident if the agreement to participate is to be accompanied by new FCC regulations or other threats of legal sanction.

**THE PRIVATE SECTOR.** The DTV Transition Coalition has pulled together the key private sector industries in an atmosphere of focused cooperation. The FCC, the NTIA and the CECB Program contractor, along with key staffers from the Hill, have been invited to work with and within the Coalition as partners.

Testimony of  
Marc A. Pearl  
Executive Director  
Consumer Electronics Retailers Coalition

Before the  
Senate Commerce, Science & Transportation Committee

The Digital Television Transition:  
Government and Industry Perspectives

October 17, 2007

Chairman Inouye, Co-Chairman Stevens, and members of this distinguished Committee, I am pleased to be here today on behalf of the Consumer Electronics Retailers Coalition (“CERC”). We applaud your focus, and your leadership, in assessing what government and industry are doing, and what they ought to be doing. What we need to achieve is a unified message, supported by government and industry alike, that will make each household fully aware of its choices and opportunities as the clock ticks down to February 17, 2009.

CERC’s members include consumer electronics specialists Best Buy, Circuit City and RadioShack; general retailers Sears and K-Mart, Target and Wal-Mart; online retailer Amazon.com; and our country’s three major retail associations – the North American Retail Dealers Association (NARDA), the National Retail Federation (NRF), and the Retail Industry Leaders Association (RILA). CERC is a founding member, along with the Association for Public Television Stations (APTS), the National Association of Broadcasters (NAB), and the Consumer Electronics Association (CEA), of the DTV Transition Coalition.<sup>1</sup> The Coalition’s membership has grown from eight to over 160 –

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<sup>1</sup> [www.DTVtransition.org](http://www.DTVtransition.org)

including all segments of our society – broadcasters, retailers, manufacturers, as well as public interest community groups.

The DTV Transition Coalition and its private sector members have worked hard, in consultation with the FCC and the NTIA, to develop a common message to help educate consumers, through brochures, communications at retail, the Internet, and public service announcements. CERC itself, as I will detail later in my testimony, has led the way in developing one of the first Consumer Guides on the DTV Transition, and this summer had its latest version translated into Spanish in cooperation with the National Hispanic Media Coalition.

But in order to make the Transition successful a strong and effective public-private sector partnership is needed. This includes coordination of message, outreach and a recognition that cooperation and communication between the sectors is an essential component. Without these elements, EVERYONE will suffer the wrath of an unhappy American public.

You invited us to testify today in order to provide a frank assessment of how the public and private sectors are administering the DTV Transition thus far. So I will consign our recitation of CERC's own efforts, as an organization and through its members, to an Appendix, and will get right into the discussion that your committee seeks:

**Legislation.** Everyone in the public and private sectors is likely to tell you that the Transition legislation,<sup>2</sup> while vitally necessary, was “imperfect” in some respect. From our own perspective, key provisions that were sought by retailers and other

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<sup>2</sup> Deficit Reduction Act of 2005, Pub. L. No. 109-171, Title III, §§ 3001-3013, 120 Stat. 21-27, *codified at* 47 U.S.C. § 337(e) and 47 U.S.C. § 309(j).

stakeholders and supported by a broad consensus were deleted in the final measure as a result of Senate rules. And, unfortunately, some provisions that *should* have been deleted remained in the final text. At this late date, however, exactly 16 months today, it would be a mistake for the Congress to even seriously raise the prospect of fiddling with or trying to ‘fine tune’ this law. Doing so could open the whole measure up like a Pandora’s Box, and would simply ruin the credibility of our collective public education efforts at a vital time when a coordinated, sustained and comprehensive campaign is needed. CERC and its members have always supported the goal of a “hard date” precisely because *the Transition will not be credible to consumers so long as there is any doubt whatsoever that it will occur at the time, and on the terms, already enacted by the Congress.*

**THE FEDERAL COMMUNICATIONS COMMISSION.** Under the previous “soft date” regime the FCC was given vast power that it could not sensibly exercise. Under the current regime, the law provides a clear objective but gives the Commission no additional regulatory authority. Hence, the FCC’s appropriate role is to exercise leadership, based on its vast experience and expertise. For several years CERC has worked closely with the Commission on DTV messaging and public education, and we continue to look to the Commission for leadership and guidance. It should be recognized, however, that the Commission has no experience, expertise, or delegated authority as to the regulation of retailer practices. The Congress has delegated this authority elsewhere. Attempting to exercise such powers, in the absence of either expertise or clear authority, in our view is not the best application of the Commission’s resources. CERC and its members, however, have pledged to the Commission their desire to work as partners to achieve and apply a unified message and program.

**THE NTIA “CECB” PROGRAM.** CERC and its members have worked informally and formally, since the passage of the law, to help the NTIA devise a program that would attract the broadest possible participation of qualified retailers of every appropriate size, specialty, geographic location, and means of sales. While the IBM Team was appointed as Program Contractor two months ago, we understand that the deadline for receipt by NTIA of the Team’s final and specific program for retailers was just this past Monday. Substantial progress has been made. The “Coupon Eligible Converter Boxes” (“CECBs”) of two manufacturers have been certified. Our members have received very substantial, but not complete, information on the Team’s Point Of Sale (“POS”) technological options. There are still key pieces that have not been made available to retailers – such as the terms of the agreement that a retailer would need to sign in order to participate, and the metrics for a retailer to be considered “qualified” to participate. But I am more confident than ever that CERC’s members and many, many other qualified retailers throughout the country of all sizes and capacities, *will* participate in the program *if* its voluntary, marketplace-oriented nature is preserved and if it seamlessly interfaces with retailers' current systems. I am less confident if the agreement to participate is to be accompanied by new FCC regulations or other threats of legal sanction.

**THE PRIVATE SECTOR.** Before the “hard date” of February 17, 2009 was set, private sector discussions regarding the DTV Transition were largely exercises in finger-pointing and buck-passing. I am pleased to say that we are well beyond that. The DTV Transition Coalition has pulled together the key private sector industries in an atmosphere of focused cooperation. The FCC, the NTIA and the CECB Program contractor, along

with key staffers from the Hill, have been invited to work with and within the Coalition as partners.

CERC and its members have pledged to Congress, the NTIA and the FCC that we are committed to working with this Committee and with all of our partners in the DTV Transition Coalition to ensure that no consumer is unaware of his or her options, choices, and opportunities. But we also remain committed to serving our customers' needs in the context of a dynamic and competitive market in which they will have options in addition to the one that is a government-sponsored program. As was the case during "Y2K" (when incidentally I was serving as general counsel of the Information Technology Association of America, and helped create and coordinate the cross-sector Y2K Coalition where we saw the bulls eye aimed at the technology industry), retailers are being blamed in advance for things that have not yet occurred; for not offering converter boxes that they don't have; and for not making potentially complex consumer options simple. I want now to review what we have done, and what we and others need to do, in more detail.

**LEGISLATIVE TINKERING WOULD BE COUNTER-PRODUCTIVE.** CERC worked closely with the drafters of the Transition legislation, but ultimately, from our own viewpoint as well as that of others, the outcome was far from perfect:

- **Device Labeling.** Working with committee staff and the Consumer Electronics Association, CERC helped draft a consensus "analog only" television labeling provision that would have required *manufacturers* of TVs with only analog tuners to *attach labels*, which the retailer could have left on the TV or moved to an adjacent shelf position. This important provision was in the House bill, but was stricken in the Senate on grounds of germaneness.
  - Instead, *after* the manufacture and importation of these products had ceased, the FCC adopted a last-minute regulation that applied on very short notice to retailers only, and to recorder products as well as TVs. In the absence of a

prior labeling requirement on manufacturers, in many cases neither retailers nor FCC enforcement engineers had a clear understanding of which products – already on shelves and in warehouses – actually required labels.

- **90 Day Coupon Expiration.** CERC strongly opposed the mandate that CECB “coupons”<sup>3</sup> expire in 90 days. We said this could cause consumers to refrain from requesting them early enough, or cause them to seek converters before they had adequate information as to needs or alternatives. We were assured that this provision would come out before final passage, but it did not. Now the NTIA is under pressure to find ways *around* this provision.

Nevertheless, CERC strongly opposes *any* legislative changes to the CECB Program, or to other aspects of the Transition, at this late date. Like others in the private and public sector, *we have worked long and hard to overcome skepticism that this transition would actually occur, and that the hard date would “stick.”* Now that public education campaigns are about to go into gear, and the NTIA program is about to move forward, the last thing we need is a new wave of uncertainty and speculation caused by Congressional consideration of new legislation.

While legislative proposals might initially be targeted and limited, people expect, fairly or not, that congressional initiatives have a way of becoming Christmas trees, open to a multitude of new ornaments. We have seen enough last-minute changes, in regulation as well as in legislation, to be jaded ourselves as to how reliable our guidance to consumers can be while the possibility of key provisions and assumptions being changed remains open. We have a statute; we have regulations; let’s stay with what we’ve got and keep on working with them.

**THE FCC’S ROLE IS ONE OF LEADERSHIP.** CERC and its members began working actively with the FCC well before the passage of the Transition legislation, and continue to do so – in spite of the fact that many of our members have *also* been under

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<sup>3</sup> Actually, these instruments are not “coupons” at all, but forms of tender.

threat of an enforcement action with respect to the hastily conceived and executed product labeling regulations. CERC has undertaken several joint public education efforts with the Commission, including:

- Co-branding with the FCC and the Consumer Electronics Association (CEA) of a “DTV Tip Sheet,” distribution of copies to Best Buy and Circuit City stores, printing twice in the NARDA magazine. A new version for distribution at the retail level is now being developed.
- Co-production and branding with the FCC of an advisory to all retailers with respect to the end of manufacturers’ distribution of “analog only” television receivers, and the Commission’s labeling regulation with respect to analog television receivers.<sup>4</sup>
- CERC maintains a fact sheet on our website on the FCC’s “analog only” labeling regulation, for the benefit of all retailers.

CERC urged and facilitated compliance by all retailers with the FCC’s labeling regulations *despite* the fact that we are on record that the agency lacks any delegated or ancillary authority, and frankly lacks the expertise, to regulate retailer practices.<sup>5</sup> At this stage in the DTV Transition, it is important for those who have committed to act as partners, in a unified Coalition, to maintain this partnership in the most constructive mode possible. We are committed to working with the Commission on Consumer Education and to following its lead in this respect. We have done so and will continue to do so. Rather than wrangling about formal jurisdiction or execution of programs, such as analog-only labeling, that have largely been successfully implemented, everyone needs to be focused on the job at hand.

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<sup>4</sup> 47 C.F.R. § 15.117(k).

<sup>5</sup> *In the Matter of DTV Consumer Education Initiative*, MB Docket No. 07-148, Comments of the Consumer Electronics Retailers Coalition at 3-7 (Sept. 19, 2007) (“CERC Comments”).



**CERC IS COMMITTED TO AIDING IN NTIA CECB IMPLEMENTATION.** The public dialog over NTIA's progress has been frustrating for CERC and its members – as stated previously, we have worked with the NTIA early and often in helping devise a program and regulations that would help get information on the program out to the greatest numbers of consumers and attract participation by the greatest number and variety of qualified retailers. We have committed to developing our own material and posting NTIA information, about the CECB program, for the benefit of all retailers, whether or not they are CERC members.

We started meeting with potential CECB Program Contractor teams, including the IBM team, almost a year ago. Yet when our members are pressed to make commitments about their own commercial intentions, they have been obliged to point to a list of essential items as to which they as yet have inadequate information. Fortunately, this list has been steadily shrinking since the middle of August when NTIA chose IBM.

- The NTIA (with the FCC as its contractor) began certifying CECB products a couple of weeks ago – an essential step for retailers to know their supply options.
- The IBM Team has begun meeting with retailers and explaining the technological options for conformance of retailers' POS systems to the requirements for accepting coupons, providing the necessary data to the government, and being reimbursed from them by the government.
- However, CERC was told that retailers will be expected to sign some sort of contractual agreement with the NTIA and/or the IBM Team in addition to registering with the Central Contract Registration program and separately with the NTIA, and it remains unclear what the terms of this additional contract will be. Until there is a "dotted line" to sign on, and terms to consider, a business that is accountable to its shareholders cannot make a contractual commitment.

Even given all of these hurdles, most of CERC's members have indicated publicly their intention to participate in the CECB program. For example, Wal-Mart has informed

the Senate Aging Committee of its intention to participate; and RadioShack announced its intention to participate at the NTIA DTV Forum on September 25. The FCC has received similar advice from other CERC members.

CERC has worked with the NTIA to achieve an environment that relies on marketplace decisions and consumer choice to the extent possible.<sup>6</sup> For example, whereas the NTIA initially proposed not allowing consumers to return or exchange CECBs for different models, CERC said that retail customers expect such freedom and suggested various means by which returns and exchanges could and should be accommodated. NTIA did agree to support exchanges, but CERC members remain concerned that NTIA could find no viable way to allow a customer to *return* a converter box and receive a new coupon.

- Indeed, it is important to note that the entire issue of product returns remains daunting – for example, a cable customer who has no intention of relying on an antenna would likely find his or her CECB to have been improvidently purchased, and expect to return it for a refund, to a retailer who has already processed this customer’s coupon and been reimbursed for it. How this transaction is “reversed,” and how the retailer can re-sell the CECB, still must be worked out with the NTIA and the IBM Team.
- This example argues for caution in public education. Herding millions of consumers – who will not in fact need CECBs – to rush out and obtain them can only damage the CECB program and drain the fund that supports it.

Fortunately, the NTIA and our fellow members in the DTV Transition Coalition have recognized that while the CECB solution is a vital option – even a *lifeline* – for *some* consumers, it is only one of a number of marketplace options for *most* consumers. As experienced retailers, CERC believes this point of view is essential to a successful transition and applauds Secretary Kneuer and his staff for having adhered to it.

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<sup>6</sup> We are very concerned at press reports that the FCC might move to impose regulations over day to day retail practices where the NTIA, which has the delegated congressional authority, has not done so. This could be highly corrosive as to attracting retailers to, and maintaining retailers in, the CECB program.

**CERC HAS BEEN A LEADER IN PUBLIC EDUCATION EFFORTS.** As I noted at the outset, public education is only as good as the quality and credibility of the information that is being conveyed. CERC has now published three editions of the *CERC Guide*, “**What You Need To Know About The February 17, 2009 ‘DTV Transition’ and the NTIA Coupon-Eligible Converter Box Program**” and just this summer published a Spanish version. The length of the title alone conveys the difficulty of providing a message that is both *reliable and complete*.

To continue with the example discussed above, of the cable subscriber .... Most households in the U.S. are cable or satellite subscribers (estimates range from 83-87%). Their immediate reaction when they hear about the Digital Transition is: “*How will this affect my cable TV?*” We will need a clear and consistent answer to this question.

Until the FCC’s public meeting on September 11, the FCC itself was not sure whether cable operators would carry analog versions of even to the so-called “Must Carry” channels to their customers. At that meeting the Commission decided to require such carriage at least for three years, but the carriage of broadcasters’ secondary digital channels will not be mandatory. Here is how, in the *CERC Guide*, we have, to date, explained this situation to our customers:

**Question #4: I now subscribe to cable or satellite. Do I need to be concerned about losing a TV signal to my TVs that are hooked up to these services? Our answer:** “No. Cable operators pick up most local broadcasts at a central location and send them to homes over cable; satellite services increasingly are able to do this as well. ***It is likely that they will continue to provide whatever free local broadcast programming they currently provide to you, even after there is this change in broadcasters’ means of transmission.***”

- However, local broadcasters will be able to offer additional digital channels, some or all of which might not be carried, or carried in HDTV, by your service. If you want to see such channels, you would need an antenna, and

your set would need an HDTV or DTV tuner built-in or added on via a converter. For local information, see [www.antennaweb.org](http://www.antennaweb.org).

- In the future, cable operators might also move to “all digital” means of delivery, which ***could mean that even for your TVs that are hooked up, you would need to lease a “set top box”*** or have a TV with a ***digital cable tuner*** (such as one with a “CableCARD” slot)—but this is likely a future, not a present, consideration.”

**Question #10: I subscribe to cable or satellite service, but not all my TVs are hooked up. What does the February 17, 2009 shutoff of the analog channels mean to me?**

- If some of your TVs rely on an *antenna*, you *will* need a converter box if they are not DTV television sets. (As noted above, you might still want an antenna and a DTV or HDTV tuner in order to receive all local channels.)
- If a TV is not currently hooked up to an antenna (for example, it is being used to play video games, or to watch DVDs or camcorder movies, etc.), nothing will change, because only *free over the air* broadcasts will be affected by this DTV broadcast transition.

CERC *believes* – subject to advice from the FCC, the NTIA, congressional leaders, and other members of the DTV Transition Coalition – that this advice remains accurate after the September 11 FCC meeting. The challenge, of course, is how to convey such detailed considerations to busy customers, and indeed how to include such complexities in the training of sales associates. Each time CERC has revised its Guide it has solicited ways of making its advice more succinct *without leaving out any detail of importance*. Thus far our Guide remains at 2.5 typeset pages, and as further details of the NTIA Coupon-Eligible Converter Box Program are released, it is unlikely to shrink.

Additional confusion, and concern, has been generated by the fact that the DTV Transition is moving in parallel with another transition – the one from broadcasting entirely in “standard definition” programming to broadcasts in “high definition,” as well as in standard definition. While consumers have found HDTV to be compelling, the explanation of how HDTV fits in to the DTV Transition is not a simple one, either.

The current version of the CERC Guide tackles this subject as follows:

**Question #5: What is "DTV" anyway?** "Digital television or "DTV" as used in this program means the broadcasting of digital television by local TV (not cable or satellite) broadcasters, ***as received directly by consumers using "rabbit ears" or roof-top antennas.*** The signals are sent from local transmitters, over the air, to homes, by modern digital techniques rather than the older analog methods that are not as efficient and are of lower quality."

**Question #6: What is "HDTV"?** "High Definition Television ("HDTV") is the highest quality version of DTV. (There is "standard," "enhanced," and "HDTV".) Not all DTV broadcasts are in HDTV and not all DTV receivers can display HDTV. ***Analog HDTV broadcasts in the U.S. are not possible. If you have seen an HDTV broadcast, it has been over satellite, cable, another such service, or over a digital TV broadcast channel—these are already on the air.***"

**Question #7: Does my present TV have a DTV tuner? What about my VCR, DVD recorder, PVR, DVR, etc.?** "The only televisions that have DTV tuners are those that have been sold—since about 1998—as having an ***integrated*** or "***built-in***" DTV or HDTV broadcast tuner. (An HD set sold as a "monitor" or "HD-ready" is capable of *displaying* HDTV but does *not* have a built-in HDTV tuner.) The FCC now requires that most TVs with analog tuners also be marketed with built-in or separate DTV or HDTV tuners, and this will soon be a requirement for all TVs—so most of the TVs you see nowadays in stores will be DTV or HDTV "built-in" products. Be sure to check, however, just in case one is not."

Again, if someone has the time and attention span to absorb this information, they should find it accurate, useful, and as succinct as is possible. The challenge is, how much time can a busy shopper, with a long list, kids in tow and a life to live, devote to in-store study?

"**UPSELLING.**" Congressional leaders and others have expressed concern that, once coupon-eligible converter boxes are available sometime next year – or even now, before they are available – retail sales associates will try to "upsell" consumers who would be best served by a Coupon-Eligible Converter Box. We don't think this will be a

problem once the “CECBs” are on the shelves and we, and our partners in the DTV Transition Coalition have fully explained their purpose and function to consumers.

We have to bear in mind that we have two transitions, in parallel, in which our customers are interested. One is from analog to digital *broadcasting*. The other, which is of more interest to the majority of our customers, is from Standard Definition to High Definition *programming*. Our challenge and goal is to fully explain, to all customers, their options with respect to each of these transitions, which overlap but are of different natures. Already, *most* of the TV products on display in stores today are HDTV receivers. Retailers would not be serving their guests if they failed to explain how these products, and the programming they can support, differ from older, conventional displays and programming.

We need to explain about the DTV Transition as well, but this is of concern primarily to those customers who rely on antennas. We have published much material on this subject and will address it on the sales floor as well. At present, with no CECBs on the shelves and some details still to be learned, we can only give these assurances, which are based on consultation with our members:

- Legitimate retailers are dedicated to learning and meeting a customer’s needs and wants. These will largely be determined by the sources of programming in which the customer is most interested, and the available viewing space and budget.
- If a customer is interested in obtaining a CECB to service an existing TV, VCR, etc., this will be the focus on the sales discussion and transaction. If the customer is interested in upgrading to a new digital TV or an HDTV display, to better experience and enjoy watching DVDs or high definition DVDs, or in receiving digital broadcasts in a new TV or recording product, this will be the focus of the transaction.
- It would be foolhardy to try to divert a customer from his or her needs or wants. Most customers do substantial research before visiting a store to make a purchase, and improvident purchases lead to product returns, which are costly for retailers.

**CERC IS COMMITTED TO ACHIEVING A SUCCESSFUL DTV TRANSITION.** In CERC's September 17 Comments in the FCC's DTV Public Education docket, CERC made these commitments:

“Over the last month most CERC members have consulted with the Commission, via the Chairman, the Chairman's office, bureau staff, and/or Commissioners' legal advisors, and in this process have advised of their specific plans to inform and assist their customers as key Transition dates approach. Undertakings discussed with the Commission, some of which are already in process, cumulatively<sup>7</sup> are expected to include:

- Additional and more specific training for sales associates
- Retail floor signage about the Transition and the end of analog broadcasts
- Pamphlets with retailers' own advisories, distribution of FCC, NTIA, CERC, and DTV Transition Coalition printed material; links / frames to CERC and official sites
- Inclusion of DTV Transition advisory information in advertising supplements
- Participation in the NTIA CECB program
- Specialized web site about Transition as part of web store
- Inclusion of Transition / end of analog information in in-store “video loops” (specialist retailers)
- Continued implementation of Commission-required labels until stocks of covered products are exhausted

“Given the variety in the sources and, potentially, the content of published material and Internet advisories pertaining to the Transition, CERC, as a member and founder of the Steering Committee of the DTV Transition Coalition, has urged that early

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<sup>7</sup> As CERC includes specialist as well as general retailers, and store-front as well as web-based retailers, not every undertaking may be feasible for execution by every CERC member.

attention be paid to coordination in and rationalization of messaging and consumer contact points. For example, the public and private sectors need to pay careful attention to the number of “1-800” numbers that are offered to the public. They need carefully to coordinate the subject matter of each, the message communicated, and the resources available for answering questions. In this respect, the leadership role to be played by the Commission is as obvious as it is necessary. ***CERC and its members specifically commit to working with the Commission, via the DTV Transition Coalition and otherwise, to assist the Commission, pursuant to the requests of Members of Congress and the Commission’s own responsibilities, in achieving a unified message that is strongly in the public interest at this critical time.***”

CERC’s commitment includes working with the Commerce Committee throughout the Transition and afterwards if necessary, to assure that the public is well informed and well served.

Thank you again for inviting me to testify and I will be pleased to answer any questions.



## APPENDIX

On behalf of its members and the retail community at large, CERC has long advocated voluntary public education measures to promote the DTV Transition, and has been a leader among industry groups in taking affirmative steps to bring accurate information to the consuming public:

- CERC was the first to publish a comprehensive Consumer Guide To The DTV Transition and the CECB Converter Box Program, initially issued well before passage of the Transition legislation, and twice updated since and now available in Spanish. The Guide appears on the CERC web site, [www.ceretailers.org](http://www.ceretailers.org), and has been widely linked to by others, including CERC members and the Commission. CERC also posts shorter-form consumer advisories which are also linked to by members.
- CERC maintains information on the DTV Transition on its web site, available to all retailers and members of the public.
- CERC was a founding member of the DTV Transition Coalition and is active in the Coalition's public outreach efforts.
- CERC has undertaken several joint public education efforts with the Commission –
  - Co-branding with the FCC and the Consumer Electronics Association (CEA) of a "DTV Tip Sheet," distribution of copies to Best Buy and Circuit City stores, printing twice in the NARDA magazine.
  - Co-production and branding with the Commission of an advisory to all retailers with respect to the end of manufacturers' distribution of "analog only" television receivers, and the Commission's labeling regulation with respect to analog television receivers (47 C.F.R. § 15.117(k)).
  - CERC maintains a fact sheet on the Commission's "analog only" labeling regulation, for the benefit of all retailers.
- CERC has worked with the NTIA to facilitate its CECB program and has posted NTIA information and application forms on the CERC web site.
- CERC will provide information and guidance with respect to the CECB Program to all retailers, irrespective of CERC membership.
- CERC representatives have convened forums and traveled to meetings to advise non-member companies about the DTV Transition generally and FCC and NTIA initiatives specifically.
- CERC member companies have instituted consumer educational and associate training measures, including linking or copying CERC and FCC material via their web stores, and are in consultation with the Commission as to specific enhancements as the DTV Transition approaches.

**Consumer Electronics Retailers Coalition**



[www.ceretailers.org](http://www.ceretailers.org)



What you need to know  
about the February 17, 2009  
**DTV Transition**  
and the  
**NTIA Coupon-Eligible  
Converter Box Program**

# What you need to know about the February 17, 2009 DTV Transition and the NTIA Coupon-Eligible Converter Box Program



## 1. When will the transition from analog to DTV broadcasting occur?

The last day that local broadcasters can send out conventional “analog” television signals will be **February 17, 2009**. After that date, your local television broadcasters will broadcast exclusively digital television (“DTV”) signals that can be received only by digital TVs or converters. **If you use a TV antenna with one or more TVs, you should consider what this means to you.**

## 2. Why will over-the-air broadcasting stop on the analog channels?

After decades of study, Congress passed a law in late 2005 requiring this change. For more than half a century, TV broadcasts have used and improved on basic **analog** technology that was invented in the 1920s and 1930s.

These signals take up a lot of radio “spectrum” that is now urgently needed for emergency communications and new **broadband** services. (Finding new frequencies for emergency communications became a high priority after September 11, 2001.)

Congress found that we can support these essential communications, and new digital services, by moving TV to much more efficient digital transmission, while offering **more** locally broadcast channels, plus HDTV programming, in less overall spectrum space.

## 3. What is the NTIA “Coupon-Eligible Converter Box” (CECB) program?

Because millions of households rely on antennas for all or some of their TV viewing, the Congress, when it enacted the DTV Transition law, set aside up to \$1.5 billion dollars

to fund a program of “Coupon-Eligible Converter Boxes,” to be administered by an agency of the Department of Commerce, the NTIA.

The law requires the NTIA to make available, to each household, up to two \$40 electronic coupons that can be used at participating retailers for “converter boxes” that will convert digital TV broadcasts to analog signals that can be received by the older conventional TVs.

These coupons will be available only from the NTIA, but applications to obtain them will be widely available.

***The coupons cannot be combined to buy a single product. Coupons may be requested starting January 1, 2008, and will expire 90 days from issuance. The last coupons will be sent out by March 31, 2009.***

## 4. I now subscribe to cable or satellite. Do I need to be concerned about losing a TV signal to my TVs that are hooked up to these services?

No. Cable operators pick up most local broadcasts at a central location and send them to homes over cable; satellite services increasingly are able to do this as well. ***It is likely that they will continue to provide whatever free local broadcast programming they currently provide to you, even after there is this change in broadcasters’ means of transmission.***

- However, local broadcasters will be able to offer additional digital channels, some or all of which might not be carried, or carried in HDTV, by your service. If you want to see such channels, you would need an antenna, and your set would need an HDTV or DTV tuner built-in or added on via a converter. For local information, see [www.antennaweb.org](http://www.antennaweb.org).
- In the future, cable operators might also move to “all digital” means of delivery, which ***could mean that even for your TVs that are hooked up, you would need to lease a “set top box”*** or have a TV with a ***digital cable tuner*** (such as one with a “CableCARD” slot)—but this is likely a future, not a present, consideration.

## 5. What is "DTV?"

Digital television or "DTV" as used in this program means the broadcasting of digital television by local TV (not cable or satellite) broadcasters, **as received directly by consumers using "rabbit ears" or roof-top antennas.** The signals are sent from local transmitters, over the air, to homes, by modern digital techniques rather than the older analog methods that are not as efficient and are of lower quality.

## 6. What is "HDTV"?

High Definition Television ("HDTV") is the highest quality version of DTV. (There is "standard," "enhanced," and "HDTV.") Not all DTV broadcasts are in HDTV and not all DTV receivers can display HDTV. **Analog HDTV broadcasts in the U.S. are not possible. If you have seen an HDTV broadcast, it has been over satellite, cable, another such service, or over a digital TV broadcast channel—these are already on the air.**

## 7. Does my present TV have a DTV tuner? What about my VCR, DVD recorder, PVR, DVR, etc.?

The only televisions that have DTV tuners are those that have been sold—since about 1998—as having an **integrated** or **"built-in"** DTV or HDTV broadcast tuner. (An HD set sold as a "monitor" or "HD-ready" is capable of displaying HDTV but does *not* have a built-in HDTV tuner.)

The FCC now requires that TVs with analog tuners be manufactured with built-in DTV or HDTV tuners as well—so most of the TVs you see nowadays in stores will be DTV or HDTV "built-in" products. The FCC is now requiring retailers to post a "Consumer Alert" next to any remaining TV receiver that has only an analog tuner.

## 8. I now rely on an antenna for at least one TV that does not have a DTV tuner. What are my other options?

You could **subscribe to a cable, satellite, or other program delivery service** that carries the broadcast programming in which you are interested. If you are already a cable, satellite, or other programming service subscriber, you might extend your hookup to reach this TV.

To continue to rely on an **antenna**, you will need an external **DTV Broadcast Converter product such as a Coupon-Eligible Converter Box.**

- If your set is an **HD Monitor** (sometimes called **"HD-ready"**) you are likely to want a tuner that can display HDTV broadcasts in full HDTV resolution (rather than **"downconverting"** them to a lesser format). Coupon-Eligible Converter Boxes will not have HDTV outputs, so you may want a non-subsidized product.
- If your set is a "standard" television, you will likely want to obtain a **Coupon-Eligible Converter Box** through the NTIA program. The NTIA, broadcasters, retailers, and others will soon be publishing information about how to obtain coupons, when the program starts in **2008**, to use toward the purchase of such products at retail and on-line stores. For up-to-date information, check at [www.dtvtransition.org](http://www.dtvtransition.org) or [www.ceretailers.org](http://www.ceretailers.org) or [www.dtv.gov](http://www.dtv.gov).

## 9. If I am shopping for a new TV, what does the February 17, 2009 shutoff of the analog channels mean to me?

If you plan to purchase a new TV that will rely on a roof-top or indoor **antenna**, you will want to make sure that it has a **built-in** (integrated) **HDTV or DTV tuner**. Even after DTV tuners are required in all new TVs, there will still be some products sold as "monitors" that do not have any tuner at all.

## 10. I subscribe to cable or satellite service, but not all my TVs are hooked up. What does the February 17, 2009 shutoff of the analog channels mean to me?

- If some of your TVs rely on an **antenna**, you will need a converter box if they are not DTV television sets. (As noted above, you might still want an antenna and a DTV or HDTV tuner in order to receive all local channels.)
- If a TV is not currently hooked up to an antenna (for example, it is being used to play video games, or to watch DVDs or camcorder movies, etc.), nothing will change, because only **free over the air broadcasts** will be affected by this DTV broadcast transition.

(continued)

## 11. What else do I need to know about HDTV?

High Definition Television, or “HDTV,” is the more general name for showing video in a new and better format—a **wider screen with about 5 times the picture information**. All types of video displays—conventional picture tubes, the various sorts of projection TVs, and Plasma or LCD “flat panels”—can show HDTV if they are designed to handle all of this video information in this format. **You can expect a product to tune or display HDTV only if it was sold or advertised as such.**

- If your existing set is *not* HD-capable (an “**HD Monitor**” or “**HD built-in**”) it will not display an HDTV signal in full quality, even if an “HDTV broadcast converter” is attached to it.
- If your existing set is *HD-capable* it should display an HDTV quality picture when an HDTV broadcast converter is attached (but will display only a standard quality picture from a “DTV Broadcast Converter” that is not advertised as HDTV).
- For your existing TV that **cannot handle HDTV**, a converter should tune the HDTV broadcast channels, but provide them to your set **in the standard quality format that your set can display**. (Some, but not all, of these might also provide HDTV-quality signals to “HD-ready” sets.)
- For further information on display formats, see the Consumer Electronics Association’s *Guide to Digital Television* at [www.myceknowhow.com/digitalTelevision.cfm](http://www.myceknowhow.com/digitalTelevision.cfm).

### Consumer Electronics Retailers Coalition



[www.ceretailers.org](http://www.ceretailers.org)

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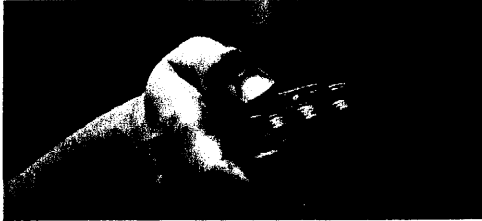


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Lo que debe saber de la  
**transición DTV**  
del 17 de Febrero del 2009  
y del programa NTIA (CECB)  
cupón de descuento  
de caja convertidora

# Lo que debe saber de la transición DTV del 17 de Febrero del 2009 y del programa NTIA (CECB) cupón de descuento de caja convertidora



## 1. ¿Cuándo se llevará acabo el cambio de difusión de señal análoga a señal DTV?

El último día en el cual las emisoras locales, puedan transmitir la señal convencional análoga de televisión será **el 17 de febrero del 2009**, después de esta fecha las emisoras locales de televisión transmitirán exclusivamente, usando la señal digital de televisión la cual puede ser recibida únicamente por televisores digitales o cajas convertidoras. **Si usted utiliza únicamente antena de televisión con uno o varios televisores, debe considerar como le puede afectar.**

## 2. ¿Por que se va dejar de transmitir en canales análogos?

Después de décadas de investigación, el Congreso aprobó una ley a finales del año 2005 requiriendo este cambio. Por más de medio siglo, las emisoras de televisión han utilizado y mejorado la tecnología básica **análoga**, la cual fué inventada en los 1920s y 1930s.

Las señales análogas ocupan mucho espacio de la gama de radio, la cual se necesita urgentemente para el uso de los medios de comunicación de emergencias y los nuevos servicios de banda ancha (**broadband**). (El encontrar nuevas frecuencias para uso de comunicaciones de los servicios de emergencias, se convirtió en un tema de alta prioridad después del 11 de septiembre del 2001.)

El Congreso descubrió que se pueden sostener este tipo de comunicaciones esenciales al igual que nuevos servicios digitales, cambiando los televisores al sistema digital el cual es más eficiente, ofreciendo la transmisión de **más** canales locales y además programación HDTV, usando menos espacio en la gama actual.

## 3. ¿Que es el Programa (CECB) de cupones de descuento para cajas convertidoras elegibles del NTIA?

Como muchas personas dependen de las antenas para recibir toda o parte de la programación de televisión que ven, el congreso, cuando aprobó la ley de transición DTV, reservó \$1,500 millones de dólares para costear un programa de cajas convertidoras elegibles a cupón, el cual será administrado por una agencia del departamento de Comercio el NTIA.

La ley requiere que el NTIA le haga disponible a cada vivienda, hasta dos cupones electrónicos de \$40 que se pueden usar en negocios participantes, para obtener cajas que convertirán transmisiones digitales a señal análoga, que puedan recibir los televisores viejos normales.

Los cupones serán disponibles únicamente del NTIA pero las solicitudes para obtenerlos estarán disponibles en muchos sitios. Para obtener más información del NTIA vaya a <http://www.ntia.doc.gov/dtvcoupon/PreparingForDTVSpanish.pdf>, [http://www.ntia.doc.gov/dtvcoupon/faq\\_spanish.html](http://www.ntia.doc.gov/dtvcoupon/faq_spanish.html)

**Los cupones no se pueden combinar para comprar una sola unidad. Los cupones se pueden pedir a partir del 1 de enero del 2008, y se vencerán 90 días después de que se otorguen. Los últimos cupones se enviarán el 31 de marzo del 2009.**

## 4. Actualmente soy usuario de Cable o satélite— ¿Necesito preocuparme de perder la señal de televisión del televisor que este conectado a estos servicios?

No, los operadores de cable reciben la mayoría de las transmisiones locales en una matriz central y después las envían a los hogares por medio de cable. Los servicios de satélite también pueden hacer esto, cada vez más.

**Es muy probable que continúen ofreciendo las transmisiones de programación local gratuita que actualmente le dan, aún después de que se cambie la forma de transmisión de la emisora.**

- Sin embargo, las emisoras locales podrán ofrecer canales digitales adicionales, algunos o quizás todos no sean incluidos, o incluidos en HDTV por su proveedor de servicios. Si desea ver esos canales necesitará una antena y su televisor necesitará un sintonizador de HDTV o DTV interno o agregado por medio de una caja convertidora. Para obtener información, vea [www.antennaweb.org](http://www.antennaweb.org).
- En el futuro, los operadores de servicios de cable podrían cambiarse a un medio de entrega completamente digital, lo cual podría resultar en que tenga que arrendar una caja de cable, **aún para los televisores que están conectados** ó tendrá que tener un televisor con un **sintonizador de cable digital** (como los que tiene espacio para un cartucho de cable), esto probablemente será algo que debe ser considerado en el futuro y no actualmente.

## 5. ¿Que es la TV digital (DTV)?

La televisión digital o DTV como lo usamos en este programa significa, que las transmisiones digitales se harán por las emisoras de televisión local (no por cable ni satélite), **así como los recibe usando las antenas de conejo o las antenas que están sobre los techos.** Las señales se transmiten por aire a los hogares, usando métodos modernos digitales en lugar de los métodos viejos análogos, los cuales no son tan eficientes y de más baja calidad.

## 6. ¿Que es la HDTV?

HDTV (televisión de alta definición) es la versión de televisión digital de más alta calidad. (Existe normal, mejorada y HDTV) No todas las transmisiones de televisión digital son en HDTV y no todos los recibidores de televisión digital pueden verse en HDTV. **En los Estados Unidos no son posibles las transmisiones análogas de HDTV. Si usted ha visto una transmisión de HDTV fue por medio de satélite, cable, o algún otro servicio parecido ó por medio de una transmisión de un canal digital, estos ya están al aire.**

## 7. ¿Tiene mi televisor un sintonizador de televisión digital? ¿Y mi video grabadora, grabadora de Vd., PVR, DVR, ect.?

Los únicos televisores que tienen sintonizadores de televisión digital, son aquellos que fueron vendidos desde aproximadamente 1998—teniendo un sintonizador **interno** u **integrado** de televisión digital o de HDTV. (Una unidad HD vendido como monitor o que este listo para HD, es capaz de *mostrar* HDTV, pero *no* contiene un sintonizador interno ó integrado.)

## 8. Actualmente dependo de una antena para por lo menos un televisor que no tiene sintonizador de televisión digital. ¿Cuales son mis opciones?

Puede **contratar servicios de cable, satélite, u otro servicio** de entrega de programación que ofrezca la transmisión de programación que le interese. Si usted ya es cliente de un servicio de cable, satélite, u otro proveedor de servicios de programación, puede extender la conexión para que llegue a ese televisor.

Para continuar usando una **antena**, necesitará un **producto convertidor de transmisión de televisión digital, como las cajas convertidoras que son elegibles a los cupones.**

- Si su aparato es un **monitor HD** (a veces llamado **HD-Ready**) probablemente quiera un sintonizador que pueda reproducir en la pantalla transmisiones HDTV con resolución completa HDTV (en lugar de convertirlo a un formato de *menos* resolución) Las cajas convertidoras elegibles para un cupón, no tendrán capacidad de HDTV, por lo que quizás prefiera un producto sin subsidio.
- Si su aparato es un televisor normal, quizás quiera obtener una **caja convertidora elegible a cupón de descuento** por medio del programa de NTIA. El NTIA, las emisoras, vendedores de menudeo y otros pronto publicaron información, de cómo poder obtener los cupones cuando inicie el programa en el **2008**, para utilizar los cupones en la compra de los productos en comercios de menudeo o tiendas de la red de Internet. Para obtener información actualizada vea [www.dtvtransition.org](http://www.dtvtransition.org) o [www.ceretailers.org](http://www.ceretailers.org) o [www.dtv.gov](http://www.dtv.gov) o [www.ntia.doc.gov/dtvcoupon/index.html](http://www.ntia.doc.gov/dtvcoupon/index.html)

## 9. ¿Si estoy buscando comprar un televisor nuevo, que importancia tiene la fecha de cierre de los canales análogos el 17 de febrero del 2009?

Si usted tiene planeado el comprar un televisor nuevo, que dependerá de una **antena** montada sobre el techo ó una antena para el interior, debe asegurarse de que tenga un **sintonizador integrado ó interno de HDTV ó televisión digital.** Aún después de que requieran sintonizadores de televisión digital en todos los modelos nuevos de televisores, continuarán vendiendo productos clasificados como "monitores", los cuales no tendrán sintonizadores.

(continuado)



## 10. Actualmente soy suscriptor de un servicio de cable o satélite, pero no todos mis televisores están conectados. ¿Como me va impactar el cierre del 17 de febrero del 2009 de los canales de señal análoga?

- Si algunos de sus televisores dependen de una *antena*, necesitará una caja convertidora si no son televisores DTV. (Como se mencionó anteriormente, quizás quiera una antena y un sintonizador DTV o HDTV para poder recibir todos los canales locales.)
- Si un televisor no esta conectado a una antena, pero por ejemplo, se está usando únicamente para jugar juegos de video o para ver DVDS o películas grabadas etc., nada cambiará, por que únicamente las *transmisiones gratuitas por aire* serán afectadas por este cambio de transmisión DTV.

## 11. ¿Qué más necesito saber de HDTV?

La televisión de alta definición o HDTV, es un título generalmente usado para mostrar videos en un mejor y nuevo formato, **la pantalla es más ancha con aproximadamente 5 veces más información de imagen.** Todos los tipos de presentaciones de video como pantallas convencionales, las diferentes variedades de televisores de proyección, plasma

o LCD de pantalla plana pueden mostrar HDTV, si fueron diseñadas para poder manejar toda esta información de imagen en este formato. **Puede esperar que el producto pueda sintonizar o manejar HDTV únicamente si fue vendido o se anunció indicando tener dicha capacidad.**

- Si su televisor actual no tiene capacidad HD (como **monitor HD o HD integrado**) no podrá exhibir una señal HD con calidad completa, aún cuando este conectado a una caja convertidora de HDTV.
- Si su televisor actual tiene *capacidad de HD*, podrá exhibir una imagen de calidad de HDTV cuando esté conectado a una caja convertidora de señal HDTV, (pero sólo podrá exhibir una imagen de calidad regular, si usa una caja convertidor de señal DTV si no se anunció como HDTV.)
- Para su televisor que **no puede manejar HDTV**, una caja convertidora debe sintonizar la transmisión de los canales HDTV, pero en su televisor se debe ver **en el formato de calidad regular.** (Algunos, pero no todos podrán ofrecer señal de calidad HDTV a los televisores que tengan capacidad HD.)
- Para obtener más información de los formatos, vea la *Guía HDTV* de la Asociación de Electrónicos de Consumidores al [www.myceknowhow.com/digitalTelevision.cfm](http://www.myceknowhow.com/digitalTelevision.cfm).

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[www.ceretailers.org](http://www.ceretailers.org)



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