

# OVERSIGHT OF THE DTV TRANSITION

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## HEARING

BEFORE THE

COMMITTEE ON COMMERCE,  
SCIENCE, AND TRANSPORTATION

UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

APRIL 8, 2008

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ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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## OVERSIGHT OF THE DTV TRANSITION

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TUESDAY, APRIL 8, 2008

U.S. SENATE,  
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,  
*Washington, DC.*

The Committee met, pursuant to notice, at 2:30 p.m. in room SR-253, Russell Senate Office Building, Hon. Daniel K. Inouye, Chairman of the Committee, presiding.

### OPENING STATEMENT OF HON. DANIEL K. INOUE, U.S. SENATOR FROM HAWAII

The CHAIRMAN. Our nation relies on television for news, information, and entertainment. With February 17, 2009 only 10 months away, too many Americans remain in the dark about what the digital television transition means. A recent Consumer Union survey found that 74 percent of consumers who know about DTV transition have major misconceptions about what it means. The same survey found that a staggering 73 percent were unaware of the government program created to offset the cost of purchasing converter boxes. And the members of this Committee find these numbers to be very troubling.

The FCC and the NTIA have been charged with ensuring that the DTV transition proceeds smoothly. I think all of us agree that the stakes are very high, and it is imperative that these two agencies make a success of this transition, as their number one priority. I realize there are a number of important challenges facing the FCC, including the question on how to proceed with the auction of the D Block. We have deep reservations about the FCC spending its limited time and resources in media areas unrelated to the transition. Meanwhile, the NTIA is challenged by the Administration's push for a third leadership change in the agency within the past year.

And so I urge both agencies to keep an eye on what is most pressing, and to proceed cautiously when you choose to spend time on what is not. To ensure that you focus on the task at hand, I ask that both the FCC and the NTIA provide the members of this Committee with a monthly status report regarding the status of this transition, as well as your continuing challenges. I request that you work with our staff to coordinate the details.

A few moments ago, I was chatting with a young lady about this transition, and she was telling me about her grandmother. And I can imagine grandmothers waking up the morning of the 17th, turning on their TV set, and all of a sudden nothing appears. It

would be a sad day for all of us. So I think we should try our very best, very best.

May I ask my Vice Chairman.

**STATEMENT OF HON. TED STEVENS,  
U.S. SENATOR FROM ALASKA**

Senator STEVENS. Thank you very much, Mr. Chairman. Thank you for holding the hearing. It's nice to see Chairman Martin and Secretary Baker appear here today. Our nation faces an historic change in less than 1 year, and Americans will reap the benefits of this transition, in my judgment. First, public safety will receive an additional 24 megahertz. Second, public safety will also receive critical funding from the proceeds of the digital transition. And third, the viewers will enjoy DVD-quality signals and increased programming through multi-casting.

It's crucial that government officials, industry, and consumer advocacy groups maintain a continuous drumbeat throughout this next year in outreach efforts. I am particularly concerned that elderly viewers and rural and remote residents are adequately informed. Our Alaska residents in villages are the most remote people in this country, and they have the same right to receive information about the transition as Americans who live in large cities.

In that view, my office has been trying to help out by working with local groups such as our broadcasters, AARP representatives, Native groups, senior centers, and the Postal Service to ensure that the message about this converter box program gets out to all Alaskans. We have also made the converter box applications available through my website and through my district offices in Alaska.

But, there are particular issues that need the attention, I think, of our witnesses. I'm pleased that they would come and be with us today. I hope to learn about several problems. First, it's my understanding that the current coupon program does not allow applicants to use a post office box address on their converter box application. That's a particular concern to residents of our state because, in many instances, a post office box is the only address that they have.

Second, many are concerned that there are only a limited number of converter box models. Seven I am told of the 66 certified converter boxes have an "analog" pass-through capability, which is a capability that's important in areas that receive broadcasting from low-power stations and translator stations, that's what I've been informed. That situation is just—in many places in rural America.

Finally, let me say Mr. Chairman, I am pleased to hear the FCC has listened to concerns that have been raised previously regarding the undue burden that small cable operators could face if they are required by the FCC to carry both an analog and digital signal. The capacity of their systems is—is small and such a requirement could threaten to put them out of business, resulting in the loss of local jobs and local cable for many viewers in rural parts of the country. And I commend and thank the FCC for responding to that issue and taking a look at it.

And I look forward to learning how your agencies are addressing other issues. And, I encourage both of you to consider the digital transition as the number one priority issue during this whole year,

rather than take on new burdensome issues that don't have the same critical aspects and are not subject to the critical countdown that is involved in the digital issues. I don't want to get offensive but there are other issues that are just not time sensitive, à la carte for instance and net neutrality. In my judgment they are solutions looking for a problem. But we have a major problem; the major problem is digital transition, and I hope we all keep our eye on that problem. If we work hard together, I think we can get the job done. We here have brought about this problem and we know the solution can only be achieved through hard work of everybody concerned. So we look forward to working with you and thank you very much for being here.

The CHAIRMAN. Thank you very much.  
Senator Hutchison?

**STATEMENT OF HON. KAY BAILEY HUTCHISON,  
U.S. SENATOR FROM TEXAS**

Senator HUTCHISON. Thank you, Mr. Chairman. I do appreciate your holding this hearing, because I share your concerns, and Senator Stevens', about the awareness of the public about this important transition that is going to occur 315 days from now.

My staff—because of our proximity with Mexico—my staff recently went down to South Texas and had about a dozen forums, all in the Texas cities along the border, to discuss the transition and try to raise the awareness at the local level about what can be done now. And, what they encountered was very different from what I have heard in other parts of the State. There is confusion about which households are affected, how to obtain and redeem the converter box coupons, and which retailers are carrying the converter boxes.

We do have public service announcements, and that is important, but I think that it's not nearly enough. So, I certainly look forward to hearing ideas on other outreach activities that we can conduct as we move into this critical period leading up to the transition.

I recently distributed educational pamphlets throughout Texas to raise awareness and encourage leaders to engage in outreach at the grassroots level. I'm also working with aging agencies, health and human services professionals, and other organizations throughout my State, and we have begun to help them with aggressive outreach and volunteer activities, including coupon registration drives.

The outreach there, though, has revealed some unique challenges in the border region. The Rio Grande Valley has more than 300,000 households, more than one-third of these rely on antennas for reception. Yet, according to the most recent Commerce Department data, less than 10,000 coupons have been ordered for this area, so it's a major concern.

Also, we have the situation where television stations on the Mexican side of the border, which are played in—in Texas, on our side of the border, will continue analog broadcasting. So they may be reaching households in South Texas, whereas American broadcasters would not. I introduced a bill with Barbara Boxer in late December that establishes a process for broadcasters in the border regions to apply to the FCC for permission to continue both analog and digital broadcasting after the transition, for a limited time.

Mexican stations are not required to carry AMBER Alert and Emergency Alert System messages, so I am concerned that a significant number of households along the border are going to be denied access to important public safety information, because they may be just watching Mexican stations after the transition.

I will continue to push for a limited process that grants the FCC the flexibility to review applications by border broadcasters only, to continue simulcasting if doing so serves the public interest.

I understand, on the converter boxes, that there is another issue that has been raised during these forums. And that is that some of the low-power stations, including some university stations and religious broadcasters believe that many models of the converter box lack the capability to pass through the analog signals that they will continue using after the transition. This is obviously a great concern to residents that rely on these stations, as well as the stations, to make sure that the converter boxes will work for every type of transmission.

So, I thank you for holding the hearing. We are trying to address these issues. We're doing everything we know, right now, to increase public awareness of the upcoming deadline. And so, I hope that we can pursue some of these things. I do have questions that I would like to submit for the record. I can't stay—sorry—I have a 3 o'clock meeting, but I will get the testimony that you have given us and I will also submit questions for the record.

Mr. Chairman, thank you very much.

The CHAIRMAN. Thank you very much.  
Senator Sununu?

**STATEMENT OF HON. JOHN E. SUNUNU,  
U.S. SENATOR FROM NEW HAMPSHIRE**

Senator SUNUNU. Thank you very much, Mr. Chairman.

And appreciate both of our panelists being here today. I think you hear, perhaps, one important message coming from all of the members of the committee, and that is first and foremost that this is an important transition and it's going to require a great deal of attention by the Commission and by NTIA, and people at the Department of Commerce to make sure that it goes smoothly.

That means we need to focus on information sharing, because I think getting information into consumers' hands is going to be the key to it working as smoothly as possible. If the consumer has a good experience, from their perspective, in installing a converter box and upgrading their television, it should be seamless. And I think it's going to be a very positive process. If they have problems, if they get the wrong equipment, if the issue of boxes that don't have pass-through capability is problematic, we're going to hear about it, you're going to hear about it. No one's going to be happy about the process. So, we need to remain focused on sharing that information.

I do think there are a few other important issues that the Commission needs to stay focused on. On the heels of a modestly successful auction, I think there is an opportunity to go back and address the big problems that we had in one area of the spectrum auction, and that's the D Block. It was extremely disappointing not to yield the price that even met the reserve level. I don't think we



can just go back and drop the reserve level. That would be a disservice to taxpayers. I think we've got a much better opportunity to re-auction the D Block, yield and realize a much higher return, get rid of some of the encumbrances that resulted in such a low—a low price limited offers, maybe even structure the auction in a way that benefits some of the smaller providers, smaller wireless carriers that didn't participate as fully as some would have liked in the auction process.

So, there is an opportunity there, but I think it's something that needs to be addressed quickly and in an expeditious way, and I hope that the Commission will do that. We've also talked before about the importance of addressing the technological issues associated with white spaces. Again, this represents an opportunity for the Commission to enact rules that allow more spectrum to be available for broadband access, for Internet access in rural parts of the country, underserved parts of the country. And I think both of those are proceedings and areas of rulemaking that are well developed and well underway. I think there is a lot of opportunity there.

Conversely, some of the more controversial issues, must-carry rules, Internet regulation, price controls, such as à la carte. In most cases, these are issues that have already been dealt with by the Committee. I know the last time that we dealt with price controls and à la carte pricing, I think the vote was 20 to 2 against such price controls. And I would hope that something like that doesn't occupy a lot of the Commission's time, because in all likelihood we're going to end up right where we are today, with the Committee having fairly strong views on the subject.

So, I think we need to remain—we need to remain focused, in effect, pick the targets and the opportunities carefully, both at Commerce and at the Commission. And if we do so, I think through the remainder of this year, we can see success, not just in the digital transition, but success in making more spectrum, more opportunities available for innovators, for investors, and of course, for consumers.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.  
Senator Smith?

**STATEMENT OF HON. GORDON H. SMITH,  
U.S. SENATOR FROM OREGON**

Senator SMITH. Thank you, Mr. Chairman.

I want to echo what I've heard my colleagues say and Senator Stevens in particular, there isn't a more important issue you have at the FCC this year than this issue. And we're counting on you to get it right, and if you don't, we're going to hear a lot about it in a year. Right now, millions of Oregonians are tuning in to broadcast TV to cheer on fellow Oregonian Kristy Lee Cook on *American Idol*—Go Kristy Lee! But these same Oregonians, in the fall, may want to watch the Oregon Ducks play the Oregon State Beavers, and all they're going to find is fuzz. And, I don't want that to be the case.

I remain concerned that public awareness of DTV transition is extremely low. And, a high percentage of households that will be

impacted by the transition are two I want you to focus on—elderly and rural.

According to AARP, of the roughly 21 million households that are going to be impacted, nearly half of those will include somebody over the age of 50. Now, I'm over the age of 50 and I hope I've figured it out, but there are a lot of folks in nursing homes that are not getting the information or where they get their TV. Nursing homes are not being given these transition boxes, and they need to be. I fear there will be an immense amount of confusion among rural Americans, rural Oregonians, who currently do not get their television over the air from the signal normally, but through repeaters or translators, and not from a full-power television station.

I'm troubled about the fact that many of those repeaters will not be transitioning to digital until well after the deadline, and the adverse effects and possible confusion may result over this issue among rural households.

I'll be interested in hearing, today, what you all are doing to raise public awareness. And again, there just isn't a more important issue before you this year.

Thanks, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Pryor?

Senator PRYOR. I don't have any statement. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Klobuchar?

**STATEMENT OF HON. AMY KLOBUCHAR,  
U.S. SENATOR FROM MINNESOTA**

Senator KLOBUCHAR. Thank you, Mr. Chairman.

Chairman Martin, thank you for coming today. We've been focused on this a lot in my State over the last few months. Best Buy is one of the companies that's taken a lead on this, in terms of trying to get the information out. Target's also working on it. But I still continue to be concerned because we are just 10 months from the February 17, 2009 transition date, and recent surveys have shown—and I know there are conflicting surveys—but they've shown that consumer awareness, while it has grown, many people do not know that the transition is coming.

And I know, just talking to them, there is some confusion about, you know, the converter box, if they're supposed to buy that, or if they have to get cable, which of course, we tell them that they don't have to get, but that continues to be a problem.

As you know, we have 430,000 households that rely exclusively on over-the-air television in Minnesota. That's more than 20 percent of the households in my State. So the education of consumers continues to be a very important issue for me, and then I'm also curious—and we'll talk about this, on some of these more detailed issues about falling over the digital cliff in areas where, maybe it is more problematic because they're different, in terms of the signal and what will happen.

Thank you very much. I look forward to hearing your testimony.

The CHAIRMAN. Thank you very much.

We are pleased to have, this afternoon, two very knowledgeable witnesses. First, the Chairman of the Federal Communications Commission, the Honorable Kevin Martin. And second, the Acting Assistant Secretary of Commerce for Communications and Information, National Telecommunications Information Administration, Meredith Attwell Baker.

May I call upon Chairman Martin?

**STATEMENT OF HON. KEVIN J. MARTIN, CHAIRMAN,  
FEDERAL COMMUNICATIONS COMMISSION**

Mr. MARTIN. Good afternoon, Chairman Inouye, Vice Chairman Stevens, and Members of the Committee. Thank you for inviting me to be here today to update you on the status of the digital transition.

On February 17, 2009, all full-power television stations in the country will stop broadcasting analog and begin broadcasting exclusively in digital. The DTV transition will be a historic moment in the evolution of television. Television viewers will be able to enjoy movie-quality pictures and sound and potentially new programming choices.

It will also allow us to significantly improve public safety communications and will usher in a new era of advanced wireless services, including the wide-spread deployment of wireless broadband.

A successful digital transition will depend upon minimizing the burdens on consumers and maximizing their ability to benefit from it.

Now according to recent polling data, consumer awareness of the transition has grown. Last month the Association of Public Television Stations released a survey finding consumer awareness of the transition increased from 51 percent to 76 percent in just 3 months. In addition, they found that roughly 62 percent of over-the-air consuming households, who are aware of the transition, indicated they would buy a converter box or digital TV, between now and when the transition takes effect. This is dramatically up since November of 2006, when only 28 percent of the over-the-air households said they would take one of these options.

That more and more viewers are aware of the transition is a step in the right direction; however, we still have more work to do. For example, that same Association found that 17.5 percent of over-the-air consumers who are aware of the transition, don't know what they will do, and roughly 10 percent said they would do nothing.

Taken together, these recent surveys indicate that too many Americans remain confused about what they need to do to prepare for the digital transition. This recently released data also demonstrates that facilitating a successful DTV transition is an enormous undertaking, and it is one which no single entity, public or private, can achieve alone, rather it requires the commitment and cooperation of government, industry, and consumer groups. And we have made that commitment and are actively working with these important stakeholders.

Today's hearing is a welcome opportunity to discuss our work with all of our DTV partners in the public and private sectors, both in terms of outreach and education, and necessary regulatory steps

to ensure that Americans can share the benefits of this historic transition.

The Commission has been working to put in place the rules and policies to enable broadcasters to complete the conversion from analog to digital. Last August, the Commission adopted the final DTV Table of Allotments, based upon the channel elections made by full-power stations. This order provided virtually all, over 99 percent of the TV stations across the country, with their final digital television channel assignments.

In December of 2007, we also concluded our third DTV Periodic Review. This order adopted the procedures and rules to guide broadcasters through the end of the transition. It's particularly important that broadcasters' progress be carefully monitored. Accordingly, we required each station to file a report on the status of the construction of their post-transition facilities. All stations have now submitted their first such report, and over 1,000 have indicated they were completely finished with their DTV transition and are already providing full service to their viewers.

Much of the focus of our consumer education efforts has been on the approximately 15 million homes that rely on over-the-air broadcast signals. These efforts have presumed that subscribers to cable and satellite will continue to be able to receive digital broadcast signals, just as they receive analog broadcast signals today.

It is critical to note, however, that our rules needed to be modified to clarify that after the transition, cable and satellite companies are required to carry digital broadcast signals to their customers, just as they do analog signals today. Our goal of both of these orders was not to expand carriage, but to ensure that broadcasters' switch from analog to digital was not used as an excuse by cable operators to stop carrying broadcasters' signals in a format that could be viewed by all subscribers.

Last fall the Commission adopted an order that guarantees the 35 million analog subscribers will not be left in the dark once the broadcasters ceased broadcasting in analog. I do understand the small cable systems are capacity constrained. In order to address this problem, I am circulating today, a proposal to my colleagues that would give cable systems with 552 megahertz or smaller capacity an exemption from carrying HD signals, as the Commission required back in 2001. A system of this size does not need to file a waiver request, they would automatically be relieved of this 2001 obligation to carry the HD signal.

In addition, swift enforcement of our DTV-related rules is critical to protecting consumers and reducing potential confusion. The Commission's DTV-related enforcement efforts have focused on protecting consumers from unknowingly buying televisions that won't receive broadcast stations following the transition.

With respect to the Commission's labeling requirement, the Commission has, as of April 7, 2008, inspected 2,176 retail stores, 36 websites, and issued 347 citations notifying retailers of violations for failing to comply with our requirements.

Additionally, we have 14 Notices of Apparent Liability, containing fines totaling nearly \$5 million, which are currently scheduled to be considered by the Commission at our next open meeting

later this week. In addition to those NAL's, the Enforcement Bureau has also issued another 7 NAL's worth, about \$104,000.

In addition to our labeling investigations, we are continuing to ensure that no manufacturers are importing and shipping analog-only televisions. NAL's for apparent violations of our rules in this area are also scheduled to be considered at this week's meeting.

And third, we are ensuring that our digital tuners comply with the V-Chip regulations, and we have 9 NAL's with fines totaling \$6.5 million, which are scheduled to be considered at the Commission's meeting, again, later this week.

In order to educate consumers properly, all parties involved in the transmission—the FCC, NTIA, broadcasters, the cable industry, satellite, manufacturers, retailers and consumer groups—need to work together to educate consumers.

In February, the Commission adopted an order that, among other initiatives, requires broadcasters to provide on-air information to their viewers about the DTV transition, and requires MVPDs to provide monthly inserts about the DTV transition in their customers' bills.

In addition to our DTV education item, the Commission is actively, and directly, promoting consumer awareness in the upcoming transition, through its own education and outreach efforts. The FCC's outreach efforts place an emphasis on consumers who receive their television signals over the air, and on those who are hard to reach and may be unaware of the upcoming transition, including senior citizens, non-English speaking and minority communities, people with disabilities, low-income individuals, and those living in rural and tribal areas.

For example, beginning in July, DTV education posters will be displayed in all 34,000 post offices around the country. The United States Postal Service estimates that an average of 9 million people pass through their post office lobbies each day. We have also secured commitments from 25 States to display DTV materials in 1,100 Department of Motor Vehicle locations. For example, we have secured commitments from Alaska, Hawaii, Missouri, New Hampshire, North Dakota, Puerto Rico, Washington and West Virginia.

In addition, we have identified and contacted 150 mayors' offices in the areas of the country with high concentrations of over-the-air households, to seek their help to educate consumers in their communities. For example, the mayor's office in Great Falls, Montana, has requested 21,000 DTV flyers to send to their utility customers in all of their utility bills.

We've also reached out to the country's major professional sports leagues, and have received offers to help promote the transition—the NFL, the NBA, the NHL, Major League Baseball, and NASCAR—have all agreed to help raise awareness among their fans. For example, the NHL has agreed to run ten 30-second PSAs per day until the transition date on their cable channel, the NHL Network.

Since the last time I appeared before you, Congress has also allocated additional money to the Commission to spend on consumer education efforts, and we intend to put these resources to good use, as these additional funds will allow the Commission to expand upon its current consumer outreach and education plans.

In February, we awarded a contract to Ketchum, to support a broad range of consumer education services, including media services, publications and distribution. To spread the word about the transition, Ketchum arranged a satellite media tour in February for local television news stations around the country, including those in Hawaii, Missouri, Texas and Florida, and Ketchum will be arranging similar satellite interviews throughout the transition.

Other efforts with them include billboards in targeted markets, grocery store marketing and outreach, and production of television and radio public service announcements.

As I mentioned, we also know that some consumers will be disproportionately impacted by the transition, and are harder to reach than the population at large. And therefore, we've been taking specific steps to reach particular groups. For example, starting last year, FCC field agents have held DTV awareness sessions, and distributed information to senior centers, and other venues frequented by senior Americans.

Through the work of our field agents, we have been able to reach these consumers in a total of 44 States. We have distributed information to over 3,000 senior centers, and 985 community centers, which include large numbers of seniors, and given nearly 589 presentations, and 113 more scheduled in the just the days ahead.

Last September, we presented two DTV education sessions at the national AARP convention, and we have plans to make similar presentations at this year's convention and 8 road shows that AARP is holding around the country.

We also know the Hispanic community disproportionately relies on over-the-air television. Of the approximately 14.3 million broadcast-only homes, about 16.5 percent are headed by persons of Hispanic origin. The Hispanic Chamber of Commerce has agreed to join the Commission in conducting DTV awareness sessions, and member chambers in the 15 U.S. cities with the largest number of Hispanic television in homes.

In addition, we've partnered with Univision to hold DTV awareness sessions at town hall meetings. Through these partnerships, we will reach cities that are home to over 80 percent of the Hispanic community.

The Commission is continuing a multi-faceted approach and informing people with disabilities about the DTV transition. On February 28th of this year, we held a workshop dedicated to DTV issues facing people with disabilities. And in response to two suggestions by panelists, we have drafted a step-by-step guide on how to install a digital-to-analog converter box, and posted it on the Commission's website.

The Commission is also taking specific steps to help inform low-income consumers about the transition. We have formed a partnership with the Department of Health and Human Services to assist the FCC in disseminating DTV to targeted populations. For example, the Administration for Children and Families is distributing information through their 1,600 Head Start grantees, covering more than 18,000 centers around the country.

The Commission is also taking specific steps to inform people living in rural areas, and on tribal lands. For example, we recently established a partnership with the United States Department of

Agriculture's 4-H Office. The FCC, NTIA, and USDA participate in the annual 4-H Youth Leadership Conference, and presented seminars to youth members of 4-H chapters from various states. FCC staff provided information with these youth representatives and their colleagues, so they could take it back home to increase awareness.

Another important component of that plan is the placement of DTV education materials at state and county fairs throughout the country in cooperation with all the sponsoring 4-H chapters.

We've also forged an important partnership with the Bureau of Indian Affairs. This collaboration has resulted in the distribution of DTV materials throughout Indian Country, utilizing all 50 of their nationwide offices.

The Commission is devoting significant resources to facilitating a smooth transition. Nearly every Bureau and Office at the Commission has been involved in the effort, including all of our field offices throughout the country.

The next 10 months will undoubtedly be challenging, nevertheless it's our hope that through the combined effort of the government, industry and advocacy groups, American consumers will reap the rewards that digital transition has to offer.

Thank you very much, and I look forward to answering your questions.

[The prepared statement of Mr. Martin follows:]

PREPARED STATEMENT OF HON. KEVIN J. MARTIN, CHAIRMAN,  
FEDERAL COMMUNICATIONS COMMISSION

Good morning Chairman Inouye, Vice Chairman Stevens, and Members of the Committee. Thank you for inviting me here today to update you on the status of the digital transition.

On February 17, 2009, all full-power television stations in this country will stop broadcasting in analog, and broadcast exclusively in digital, as mandated by Congress in the Digital Television and Public Safety Act of 2005. A successful digital transition will depend upon minimizing the burdens placed on consumers and maximizing their ability to benefit from it.

The DTV transition will be a historic moment in the evolution of TV. Television viewers will be able to enjoy movie quality picture and sound and potentially new programming choices. It also will allow us to significantly improve public safety communications and will usher in a new era of advanced wireless services such as the widespread deployment of wireless broadband.

According to recent data from the Consumer Electronics Association and the National Association of Broadcasters, consumer awareness of the transition has grown. It is up 80 percent from 41 percent consumer awareness in August 2006 to 74 percent consumer awareness in January 2008, according to CEA, and NAB reports it has more than doubled since 2007. And recent surveys published by NAB and Consumers Union found 79 percent and 64 percent of consumers were aware of the transition respectively. More recently (in March), the Association of Public Television Stations (APTS) issued the findings to a survey it conducted in February indicating that consumer awareness of the transition increased from 51 percent to 76 percent in just 3 months (November 2007 to February 2008). In addition APTS finds that: "Roughly 62 percent of . . . over-the-air consuming households who are aware of the transition indicated that they would buy a converter box or digital TV set between now and when the transition takes effect . . ." which is up dramatically since November 2006, when only "28 percent of over-the-air households said they would take those options."

That more and more viewers are aware of the transition is a step in the right direction. However, we still have more work to do. Specifically, the Consumers Union also found that 74 percent of consumers have "major misconceptions" about the impact of the transition on them. In other words, too many Americans remain confused about what they need to do to prepare for it. And APTS finds that "17.5 percent of over-the-air consumers who are aware of the transition 'don't know' what

they will do and roughly 10 percent said they would ‘do nothing.’” Taken together, these surveys are valuable research tools to better guide our education and outreach efforts over the next 10 months.

This recently released data also demonstrates that facilitating a successful DTV transition is an enormous undertaking. And it is one which no single entity, public or private, can achieve alone. Rather it requires the commitment and cooperation of government, industry and consumer groups. We have made that commitment and are actively working with these important stakeholders.

In February, I participated in an event marking 1 year before the transition at a local Best Buy store which sells digital televisions and is currently selling digital-to-analog converter boxes. Commerce Secretary Gutierrez, Meredith Baker and I were joined there by top representatives of the Nation’s broadcasters, cable operators, and the consumer electronics industry. We are working together, along with others inside and outside of government, in an unprecedented public-private partnership to educate consumers throughout the country. Today’s hearing is a welcome opportunity to discuss our work with all of our DTV partners both in terms of outreach and education and necessary regulatory steps to ensure all Americans can share the benefits of this historic digital transition.

#### **Update on Broadcasters Transition to Digital**

Last August, the Commission adopted the final DTV Table of Allotments based on the channel elections made by the full-power broadcast stations. This order provided virtually all (over 99 percent) of the television stations across the country with their final channel assignments for broadcasting in digital following the DTV transition. By finalizing broadcasters’ channel allotments, the Commission helped ensure that broadcasters could begin making final preparations for their own conversion.

Nearly two-thirds of full power stations (1,180) will remain on the same channel they are currently using for digital service. Most of these stations, over 1,030, have completed construction and are already providing full service to their viewers. The remainder, roughly 150, are working on completing construction of their full service facilities. One-third of full power stations, (roughly 635), are changing channels for their operation after the transition and are currently filing construction permit applications, ordering equipment, and scheduling tower crews.

In December of 2007, we also concluded the Third DTV Periodic Review. This Order adopted the procedures and rules to guide broadcasters through the end of the transition. Among other important decisions, this order adopted the interference standard for post-transition applications and forecast the date, later this year, when the Commission will consider requests from broadcasters to expand their service area.

In the Third DTV Periodic Review, the Commission recognized that stations will need flexibility to complete the transition. Consequently we adopted procedures that will allow broadcasters to adjust their buildout according to their needs and the needs of their viewers. For example, we will consider requests from broadcasters that find it necessary to reduce analog service before the transition date, but they will be required to inform their viewers well in advance of any reductions.

In addition to getting the proper rules in place, it is important that broadcasters’ progress be carefully monitored. Accordingly, to enable the Commission to closely track broadcasters’ progress toward completing their transition, we required each station to file a report on the status of the construction of its post-transition facility. All stations have submitted the first such report, and over 1,000 indicated that they were completely finished with their DTV transition. Broadcasters are required to update the Commission with any changes to their status as events warrant. In the Third Periodic, the Commission committed to send Congress a full report on broadcasters’ DTV build-out in August. Broadcasters that have not completed their transition must report again by October 20, 2008.

#### **Carriage of Digital Signals**

Much of the focus of our consumer education efforts has been on the approximately 15 percent of the homes who rely on over-the-air broadcast signals. These efforts have presumed that subscribers to cable and satellite will continue to be able to receive digital broadcast signals just as they do analog broadcast signals today. It is critical to note, however, that our rules needed to be modified to clarify that cable and satellite companies were required to carry digital broadcast signals to their customers just as they do the analog broadcast signals today. Our goal with both of these Orders was not to expand carriage but rather to ensure that the broadcasters’ switch from analog to digital was not used as an excuse to stop carrying the broadcasters’ signal in a format that could be viewed by all subscribers, including analog cable subscribers.



Last fall, the Commission adopted an order that guarantees that analog cable subscribers will not be left in the cold once broadcasters ceased broadcasting in analog. Specifically, the Commission took action to ensure that after the transition, cable operators will continue to make every broadcast station's signal viewable, as the statute requires. As a result, we significantly reduced the number of Americans potentially needing a converter box to watch broadcast stations post-transition. Making sure the almost 35 million households that subscribe to analog cable will be able to continue to watch broadcast television after the transition as they did before allows us to focus our energies on assisting the nearly 15 million households that rely exclusively on over-the-air signals.

The Commission recently adopted an order that will enable satellite subscribers to receive digital broadcast signals, as well. The law had required that when a satellite operator chooses to carry any local broadcast signals, it must carry all full power local broadcast signals in that market. The item recently adopted clarifies that, in such a "local-into-local" market, where a full-power television station is broadcasting only in digital, the satellite operator must carry that digital signal upon request. This clarification is critical to ensuring that satellite customers, like cable customers, will continue to receive the same broadcast stations they saw the day before the transition on the day after the transition.

#### **Enforcement**

The Commission's DTV-related enforcement efforts have focused on protecting consumers from unknowingly buying televisions that won't receive broadcast stations following the transition. Specifically, we are enforcing three rules: (1) the requirement to label any remaining televisions with analog-only tuners; (2) the prohibition on the importation and shipment of television receivers without integrated digital tuners; and (3) the requirement that the V-Chip functions with the digital technology.

With respect to the Commission's labeling requirement, the Commission has, as of April 7, 2008, inspected 2,176 retail stores and 36 websites and issued 347 citations notifying retailers of violations for failing to comply with our requirements. Because retailers are not licensees, we must give them a citation prior to issuing a Notice of Apparent Liability (NAL). In July 2007, we circulated to the Commissioners' offices NALs against seven of the largest retailers. In October 2007, we circulated another seven NALs against retailers. All 14 of these NALs, which contain fines totaling nearly \$5 million in the aggregate, are currently scheduled to be considered at our April open meeting later this week. In addition to these 14 NALs, the Enforcement Bureau has issued another seven NALs worth an additional \$104,000. It is my hope that through our vigorous enforcement actions, retailers will take concrete actions to avoid consumer confusion as the digital transition draws near.

In addition to our labeling investigations, we are continuing to ensure that no manufacturers are importing and shipping analog-only television receivers and equipment. We have issued NALs against two companies—Syntax Brilliant Corp. (approx. \$2.9 million) and Regent USA, Inc. (\$63,650)—for apparent violation of our rules in this area. One of these companies has already paid the fine, and a forfeiture order with respect to the other company is scheduled to be considered at the Commission's April agenda meeting. In March, we circulated an NAL against an additional manufacturer and this item is also on the agenda for the April meeting.

Finally, we are ensuring that the digital tuners comply with the V-Chip regulations. As you know, the Commission's rules require digital television manufacturers to include the V-Chip in their equipment and to ensure that their devices can adjust to changes in the content advisory system. We began investigating allegations that some manufacturers were not complying with our rules. As a result of these investigations we released an NAL against Funai Corporation. In October 2007, we circulated NALs against an additional seven manufacturers. Nine NALs, which contain fines totaling over \$6.5 million, are scheduled to be considered at the Commission's April agenda meeting later this week.

In addition, FCC field agents soon will begin to visit retailer stores to assess their employee training and consumer education efforts regarding the DTV transition.

Swift enforcement of all our DTV-related rules is critical to protecting consumers and reducing potential confusion. Our activities in this area will continue to be a priority during the next 10 months.

#### **Consumer Education and Outreach**

In order to educate consumers properly, all parties involved in the transition—the FCC, NTIA, the broadcasters, the cable industry, satellite, manufacturers, retailers, consumer groups—need to work together to educate consumers.

I commend the industry for the consumer education campaigns that they have initiated. Specifically, the National Association of Broadcasters (NAB) launched a \$700 million campaign that includes, among other things, television spots, 30 minute education programs about DTV and a 100-day countdown to the February 17, 2009 deadline. In addition, the National Cable and Telecommunications Association (NCTA) launched a \$200 million campaign that includes, among other things, sending customer communication "tool kits" to all their cable systems nationwide, and distributing brochures about the transition at community and public events.

In February, the Commission adopted an Order that requires commercial and noncommercial full power broadcasters to provide on-air information to their viewers about the DTV transition by compliance with one of three alternative sets of rules. Although the sets of requirements are distinct, all require PSAs and the Commission found that they each entail a similar level of commitment and engagement on the part of broadcasters. For example, where the first option calls for more frequent PSAs, the second calls for longer ones, and the third for the same total amount of education but more flexibility regarding PSA length. All plans require quarterly reporting of both mandatory and voluntary outreach and education efforts. This will allow the Commission not only to monitor compliance, but also to stay informed of the creative approaches being taken by disparate broadcasters all over the country, and continue to coordinate transition education efforts.

The item also requires MVPDs to provide monthly inserts about the DTV transition in their customer billing statements. Phone companies participating in the Low Income Federal Universal Service Program also must provide notice of the transition to their low income customers and potential customers. The item also requires manufacturers of television receivers and related devices to provide notice to consumers of the transition's impact on that equipment. In addition, we require the partners listed on the Commission's *dtv.gov* website such as NAB, NCTA, CEA and CERC, as well as the winners of the 700 MHz auction, to provide the Commission with quarterly updates on their consumer education efforts. Finally, the item states that we will work with the National Telecommunications and Information Agency (NTIA) to ensure that the retailers participating in the converter box program are appropriately training their employees and informing consumers.

In addition to our DTV Consumer Education item, the Commission is actively and directly promoting consumer awareness of the upcoming transition through its own education and outreach efforts.

The FCC's consumer outreach effort places an emphasis on consumers who receive their television signals "over-the-air" and on those who are hard to reach and may be unaware of the upcoming transition, including senior citizens; non-English speaking and minority communities; people with disabilities; low-income individuals; and people living in rural and tribal areas.

We have been forging partnerships, participating in media events, and attending conferences, to get the word out.

For example, in the beginning of July, DTV education posters will be displayed in all 34,000 post offices across the Nation. The United States Postal Service estimates that an average of 9 million people pass through their post office lobbies each day.

We have also secured commitments from 25 states, the District of Columbia and Puerto Rico to display DTV materials in 1,100 Department of Motor Vehicle locations. Specifically, we have secured commitments with Alaska, Arizona, Colorado, the District of Columbia, Hawaii, Idaho, Louisiana, Maine, Massachusetts, Missouri, Montana, Nebraska, Nevada, New Hampshire, North Dakota, Ohio, Oklahoma, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Washington, West Virginia, Wisconsin and Wyoming.

The FCC also distributed DTV transition awareness information that is being provided to all Federal Government employees. We estimate that this message will reach over 2.5 million Federal employees throughout the country.

In addition, we have identified and contacted 150 mayoral offices in areas of the country with high concentrations of over-the-air households, to help them educate consumers in their communities. These efforts have thus far resulted in 29 cities making specific commitments ranging from posting and distributing DTV information in public locations and at events and conferences, to including information in newsletters and other publications, and establishing links to our *dtv.gov* website, and other efforts unique to their communities. For example, the Mayor's Office in Great Falls, Montana has requested 21,000 DTV flyers from us to send to their utility customers along with their utility bills.

We also reached out to the country's major professional sports leagues and have received offers to help promote the transition. The National Football League (NFL), the National Basketball Association (NBA), the National Hockey League (NHL),

Major League Baseball (MLB) and NASCAR all agreed to help raise awareness of the transition among their fans. For example, the NHL has agreed to run 30 second PSAs per day until the transition date on their cable channel the NHL Network.

Since the last time I appeared before you, Congress has allocated additional money to the Commission to spend on our consumer education efforts. We intend to put these resources to good use as these additional funds will allow the Commission to expand upon its current consumer outreach and education plan.

In February, a contract was awarded to Ketchum to support a broad range of consumer education services, including media services, publications, and distribution, that will assist and complement the FCC's ongoing work on educating all American consumers about the digital television transition. Ketchum has provided design recommendations to make our DTV messaging, including *DTV.gov*, more consumer-friendly. Other efforts through Ketchum will include billboards in targeted markets, grocery store outreach, and production of television and radio public service announcements. Ketchum arranged a Satellite Media Tour in February on local television news around the country in states such as Hawaii, Missouri, Texas and Florida to spread the message about the transition. From those seventeen interviews, which were aired between February 22 and March 2, Ketchum reported more than one million audience impressions. Ketchum will be arranging similar interviews throughout the transition to continue our consumer education efforts.

As I mentioned, we also know that some consumers will be disproportionately impacted by the transition or are harder to reach than the population at large. Therefore we have been taking specific steps to reach these groups. I would like to take a few minutes to describe our efforts targeted at each of these five communities.

#### *Senior Citizens*

Senior citizens are more likely to have analog television sets and rely exclusively on over-the-air broadcasting. We have partnered with organizations that specifically serve this harder to reach population. Last September, we presented two DTV education sessions at the national AARP convention in Boston, and we have plans to make similar presentations at this year's convention in Washington, D.C. In addition, late last fall, I was interviewed about the transition on AARP radio which is broadcast on 170 outlets nationwide reaching more than 1,000,000 people. I was also interviewed for, and quoted in the January/February issue of AARP's widely circulated *AARP Magazine*, which has a circulation of 23.5 million. AARP is also regularly including stories on the DTV Transition in their Monthly Bulletins. Further, AARP will be distributing DTV information at a series of eight "road show" events they will hold around the country from June to September of this year.

In addition to working with AARP, we have also been working with other senior organizations as well. For example, I taped a PSA for Retirement Living TV which reaches nearly 30 million homes nationwide. Also I participated in a story about the transition for the *Erickson Tribune*, which is distributed to residents in their retirement communities and is read by more than 6 million people. We are also pleased to be partnering with The National Association of Area Agencies on Aging (N4A) to cosponsor DTV awareness sessions during the coming year in conjunction with their 655 area offices throughout the Nation. This is a useful opportunity to educate caregivers, social workers and others who care for the elderly in their communities.

In addition to working with these organizations, we have and continue to set up partnerships with many State aging offices. As a result of our efforts, 26 states, the District of Columbia, and Puerto Rico have agreed to conduct DTV outreach with the FCC in varying capacities, including distributing DTV information at conferences and events.

Commission staff located in field offices throughout the country are also working on DTV transition education and outreach. Starting last year, FCC field agents have held DTV Awareness Sessions and distributed information to senior centers, libraries and other local venues frequented by older Americans. Through the work of our field agents, we have been able to reach these consumers in a total of 44 states—ranging from Alaska to Florida. We have already distributed information to over 3,033 senior centers, and 985 community centers, which frequently include large numbers of seniors, and given nearly 589 presentations with 113 more scheduled in the days ahead.

The FCC also held a DTV Workshop focusing on seniors at FCC Headquarters on November 8, 2007. It consisted of two panels discussing the transition's effect on seniors plus exhibits hosted by other government and industry organizations. Based on the discussions and the relationships formed at that Workshop, we reached out to faith-based organizations, provided them with consumer education materials on the transition, and continue to follow up with them to answer questions on the transition.

And I'm pleased to announce that on May 28, 2008, along with Congresswoman Eleanor Holmes Norton, we will be hosting a DTV Town Hall Meeting for seniors in D.C. We are working in conjunction with AARP, the DC Office of Aging, the NAB, and the National Caucus and Center for the Black Aged. The expected turnout is over 300 seniors from the District's Aging community.

#### *Non-English Speakers and Minorities*

We also know that the Hispanic community disproportionately relies on over-the-air television. Of the approximately 14.3 million broadcast-only homes, about 16.5 percent are headed by persons of Hispanic origin.

The Hispanic Chamber of Commerce has agreed to join the Commission in conducting DTV awareness sessions at member chambers in the 15 U.S. cities with the largest number of Hispanic TV homes. In addition, we have partnered with Univision to hold DTV awareness sessions at Town Hall meetings designed to educate members of its Spanish speaking audience. Through these partnerships, we will reach cities that are home to over 80 percent of Hispanic communities.

Additionally, we have taped several on-air interviews regarding the digital transition for Univision's news and public affairs programs airing both in local markets and nationally. These interviews were done by Keyla Hernandez-Ulloa the Commission staffer hired to spearhead outreach to the Hispanic community. We have been discussing the switch to digital on other Hispanic media outlets as well. For example, I did an interview with the Hispanic Communications Network, which produces material for radio, television, print and Internet, that will be distributed to its 230 member radio network in the United States and Puerto Rico.

We have also been working with other foreign language media outlets as well. To that end we have partnered with KTSF, a major Asian TV station in San Francisco. They have distributed 5,000 English and Chinese DTV one-page flyers at their booth during the Chinese New Year celebration events in late February. Approximately 100,000 people attended this festival. Also in conjunction with the California Public Utilities Commission, on May 22, 2008, we are participating with KTSF on a DTV educational panel for over 100 community leaders in San Francisco.

The FCC held a DTV Workshop focusing on non-English speakers and minorities on December 4, 2007. As a result of that Workshop, we will be working with the American Libraries Association to conduct a nationally available Internet seminar or "webinar" about the DTV transition today for librarians in the Webjunction Spanish Outreach Program. These librarians provide library services to Spanish speakers. Also, as a result of input received at the workshop, we translated our DTV one-page flyer into Hmong and Arabic (in addition to English, Spanish, Vietnamese, Chinese, Japanese, Korean, Tagalog, French and Russian).

In addition, we plan to participate in a number of national conventions representing non-English speaking and minority consumers in 2008. They include the 78th Annual Conference for League of United Latin American Citizens, the Annual National Hispanic Leadership Conference and the National Council of La Raza Conference, the NAACP Convention, the National Urban League Conference and the Organization of Chinese Americans National Conference.

#### *People With Disabilities*

The Commission is continuing a multi-faceted approach in informing people with disabilities about the DTV transition. On February 28, 2008, we hosted a DTV Workshop dedicated to issues facing people with disabilities. The program featured panelists from numerous organizations whose missions are to work directly with, and advocate on behalf of, individuals with hearing, vision, speech, physical, and intellectual disabilities. It elicited several concrete suggestions that we have implemented.

For instance, in response to the panelists' suggestion that we develop "how to" information related to the transition, we have drafted a step-by-step guide on how to install a digital-to-analog converter box, and posted it on the Commission's DTV Website, [www.DTV.gov](http://www.DTV.gov). Similarly, in response to general questions at the Workshop concerning the availability of video description (descriptions for people who are blind or have other vision disabilities about the setting and/or action in a program when information about these visual elements is not contained in the audio portion of the program), we are in the process of drafting a consumer advisory specifically addressing that issue.

Another suggestion from panelists was that we utilize national service organizations to inform consumers about the transition. Indeed, we have initiated a partnership with the Corporation for National and Community Service, and with the United States Department of Agriculture's 4-H office. Finally, we will build upon our workshop by speaking directly to organizations that work with and on behalf

of people with disabilities, at their meetings and conferences. For example, we are planning to attend the Summer Quarterly Meeting in Seattle of the National Council on Disabilities, which was represented at the February 28 Workshop.

I am also pleased to report that *www.DTV.gov* now features a DTV educational video in American Sign Language for the deaf and hard of hearing community. Our most commonly utilized publications are available in Braille and audio format and all of our fact sheets and advisories are available in large print. In addition, we have two specific publications addressing DTV and closed captioning, "Closed Captioning for Digital Television," and Closed Captioning and Digital-to-Analog Converter Boxes for Viewing Free Over-the-Air Programming on Analog Televisions." The Commission also has a dedicated e-mail box for closed captioning questions at *closedcaptioning@fcc.gov*.

Commission staff continues to attend conferences to distribute DTV educational materials to people with disabilities. For example, the FCC has attended and provided DTV materials at the National Black Deaf Advocates Conference, the Vocational and Educational Services for Individuals with Disabilities Conference and the Emergency Planning and Response for Special Needs and Disabilities Conference.

In all, we are collaborating broadly with disability advocacy groups and outreach organizations. For instance, the Hearing Loss Association of America ("HLAA") is already linking to our DTV informational materials on its website, which receives approximately one million hits per month. In addition, HLAA has committed to publish later this spring an article on DTV and closed captioning in *Hearing Loss Magazine*, which is estimated to reach a readership of 200,000 people. Likewise, later this spring the article will be published in the "Blue Book" Resource Guide of Telecommunications for the Deaf, Inc. ("TDI"), with a readership of up to an estimated 100,000 people, and eventually posted online at TDI's website, which receives approximately 88,000 hits per month.

Furthermore, HLAA has 200 local and regional chapters around the country, and we plan to conduct DTV Awareness Sessions at their monthly meetings throughout the course of the year. We recently conducted one in Yuma, Arizona on March 11, one in New Orleans on March 15, and we have another 16 scheduled through the fall. We also plan to utilize our Enforcement Bureau's Field Office staff and CGB staff to distribute DTV informational and educational materials at HLAA's "Walk4Hearing" events across the country taking place this spring through the fall.

#### *Low-Income Consumers*

The Commission is also taking specific steps to inform low-income consumers about the transition to all-digital broadcasting. We have forged a partnership with the Department of Health and Human Services to assist the FCC in disseminating DTV material to target populations, including low-income consumers. HRSA (Health Resources and Services Administration) has forwarded FCC DTV information to approximately 4,000 grantee organizations, and the message also went out to groups like the state Primary Care Offices and Primary Care Associations and the National Association for Community Health Centers—organizations which represent many more non-federally funded health centers and clinics nationwide. HRSA asked these organizations to post and distribute our DTV flyer in their clinics and to distribute information to patients. ACF (Administration for Children and Families) is distributing information through their 1,600 Head Start grantees, covering more than 18,000 centers around the country. The Substance Abuse and Mental Health Services Administration (SAMHSA) is distributing DTV flyers to approximately 50,000 individuals each month who call requesting information. Other HHS agencies are also distributing our flyers, displaying our posters and linking to our *dtv.gov* web page.

We have contacted social worker associations in each of the 50 states, plus the District of Columbia and Puerto Rico, and thus far have received commitments from over 20 of them to assist us in getting the word out about the DTV transition. These include publishing DTV information in their monthly newsletters, distributing DTV materials at events and conferences, and establishing conspicuous links to our website, *www.dtv.gov*, so that visitors to their web pages can obtain more detailed information about the DTV transition and the steps they may need to take to prepare for it. We have also reached out to representatives of the state health departments in each of the 50 states and U.S. territories, and thus far have received commitments from 8 of them to assist in distributing DTV awareness materials to the consumers they interact with on a regular basis. These include, for example, posting DTV materials in their service and waiting areas, distributing our fact sheets and other publications at events attended by consumers, inserting DTV information in mailings to consumers, and establishing conspicuous links to our website, *www.dtv.gov* so that visitors to their web pages can obtain more detailed informa-

tion about the DTV transition and the steps they may need to take to prepare for it.

In late February, we posted a simplified DTV one-page flyer on our website, and have offered it for distribution to all our partners. This was developed in response to requests for a more streamlined, non-technical, and easy to read DTV informational flyer.

In addition, on April 1, 2008, the FCC sponsored a DTV Consumer Education Workshop focusing on reaching low-income consumers. As a result of our panel discussions, we received several positive suggestions and offers of assistance from our panelists on how best to reach members of their constituencies with information on the DTV transition. We will be providing the organizations represented with DTV informational materials such as our posters, flyers, and fact sheets that can be displayed at their events and facilities throughout the country. The National Energy Assistance Directors Association offered to provide DTV information to low-income consumers who sign up for their program. We also received a suggestion to submit translated DTV articles to local foreign language publications in cities that have high concentrations of foreign language speakers. Often, these publications are the primary source of news and public interest information for these consumers. In addition, as noted earlier, all eligible telecommunications carriers ("ETCs") that receive Federal Universal Service funds are now required to provide DTV transition information in the monthly bills of their Lifeline/Link-Up customers.

#### *Rural and Tribal Consumers*

The Commission is also taking specific steps to inform people living in rural areas and on tribal lands about the transition to all digital broadcasting. For example, the Commission recently established a partnership with the United States Department of Agriculture's 4-H office. On April 1, 2008, the FCC, with NTIA and USDA, participated in the annual 4-H Youth leadership conference and presented two "Train the Trainer" seminars to approximately 100 youth members of 4-H chapters from the various states. FCC staff provided information which these youth representatives and their colleagues back home can use to conduct awareness sessions in their communities. In addition, each participating representative will receive a "DTV Outreach Tool Kit" containing more extensive materials for conducting their outreach sessions. We understand that the DTV outreach that will be performed by these young community leaders will assist them in meeting the community service requirements of their 4-H membership. Another important component of our partnership with USDA is the placement of DTV transition educational materials at state and county fairs throughout the country via sponsoring 4-H chapters and local extension service professionals.

We also have forged a partnership with the Bureau of Indian Affairs. This collaboration has resulted in the distribution of DTV materials throughout Indian Country, utilizing all 50 of their nationwide area offices. Commission staff has attended and provided DTV materials at the National Conference of American Indians, and the Rural TeleCon Conference, with many additional events planned for this year such as participation in the National Association of Development Organizations in Alaska Conference and the Affiliated Tribes of Northwest Indians Annual Conference.

So far this year, we have presented at the United South and Eastern Tribes (USET) Annual Impact Week, in Arlington, VA and have distributed DTV materials at NCAI's Executive Council Meeting, in Washington, D.C. We are also planning to sponsor an Indian Telecommunications Initiative (ITI) in Salt Lake City later this year.

Finally, on January 31, 2008, we held a workshop at Commission headquarters focused on reaching rural consumers and consumers living on tribal lands. We received many useful suggestions at this workshop on how to better reach these communities. For instance, our DTV one page informational flyer is being translated into Navajo, one of the most-spoken Native American languages in the United States.

#### **Conclusion**

The Commission is devoting significant resources to facilitate a smooth transition. Nearly every Bureau and Office at the Commission has been involved in this effort including our field offices throughout the country.

We intend to take whatever actions are necessary to minimize the potential burden the digital transition could impose on consumers and maximize their ability to benefit from it. The next 10 months will undoubtedly be challenging. Nevertheless, it is my hope that through the combined efforts of government, industry and advocacy groups American consumers will reap the rewards that the digital transition has to offer.

The CHAIRMAN. Thank you very much, Mr. Chairman.  
I now call upon Secretary Baker.

**STATEMENT OF MEREDITH ATTWELL BAKER,  
ACTING ASSISTANT SECRETARY FOR COMMUNICATIONS  
AND INFORMATION, NATIONAL TELECOMMUNICATIONS  
AND INFORMATION ADMINISTRATION,  
U.S. DEPARTMENT OF COMMERCE**

Ms. BAKER. Chairman Inouye, Vice Chairman Stevens, and members of the Committee, I appreciate the opportunity to appear before you today to discuss the progress being made by NTIA in implementing the TV Converter Box Coupon Program, and ensuring that all Americans—especially those who are reliant on over-the-air television, are informed about—and prepared for—February 17, 2009. I am very pleased to report that, since the program's launch on January 1, 2008, substantial progress has been made.

NTIA is focused on consumer education. In order to reach our most vulnerable populations, NTIA is collaborating with more than 200 partner organizations with direct communications to the senior citizen, rural, low-income, non-English speaking, and disabled communities. This includes social service and community organizations, as well as a variety of Federal agencies.

Trusted institutions, such as the NAACP, AARP, Spanish-language broadcasters, Goodwill, and the Native American Journalists Association, are just a few examples of entities whose involvement in consumer education is key to reaching these communities.

The DTV Coalition is also making great strides in educating the American public about their options for making the transition. I want to especially commend NAB, CEA, and NCTA for their leadership in reaching out to their viewers and customers, and for the substantial resources they are devoting to consumer education about the transition.

We here at NTIA have done over 100 interviews since the beginning of the year. Secretary Gutierrez himself has done over 25 interviews, in English and in Spanish. Ketchum—our consumer education contractor—reports that there have been over 200 million print and broadcast impressions, and more than 1.8 billion on-line impressions.

Mr. Chairman, you have rightly emphasized the importance of a coordinated Federal effort to ensure a smooth DTV transition. NTIA supports this, and is working with the FCC to ensure we take full advantage of the potential Federal mechanisms to educate and inform the public. We have to have something more formal to announce soon.

NTIA is also working closely with the Members of Congress and their staffs, including several members of this committee, in preparing for town hall meetings, franked mailings, and other constituent outreach. Our customizable partner toolkit, a copy of which you have in front of you at the dais, has become a valuable resource for many of these offices. We encourage every Congressional office to take advantage of this resource, and offer any assistance we can provide.

We are strongly encouraged by the large numbers of consumers who are acting on the information they've received. The program

launched on January 1, 2008, and as of today, NTIA—working with our contractor IBM—has accepted requests for over 10,024,000 coupons from over 5.2 million households. Forty-eight percent of the applications identify themselves as reliant on over-the-air television. 59.9 percent of these applications are coming from the web, 38.4 percent are from the phone, 1.4 percent by mail, and .2 percent by fax.

Working with manufacturers and retailers, we began to mail out coupons when we were confident that there were boxes on the shelves. We began a nationwide mailing of coupons, the week of February 17. We mailed out 350,000 coupons for the first few weeks, to ensure operational success.

To date, we have mailed out 3.8 million coupons, and at the current mailing rate of over a million coupons per week, we expect that anyone who orders a coupon by today will receive it the first week in May. After we catch up with the backlog, we expect coupon requests to take 2 to 3 weeks to process.

As of today, 260,000 coupons have been redeemed. As the members of this committee are well aware, the rate at which coupons are redeemed is a crucial metric for program management, and we're monitoring that data very closely. The first 90-day expiration period will occur on May 27, 2008.

As of today, NTIA has certified 67 converter boxes, some of which are being made available for as little as \$45. The response from America's retailers has been outstanding. As of today, the program includes more than 1,100 participating retailers, with 11,448 outlets nationwide, including locations in all 50 States, Puerto Rico and the U.S. Virgin Islands. Four of the largest national consumer electronics chains—Best Buy, Circuit City, RadioShack, and Wal-Mart—are accepting coupons, and carrying coupon-eligible converter boxes, as are 10 online and 4 phone retailers, and hundreds of smaller local retailers. Kmart, Sam's Club, Sears and Target also are expected to be actively participating shortly.

While we are very pleased with the progress of the coupon program to date, as with any program as large and complex as this, there are bound to be challenges that arise. One challenge we are addressing is how to best meet the needs of viewers of Class A, low-power television and translator stations. NTIA has just certified the 8th box with an analog pass-through capability, and several more are in an expedited process of being certified. All of the major retailers plan to carry at least one model of converter box with pass-through capability.

To assist low-power stations to convert digital broadcasts, Congress set aside \$65 million for equipment upgrades to stations. I want to thank Senator Snowe for her leadership in introducing S. 2607, which makes a critical, technical correction to the program. NTIA urges the passage of the Snowe bill.

NTIA also has under review proposed changes to address eligibility concerns regarding residents of nursing homes, and those who receive mail to a post office box. A draft Notice of Proposed Rulemaking is in the final stages of clearance, and we expect to put it out for comment soon.

In closing I'd like to thank the NTIA staff for the continuous hard work that they have put forward in ensuring the success of



both this program and the Nation's historic and important transition to DTV. I'd similarly like to commend the members of this committee and their staff, who are working with us cooperatively and constructively in support of these shared goals.

Thank you, again, for the opportunity to testify before you today, and I'd be happy to answer your questions.

[The prepared statement of Ms. Baker follows:]

PREPARED STATEMENT OF MEREDITH ATTWELL BAKER, ACTING  
ASSISTANT SECRETARY FOR COMMUNICATIONS AND INFORMATION,  
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION,  
U.S. DEPARTMENT OF COMMERCE

Chairman Inouye, Vice Chairman Stevens and Members of the Committee, thank you for the opportunity to appear before you today to discuss the progress being made by the National Telecommunications and Information Administration (NTIA), Department of Commerce, in assisting Americans to prepare for the digital television (DTV) transition. In particular, I am pleased to report to you on NTIA's successful launch 3 months ago of the Television Converter Box Coupon Program (Coupon Program). Although the Program is off to a very good start, we are still in the early phases of this important undertaking. In this statement, I will share with you the additional steps NTIA is taking to implement the Coupon Program, the agency's ongoing efforts to expand public education and outreach on the DTV transition and the Coupon Program, and challenges that we are addressing.

**Coupon Program Data**

As I indicated, NTIA successfully launched the Coupon Program on January 1, 2008. Since then, across the Nation, consumers have been ordering their coupons through one of four convenient methods: via a toll-free number (1-888-DTV-2009), online at [www.DTV2009.gov](http://www.DTV2009.gov), by mail or by fax. The phone line is available to consumers 24 hours a day, 7 days a week, with live agents available at all times, and an Interactive Voice Response system is available for English and Spanish-speaking callers. The phone line can accommodate requests in more than 150 different languages. A special assistance line also is available for the hearing impaired in English and Spanish. Braille application forms are available for the visually impaired. As of April 4, 2008, approximately 60 percent of the requests have been received through our website, 38 percent by telephone, and 1.6 percent by mail and fax. Approximately 89 percent of the household requests seek the maximum number of two coupons.

On January 1, NTIA with its partner IBM took requests from over 249,000 applicants requesting 475,000 coupons. Consumers from every state applied on that first day. By the end of the first week, NTIA had received over one million requests for two million coupons. As of April 7, 2008, NTIA has accepted more than 5.2 million household requests for almost 9.9 million coupons, which represents approximately 46 percent of the program's base funding. Approximately 48 percent of these households identified themselves as fully reliant on over-the-air television. Consumers have begun to purchase converters with the coupons.

As of April 4, 2008, consumers have redeemed more than 280,128 coupons. Because consumers have only had coupons for a few weeks, it is too early to draw conclusions about redemption rates, which will be the key factor determining program spending. NTIA will continue to monitor redemption rates carefully as a critical factor in the financial management of the program. Our expectation is that redemptions will be the greatest as consumers reach the end of the first 90-day expiration period.

**Consumer Education and Outreach**

NTIA's daily efforts working with the media have helped generate awareness of the DTV transition and Coupon Program. During these first 3 months, the Coupon Program obtained more than 200 million print and broadcast media impressions, as well as over 1.8 million online impressions. The high level of interest in the Program and the correspondingly high application rate indicate that consumers are becoming increasingly aware of the DTV transition and are ready to take action.

Multiple consumer surveys bear this out: a recent survey released by the Association of Public Television Stations shows a 50 percent jump in consumer awareness about the transition in just the last 4 months—from 51 percent in November 2007 to more than 76 percent in March 2008. Surveys conducted by Consumers Union

(64 percent) and the Consumer Electronics Association (74 percent) reveal similarly high levels of consumer awareness. In other words, our combined efforts to get the word out are succeeding.

One of the keys to the success of this program is its voluntary nature, which has fostered strong public-private partnerships. As I have discussed this issue with other Federal officials, non-profit leaders, and private sector organizations with which NTIA is collaborating, I have witnessed their willingness to work together to make the transition a success. The industries most directly affected by the transition have initiated significant educational efforts with real financial commitments to ensure that no household is caught unprepared on February 18, 2009. The DTV Coalition is also making great strides in educating the American public about their options for making the transition.

As a complement to these efforts, NTIA has instituted a proactive campaign to educate consumers about the role of the Coupon Program in the DTV transition, leveraging relationships with consumer groups, community organizations, Federal agencies, and industry to inform consumers of their options. NTIA is collaborating with more than 200 partner organizations, including social service and community organizations with ties to the senior citizens, rural, minority, and disabled communities, as well as a variety of Federal agencies with direct communications with other constituent groups. NTIA is reaching out to trusted institutions, such as the NAACP, AARP, Spanish-language broadcasters, and the Native American Journalists Association to reach populations most likely to be affected by the transition.

These groups are responding with thoughtful and creative ways to spread the word to their constituencies about the transition. A good example is the 4-H arm of the U.S. Department of Agriculture's (USDA) Cooperative State Research Education and Extension Service (CSREES). Collegiate 4-H—the college student 4-H organization—selected the DTV transition as its 2008 National Service Project topic. During the year, each chapter must carry out at least one DTV project based on lesson-plan material developed by NTIA. A project might include helping vulnerable individuals fill out an application or installing their converter boxes.

NTIA is keenly aware of the need to reach out to non-English-speaking communities, some of which rely heavily on over-the-air broadcasts. Information about the Coupon Program is being made available in numerous foreign languages—Spanish, French, Chinese, Vietnamese, Korean, Filipino, and Tagalog. On December 1, 2007, Secretary of Commerce Carlos M. Gutierrez was featured in the first of a series of public service programs entitled, “TV Digital . . . ¿Que Tal?” aired throughout the United States and Puerto Rico by the Spanish-language Univision Television Network. The program discussed the benefits of digital television broadcasting and provided detailed information about the need for viewers that rely on over-the-air broadcasting to obtain digital-to-analog converter boxes to continue to use their analog television sets, and how to access the Coupon Program to obtain coupons for the purchase of boxes.

Just last week, NTIA kicked off “Digital Television: Experience the Benefits,” a consumer education campaign we are coordinating with local organizations across the country to educate consumers about the benefits of DTV and the TV Converter Box Coupon Program. Our initial event on March 31st gave consumers an opportunity to “Ask the Experts” at RadioShack's flagship store in Fort Worth, Texas. Tomorrow, Secretary Gutierrez will discuss the digital television transition in Fort Worth, Texas, and later in the week will travel to McAllen, Texas—one of the Nation's highest over-the-air television markets—for a similar event. NTIA will continue to work with an ever-increasing number of interested industry and community groups to ensure that information about the DTV transition reaches these non-English-speaking communities as broadly and often as possible.

While relevant industry segments are taking the initiative to ensure their consumers have the information to navigate the transition, the Federal Government has a role in ensuring that all population groups, particularly those that are least likely to receive industry-produced information, and those more likely to rely on over-the-air television, receive a consistent and accurate message. Recognizing the importance of such a holistic approach from the start, NTIA hosted a meeting on January 24, 2008, with more than 15 other Federal agencies, including the Federal Communications Commission; the Departments of Veterans Affairs and Agriculture, the Department of Health and Human Services' Administration on Aging; and the Department of Homeland Security's Federal Emergency Management Agency, to further coordinate Federal efforts to educate the Nation about the February 17, 2009, deadline to transition to digital television. During the meeting, NTIA outlined its current and upcoming consumer education efforts, and the agencies discussed their strategies and existing communications efforts to raise consumer awareness of the DTV transition and the Coupon Program. The response from agencies has been

positive. For example, the Department of Veterans Affairs (VA) has made a concerted effort to educate its employees, veterans, and their families about the DTV transition and Coupon Program. Among other things, the VA has publicized the Program through *Vanguard* magazine, VA News, the American Veterans, and the Pentagon channel. It has distributed Coupon Program information to National Veteran Services Organizations such as the American Legion, VFW, Disabled American Veterans, Paralyzed Veterans Associations, AMVETS, and the Vietnam Veterans Association.

NTIA has worked with IBM and Ketchum, the subcontractor with expertise in public outreach efforts related to the Program, to develop a comprehensive toolkit of information to help organizations that are playing a critical role in educating their members, constituents and customers about the Coupon Program. Available for use since January 1, 2008, the Toolkit attempts to offer simple tips and recommendations to help each organization reach its members with information about the Coupon Program in a way that will resonate best with them. The Toolkit consists of a set of materials, including fact sheets, a poster, a mailer, sample presentations and other materials that can be co-branded for use by partners. The Toolkit also contains specific tools and strategies that can be used to reach the media to effectively deliver the Coupon Program message, and ideas and resources for informing consumers through community and in-store events or other activities.

The Toolkit includes four sections, each of which can be used on its own, or in conjunction with other parts of the Toolkit:

- *Program Background.* This section includes background information on the DTV transition and the TV Converter Box Coupon Program. Partners are strongly encouraged to familiarize themselves with the Coupon Program and with what consumers told us they want to know.
- *Development and Dissemination of Messages and Materials.* This section includes a series of tailored messages about the Coupon Program that partners can incorporate into their own materials to explain how to apply for and redeem coupons. The messages have been tested in consumer focus groups to ensure that they are easily understood and have been reviewed by NTIA for accuracy and consistency. This section also outlines the ready-made materials available for downloading, co-branding and use by all partners.
- *Communicating Through the Media.* This section provides guidance and ideas for generating “earned media” coverage through television, radio, print or online information sources. The information in this section ranges from ideas for conducting proactive media outreach, to placing public service announcements and tips on conducting a solid media interview.
- *Conducting Outreach Activities.* The Toolkit includes creative ideas for communicating about the Coupon Program through existing organizational resources, as well as developing events and activities that focus specifically on the TV Converter Box Coupon Program.

The Toolkit also is an extremely useful resource for Members of Congress seeking to communicate to their constituents about the Coupon Program. NTIA has worked closely with many offices to help prepare materials for town hall meetings, franked mailings, and other outreach, including to senior centers and other critical-to-reach groups.

#### **Manufacturer and Retailer Participation**

NTIA has been very pleased with the high level of participation in the Coupon Program, both by converter box manufacturers and consumer electronics retailers. As of today, NTIA has certified 66 converter boxes, each designed for the exclusive statutory purpose of enabling a consumer to view digital broadcast signals on an analog television.

NTIA’s rules also permit certain other features, including the ability to pass-through analog broadcast signals. These boxes can be found at leading retailers for as little as \$45. We are continuing to review and certify boxes as manufacturers come into this Program. A complete list of converter boxes certified to date is available on NTIA’s website, and is attached to my testimony.

The response from America’s retailers has been similarly outstanding. As of April 1, 2008, the Program includes more than 1,100 participating retailers. These retailers represent 11,448 participating outlets nationwide, including locations in all 50 states, Puerto Rico and the U.S. Virgin Islands. Participating retailers include four of the largest consumer electronics retailers—Best Buy, Circuit City, RadioShack, and Wal-Mart—as well as hundreds of smaller retailers. NTIA expects four other large retailers—Kmart, Sam’s Club, Sears and Target—to participate shortly. Addi-

tionally, consumers can choose from among seven online retailers and three phone retailers. In short, consumers—even those in areas where the closest consumer electronics retailer is fifty or one hundred miles away—will have ready access to coupon-eligible converter boxes.

At the request of many of these retailers, NTIA has made information available about the number of coupons requested not only on a per state basis but now based on 5-digit zip code. NTIA and IBM have made employee training materials available to all participating retailers so that they will be ready to answer consumers' questions about certified boxes and the use of the coupon for payment. Participating stores have completed certification in the Coupon Program and indicated that their employees are trained, they have converter box inventory in their stores, and their systems are prepared to redeem coupons. Participating retailers can be found on [www.DTV2009.gov](http://www.DTV2009.gov) under "Locate a Retailer Near You."

We are pleased with the progress that has been made in these first few months of the Coupon Program's operational phase and we are confident our continued, combined and cooperative efforts will only add to this success to the benefit of all Americans, as well as other stakeholders such as public safety entities.

#### **Addressing Challenges That Arise**

That said, as with any program as large and complex as this, there are bound to be bumps in the road and challenges that arise. NTIA currently faces several such challenges and is working diligently to resolve them as quickly as possible and in a manner that serves the best interests of the American people.

NTIA is concerned about how to best meet the needs of viewers of Class A, low-power television and television translator stations. As this Committee is well aware, these stations are not subject to the February 17, 2009, analog broadcasting cutoff deadline, and viewers of these stations who wish to continue receiving these analog broadcasts as well as the new digital signals after the February 17, 2009 deadline may choose to get a converter box that includes an analog signal pass-through feature. When the Coupon Program regulations were issued, NTIA asked manufacturers to take this into consideration in the development of certified converter boxes. At the same time, NTIA asked manufacturers interested in including this feature to investigate options that would provide an acceptable analog signal pass-through with minimal signal loss. On February 5, 2008, I sent a letter to each of the prospective converter box manufacturers involved in the certification process to once again encourage them to consider the needs of all viewers, including the viewers of Class A, low-power television, and television translator stations, in the development of converter boxes for the Coupon Program. Currently, NTIA has certified seven boxes with an analog pass-through capability, and several more are in the testing process of becoming certified. NTIA highlights boxes with this feature on the Program's website and in consumer mailings with the coupons. In addition, NTIA has sent helpful information to operators of Class A, low-power television and television translator stations so that they can inform their viewers of the options they have regarding the digital transition.

Congress set aside a total of \$75 million in auction proceeds to fund two grant programs that will assist eligible Class A, low-power television, and television translator stations to make the transition as quickly and smoothly as possible. The Low-Power Television and Translator Digital-to-Analog Conversion Program will provide \$1,000 to eligible low-power stations that must purchase a digital-to-analog conversion device to convert the incoming digital signal of a full-power television station to analog for transmission on the low-power station's analog channel. To date, 213 grants have been awarded under this program. Applications will be accepted until February 17, 2009.

Of course, stations that operate at less than full power will eventually convert to digital broadcasts. The Low-Power Television and Television Translator Upgrade Program established by Congress directs NTIA to assist this effort through a program that provides \$65 million for equipment upgrades to stations in eligible rural communities. To implement this program in a timely manner, a technical correction to the program authorization is required to permit the agency to begin making funds available during Fiscal Year 2009. S. 2607, which Senator Snowe has introduced, would make this correction. NTIA will continue to work with the FCC, industry and the broadcast community to assist low-power television stations and their viewers during the transition to digital broadcasting.

As the Coupon Program moves forward, NTIA will continue to address challenges and work diligently to resolve issues that arise. For example, NTIA is currently looking at concerns about program eligibility, including for residents of nursing homes and applicants who use a post office box. NTIA is finalizing proposed rule changes and expects to release a Notice of Proposed Rulemaking in near future.

Changes to the rule, at this stage, will pose challenges for the Program, but we will meet those challenges.

Thank you again for this opportunity to testify before you today. I will be happy to answer your questions.

## ATTACHMENT

## Coupon Eligible Converter Boxes 04/07/08

AccessHD DTA1010D	Kingbox K8V1
AccessHD DTA1010U	Kingbox K8V8
AccessHD DTA1020D	Lasonic LTA-260
AccessHD DTA1020U	Lasonic LTR-260
AMTC AT-2016	MAG CCB7707
Apex DT1001	Magnavox TB-100MG9 *
Apex DT1002	Magnavox TB100MW9
Artec T3A	MaxMedia MMDTVB03
Artec T3APro	MicroGem MG2000
CASTi CAX-01	Microprose MPI-500
Channel Master CM-7000	Mustek MAT-K50
Coship N9900T	Olevia DTA100
Denca DAC-100	Philco TB100HH9 *
Denca NL8118	Philco TB150HH9 *
Denca NL8119	RCA DTA 800A
Denca TBX1005A	RCA DTA 800B
Digital Stream D2A1D10	RCA DTA800B1 *
Digital Stream D2A1D20	Sansonic FT300A
Digital Stream DSP6500R	Sansonic FT300RT
Digital Stream DSP7500T	Skardin DTR-0727
Digital Stream DSP7700T*	SVA DAC100
Digital Stream DTX9900	Synergy Global Supply SYN2009
Digital Stream DX8700*	Tatung TDB3000
Echostar TR-40*	Tivax STB-T9
Fuyai ATSC 630	Tunbow Electronics E60010
GE 22729	Venturer STB7766G
GE 22730	Winegard RC-DT09
Goodmind DTA1000	Zenith DTT900
Goodmind DTA900	Zentech DF2000
Goodmind DTA980	Zinwell ZAT-756A
Gridlink GLT-200	Zinwell ZAT-856
Gridlink GLT-300	Zinwell ZAT-857
Insignia NS-DXA1	Zinwell ZAT-970

\*Analog pass-through capable converter.

[The document entitled *TV Converter Box Coupon Program—A Guide for Partnership Activities* has been retained in Committee files.]

The CHAIRMAN. Madam Secretary, thank you very much.

Senator STEVENS?

Senator STEVENS. Well, thank you very much.

And Mr. Martin, Chairman, we have looked through your full statement, I commend you for the depth of your report to the Committee, as far as what you're trying to do to make sure that everyone has heard about this process.

Have you given any thought to what the fallback is for those people who don't get the word, and suddenly find that they've got—they're cut off?

Mr. MARTIN. Well, I think our first and primary goal is to make sure that everyone is aware of it, as much as possible. Obviously the transition is going to occur, by law, next February, so they'll all be impacted at that time. But, I think our most important thing that we can do is continue to try to get the word out in more and diverse forms.

We have given some thought to some of the suggestions by one of my colleagues, Commissioner Copps, of trying to identify a test market, to try to go through a test kind of a transition at some point between now and then, so that we could see just how many consumers are unaware, or we have not been able to reach, so we can figure out how to better tailor our message. But, I think that's the extent of what we've given, as far as thoughts as far as a fall-back.

Senator STEVENS. Well, I had in mind something like what we see every once in a while on the screen or hear over the radio, "This is a test, this is a test, this is a test, in the event there was an emergency, this is where you would get your information, *et cetera*," have you thought at all about the power of the Commission to ask all broadcasters, all—everyone in the industry to start a process sometime this fall saying, in effect, "do you know, do you know, do you know? On the date below this system is going to change, and you must be ready for it."? Is there any real reason to pursue that kind of approach?

Mr. MARTIN. We did adopt a requirement that all the broadcasters were either required to go through a series of public service announcements with very specific language about what's coming up on the DTV transition, or to follow—as a safe harbor—the NAB's proposal of a series of both over-the-air public service announcements and screen crawls, or other ways to identify to their consumers.

We haven't explicitly, thought about utilizing the Emergency Broadcast Warning message, that kind of, "This is a test," so to speak. But we have required the broadcasters to either follow our plan or the NAB's plan, one of the two.

So, they will all be having to undergo increasing numbers of public service announcements and screen crawls, like the Emergency Warning System, but we don't actually use that kind of wording, and we can certainly consider whether or not that should be incorporated—I would be concerned that we don't want to confuse people that an emergency has actually occurred.

Senator STEVENS. No, I don't mean call it an emergency, but a warning that something has to be done. Too many people on these—answering these polls indicate they don't know that this process is coming at all.

Mr. MARTIN. Well, certainly, one of the things we're most concerned is that, while there is an increasing number of people that know the DTV transition is occurring, they don't know what they're going to do about it or what to do. And I think that's as much of a concern, as well—not only making sure everyone knows about it, but that they know what they need to do about it.

So like I said, I think you are going to see an increasing frequency by broadcasters and by all the different people that the Commission regulates, and all the people involved in the transition with providing increasing consumer information.

You know, we're requiring bill inserts, not only in the cable operators' bills, but in all of those telecommunications providers who receive Universal Service support. We are, requiring a whole host of ways, trying to get an additional message out.

But, certainly broadcasters are a critical—and the most critical—component of getting that message out.

Senator STEVENS. Ms. Baker, do you think your agency has any burden to follow through to make certain that people have learned of this transition?

Ms. BAKER. Absolutely. And I think that the consumer education campaign is beginning to work. We have devoted the first third of our consumer education money in developing the materials—some of which you see in front of you—and the second two-thirds will be in outreach to the media markets.

I think it's important to note that the coupon program actually runs through March 31st—Congress was very smart when they did that—so that, for those people who actually don't turn on their television that often, but they turn it on, on February 20-somethingth or March 15th—that they can still get a coupon, and they can still get a converter box—they're valid, obviously, for 90 days. So, the last coupon mail outs will go out on March 31st, and be valid for 90 days.

Senator STEVENS. Well, I think we all just pray that it works. I do wonder about those people that are in the rural areas that really rely on the system, but don't pay any attention to it, in effect. I think we've got to find some way to make certain that these people are contacted, and it's going to be a problem for us—particularly those of us who live in the rural areas.

Mr. Chairman, I'm told that in my second-largest city, Fairbanks, about 40 percent of the people still depend upon over-the-air broadcast. They're the most involved in this transition, aren't they? They're the most affected by it, I would say, do you agree with that?

Mr. MARTIN. Oh, absolutely.

Senator STEVENS. Well, is there any particular requirement that the broadcasters report to you that they have contacted the people they serve, in their area?

Mr. MARTIN. Oh, yes. Not only is there a requirement for how many public service announcements, screen crawls and other things they're supposed to be doing, but there is a requirement they provide on a quarterly basis, between now and the transition, an update on exactly what they've been doing, provide it to us, and put it in their public file, in terms of what they've been doing to educate their consumers, in the content of what they, of the message they've been putting it in.

Senator STEVENS. They're not easy to contact, they don't get a bill for services, they just turn on their set, and listen. And I'm most worried about those, or elderly who live in the rural areas at finding ways to connect with them. So, if you have any ideas of what we might do, those in public office would appreciate it.

Mr. MARTIN. OK.

Senator STEVENS. Thank you very much.

Mr. MARTIN. Thank you.

The CHAIRMAN. Thank you.

Senator Smith?

Senator SMITH. Thank you, Mr. Chairman.

Ms. Baker, you heard, perhaps, in my opening statement concern expressed for those living in assisted-living facilities and nursing

homes—do you have an estimate of how many folks we're talking about who will be impacted by the DTV transition?

Ms. BAKER. Well, you know, when the rule was developed, we were at the Department of Commerce and the statute said for us to give a coupon—up to two coupons to each U.S. household. So, we looked down the hall to the Census, and we used the Census definition of household. Unfortunately, of course, that excludes group housing, which is, in fact, nursing homes and assisted living—

Senator SMITH. Do I understand you're changing a rule on that, so that they can get them?

Ms. BAKER. We are.

Senator SMITH. OK.

Ms. BAKER. We are. That NPRM should be out shortly. But what we wanted to make sure is that for those who are in nursing homes, we could actually provide them the assistance they need. Sometimes those in nursing homes can't actually call up, get a coupon, go get a box. So, we wanted to make sure guardians could also effectuate this transition for them, as well as possibly the administrators of the nursing homes.

Senator SMITH. Well, you're going to go a long way toward solving the problem for many elderly Americans, if you get over the assisted living and nursing home issues. And so I simply draw your attention to that and encourage that.

Several have commented on the repeater relay of these signals—translators, as we call them in my area. They're not converting until 2010, or 2012. I've got 400 translators in my State, serving rural Oregonians. Do they have to get TV converter boxes to continue to receive their programming after February 2009?

Ms. BAKER. What they'll need is an analog pass-through box, or a splitter for a regular box.

Senator SMITH. And I understand there is a shortage of those?

Ms. BAKER. There should be enough of these boxes in major stores nationwide by the beginning of May. Currently, there is only one that's being sold, online and by phone.

Senator SMITH. OK, but that's happening?

Ms. BAKER. Indeed.

Senator SMITH. OK.

Commissioner Martin, a recent Nielson Report ranked Portland, Oregon dead last in terms of preparedness for DTV transition. The report cited a high number of viewers who receive their television over-the-air only, and a lack of understanding of how the transition will affect them, as contributing factors.

Further adding to the confusion, 15 stations in Oregon—three of which serve Portland—will have transition, will be transitioning to a different channel post. These channel changes will require the stations to power down their broadcasts, I understand, sometime in October—so what is this, this is even ahead of February 2009. Can you assure me that viewer disruption will be minimized by those served by stations in my State that are changing, literally, their posting, their channel site?

Mr. MARTIN. I can't assure you that they are going to be minimizing the amount of consumer disruption. Indeed, we've tried to make sure that they're making those kind of changes as late in this



process as possible, to ensure that we're minimizing that consumer disruption.

They're also required to notify the consumers, starting 30 days before they make any of those changes, that they will be having to begin powering down, to make some of the technical changes they will need to turn on their final digital system.

So, we're not only trying to minimize that, but we're also trying to make sure they inform consumers ahead of time.

Senator SMITH. That's the reason, Mr. Chairman, why I raised the Ducks and the Beavers football game, because this is going to hit during football season, not just in February. And so I'm highly focused on that.

And I thank you both for all you're doing, and I just encourage more of it.

And, thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Senator Pryor?

**STATEMENT OF HON. MARK PRYOR,  
U.S. SENATOR FROM ARKANSAS**

Senator PRYOR. Thank you, Mr. Chairman. And again, thank you for keeping the focus on this issue, because it's a very important issue.

Chairman Martin, thank you for coming in last week to talk about a variety of issues. I appreciate your time and your consideration on those issues.

But let me start, if I may, with Secretary Baker. As I understand it, Secretary Baker, you considered making analog pass-through a converter box requirement, but chose not to. Why did you choose to not do that?

Ms. BAKER. We did it for a couple of reasons. The first being that not all viewers are going to need it. And when we had our Notice of Proposed Rulemaking out there, we received comments that it actually degraded the signal by 3 DBs, which is roughly 50 percent. So, for those who didn't need this pass-through function, it would degrade the digital viewing. And we also heard—from manufacturers—that it was going to cost more.

So, what we did, was we made it a permitted, not required, feature, as we did with other features, such as Smart Antennas, Enhanced Programming Guides, the ENERGY STAR® certification.

Senator PRYOR. And—but if I understand your response to Senator Smith's questions a few moments ago, if you want to get a low-power signal, then probably since those are not required to transition for another, what, year or so after this, if you want to receive that, you will need that pass-through box?

Ms. BAKER. That's right. We're working with the low-power community to help educate their viewers that to continue to receive the channels that they're watching, they will need to buy an analog pass-through box.

Senator PRYOR. And I was jotting something down when you said this, but there is a Senate bill that you have encouraged us to look at, is it S.—what did you say, S. 2657? Two six—

Ms. BAKER. Twenty-six oh seven.

Senator PRYOR.—oh seven.

Ms. BAKER. Right. It's the technical correction for the \$65 million, for the upgrade for the low-powers.

Senator PRYOR. OK. And if, in your view, if the Congress were to pass that, and the President were to sign it, would it take care of some of the concerns that the low-powers have right now?

Ms. BAKER. Yes, because it's the digital transition, and it would help the low-power stations to actually upgrade to digital.

Senator PRYOR. Chairman Martin, since we're talking about low-power, you know, for example in my State, I heard what Senator Smith said about his, I think I have a total of—I'd have to think—12 or maybe 13 traditional, over-the-air broadcast stations that people think of, but I think I have a total of 83 low-power stations in my State, and obviously, a lot of them are very small and very localized.

But, when you have gone through this transition, this digital television transition, did the FCC make any special accommodations, or give any special attention to low-power? Or was that, sort of a second-tier issue?

Mr. MARTIN. Well, I think we have tried to work to give some special attention to low-power, in large part, the Commission and Congress didn't require that low-power stations make the transition during the same time-frame, because of concerns that low-power stations had raised about the financial implications for that—that they didn't have enough money to be able to buy all that equipment. That was part of the reason why Congress allocated them some additional funding, to make that transition.

So, we do allow the low-power stations to make that transition today, if they want to, they're just not required to, the same way the full-power stations are.

Senator PRYOR. Yes, I do think that resources are a big issue for most low-power stations.

Last, Secretary Baker, let me point something out that was in this weekend's *Washington Post* by Rob Pegoraro—I'm not quite sure how to pronounce his name. He may be here—if you're here, I'm sorry for mispronouncing your name.

[Laughter.]

Senator PRYOR. But, it's about someone trying to get on *DTV2009.gov* and not being able to—did you see this little blurb in the *Washington Post*?

Ms. BAKER. I didn't see this one.

Senator PRYOR. Apparently, there is just a, sort of a technical problem that if you don't type in the exact right website address, or something like that, then you start to get errors or something. So, I'll give this to you before you leave, and I think it would just be good for John Q. Public out there if we made sure that our websites, that we're up and running, we're running correctly—even with a little margin of error, they still would be running correctly.

Mr. Chairman, thank you.

The CHAIRMAN. Thank you very much.

Senator Klobuchar?

Senator KLOBUCHAR. Thank you, Mr. Chairman.

You know, we always talk about the digital revolution, and then the digital divide, so now we're going to talk about the digital cliff. And what I'm concerned about is that if everything goes well, and

consumers, say, get their converter boxes, and they get coupons, if they want to get those coupons, and they redeem them and they bring the converter boxes home and they figure out how to attach them properly to their set, for some of them there will still be a problem. And if those viewers are in rural areas where they already have kind of a snowy signal for their analog TV, as I understand it, and that means their signal is weak, it may be necessary for that group of consumers—even though we're saying, "Get this converter box, and you're OK," to also get a new antenna, in addition to getting a converter box. And I'm just wondering if you know what percentage of consumers will need a new antenna, in addition to a converter box, so as to be prepared for the transition.

And what I understand, the reason they call this going down the digital cliff is that if they don't have this antenna, their picture will be completely blank, even if they have the converter box.

Mr. MARTIN. One of the benefits of a digital, over an analog signal, is that if you're able to get a signal, it's better. So, for the people that have a snowy picture, and are able to get reception—

Senator KLOBUCHAR. Correct.

Mr. MARTIN.—it's going to be increased—it's going to be better.

Senator KLOBUCHAR. I agree.

Mr. MARTIN. But they're—

Senator KLOBUCHAR. But I think they might be a little surprised if they get no picture.

Mr. MARTIN. That's right—but for the ones on the other side of that cliff, so to speak, the ones that are fuzzy enough that they won't be able to, you're right, they'll need to get an antenna.

Our engineers estimate that—that could affect approximately 5 percent of those viewers.

Senator KLOBUCHAR. So, that's how many—how many people do we think have analog right now, in the Nation?

Mr. MARTIN. Well, there is—

Senator KLOBUCHAR. I'm just thinking in Minnesota, 430,000 if you roughly say 10 percent—that's, you know, 40,000 people. So, it's a lot.

Mr. MARTIN. There's about—

Senator KLOBUCHAR. Or, 40,000 households.

Mr. MARTIN. It'll affect 5 percent—it could affect 5 percent of the households, but there is no guarantee that that 5 percent of the households would be ones that are over-the-air viewers. In other words, 5 percent of the households on the edge could be impacted by this, but that doesn't mean that some of them may not be subscribing to cable or satellite.

Senator KLOBUCHAR. OK.

Mr. MARTIN. So, if you assume that 5 percent of those homes on the edge could be adversely impacted, then it's only 15 percent of those, on average, that are over-the-air viewers, it could be slightly higher in those rural areas—

Senator KLOBUCHAR. So—

Mr. MARTIN.—than 15 percent. So, it's more like 15, 20, 25 percent of the 5 percent of homes.

Senator KLOBUCHAR. I see.

Mr. MARTIN. But I do think that it will have that impact. That's our engineers' best estimates. The only place where there has been

a similar transition is in the U.K., where they've attempted to do this in several different markets, they estimate that it's turned out to be about 5 to 10 percent, again, of those people on the edges of the community that would need to get a new one.

Senator KLOBUCHAR. And so, are these antennas that need to go on their TV, or go on their roof? How expensive are they?

Mr. MARTIN. It would probably impact you, depending on wherever your antenna is today, so it could be the ones on top of your TV, or on top of your roof wherever you need to place the antenna to be able to get that signal today.

Senator KLOBUCHAR. So, do we know how much it's going to cost to put a new antenna in?

Mr. MARTIN. There are a variety—again, it could vary dramatically, there are a variety of antennas that are available, and that are already being marketed by the consumer electronics industry, and they vary quite dramatically in price.

Senator KLOBUCHAR. OK.

Mr. MARTIN. I would have to get back to you to get you the exact—

Senator KLOBUCHAR. But it could be around a hundred bucks, or something like that, or—

Mr. MARTIN. I will have to get back to you for the estimates of it.

Senator KLOBUCHAR. OK.

What are you doing to educate people about this? Do you have special ads for people with fuzzy signals? I'm just trying to—I mean, these are people that are going to think they did everything right, because they got their converter box, and then suddenly they're going to have no signal at all. So, what are we going to do for those—and I'm sure they're hard to ferret out, but I'm—

Mr. MARTIN. As I say, part of the challenge is that it will be very difficult to figure out exactly which of those consumers they are until we actually try to begin the process of the transition.

So, it'll be very difficult to end up figuring out who those consumers are, until they actually get the converter box and try to plug it in and get a signal.

Senator KLOBUCHAR. OK. Has the government published any detailed information on this? I know it's on the FCC website, I just haven't heard us talking as much about this. And I think it will involve, you know, percentage-wise it may be small, but a lot of people when you look across the country, who are in very remote areas, so—

Mr. MARTIN. We do have enough—having some information, so do some of the industry groups, particularly consumer electronics industries. There's actually a website that they have that you can go in and type in your address, and they try to indicate what kind of antenna you might need, if you need another antenna.

So there is a method for people that want to go to determine whether they would need a new antenna, there is a best estimate, again, that's no guarantee, that's just some of their models, to determine what kind of antenna—

Senator KLOBUCHAR.—and I know to make messages simple, and you know, I've been doing the same thing, you want to make it simple, so you say, "You need a converter box, you need this," but

I think there are going to be a lot of people that'll be surprised if we don't get the message out there.

Just one last question, retailers, I know, have been interested in getting geographic breakdowns of your coupon demand and redemption data, so that they can track the demand for converter boxes and figure out what they should be doing, where they should be doing it. If this information is available, have you been sharing it with retailers, or will you share it with them, if asked?

Ms. BAKER. That one's for me.

Yes, as a matter of fact, we have been—we've been trying—we have a very accommodating relationship with the retailers, it's a voluntary program, and we're thrilled with their participation. And so, to the extent that we can provide them five-digit zip code data on coupon redemption rates, we're happy to do so. It's also on our website.

The CHAIRMAN. Senator McCaskill?

**STATEMENT OF HON. CLAIRE McCASKILL,  
U.S. SENATOR FROM MISSOURI**

Senator McCASKILL. Thank you, Mr. Chairman.

First, let me thank both of you, both of your organizations have been incredibly cooperative and helpful. In Missouri, NTIA hand-delivered a number of pamphlets to my office in St. Louis, in order for us to get them out to an event we were having. The FCC staff has been accompanying my staff all over the State. We have been in contact with every senior center in Missouri, and have done a great number of presentations, and both of you have just been terrific, in terms of your organizations being helpful.

We have one in five Missourians that are going to be impacted by this conversion. And as you all may be aware, we just went through some rough, dangerous times in our State. We had severe ice storms that isolated a lot of people in rural communities without the ability to get the basic essentials of life, and then we've now had a number of very serious flooding situations, many of them in areas where we have a high number of people that are on analog television. So, I'm very worried about what happens if we get to the date and there are still people out there, as Senator Stevens referenced, that maybe have not taken advantage of the information that we are now doing a much better job of getting out to them, I think.

And one of the things I wanted to talk about was the number of coupons. I look at the assumptions that you have made, Ms. Baker, about whether or not we're going to have enough coupons, and I've got to tell you, I'm very skeptical of the assumptions. The assumption that the rate of demand for these coupons remains constant, doesn't make sense to me.

It appears—I mean, I think common sense would dictate that, as the date gets closer, and as more information gets out there, the demand is going to go up for the coupons, not stay constant.

And then your assumptions said that if—assuming the demand remains constant—which I don't think it will, and 100 percent are redeemed, we're going to run out 3 months before the date. Well, that's a really bad time to run out.

The second was, that demand would remain constant, and only 50 percent would be redeemed. And then we'd have enough to go until the date of transition, but it's not clear to me by what I've read, whether or not that goes beyond the date of transition, to those people who realize, that day, when they turn on their TV sets and it doesn't work, they've got to do something.

Where do these assumptions come from? Did we pull them out of thin air? Or is there some kind of methodical basis that was done to decide that demand wasn't going to go up for these coupons?

Ms. BAKER. Well, we don't have any information that the economic analysis that we did last summer when we were doing our rulemaking does not stand solid, as it is. In that economic analysis, we took the numbers, as you know, the numbers are kind of all over the map, but we took CEA's numbers, GAO numbers, NAB numbers, and the Consumers Union numbers.

And so, what we ended up with some people using the transition was between Consumers Union's 80 million and 74.2 million, or CEA's 32.7 and 29.1 million.

When you take a demand of, say, 70 percent—which is somewhat out of the air, although it does follow different surveys that we've had—as well as the demand for coupons, and we came up to a range of 20.4 million sets, to 51.9 million sets.

So, I think our economic analysis stands—we don't have any further redemption data that is more accurate or the actual number of sets that are out there.

I think you're very right, as you will see in your own State, that as you've conducted events, which we're grateful to you for doing, then the demand on the coupon spikes. Currently, you have had 140,886 coupon applications, and you've had 10,784 that have been redeemed.

It's, you know, I think we will continue to see these spikes, we've seen them spike at the very beginning of the program, we had a huge spike the first week in coupon applications, we also had a very large spike around the February 17th year-out event. As we move forward, we're now doing Experience the Benefits weeks, we're seeing spikes if we go to communities. We're going to do application round-ups in the fall, and certainly as we do the 100 Days Out, I think we'll continue to see spikes.

So, at this point we think that the numbers that we have are the best that we have at this point, until we start getting more accurate redemption data, as to whether these people are just applying for the coupons and don't need them, because they have cable or satellite or some other pay television, or whether they are actually redeeming them.

And, as I mentioned in my testimony, May 27th is the first redemption data we'll see. It becomes a little bit difficult to gauge because of the 60-day certification, because of the second tranche of money, and the 90-day exemption data. So, I would think that you would see me asking for as far as proper program management goes, the second tranche of money, sooner rather than later.

Senator MCCASKILL. Well, I know that you will help us stay on top of the redemption, and I do think, particularly with the elderly,

there is going to be a tendency to ask for the coupon, because they just want to be sure, just in case they might need it.

And so, I do think if we have any way of assessing what percentage of these requests are elderly as opposed to others, I think that you probably will have a less than 100 percent redemption, perhaps, with some of the elderly population than you might with some of the others.

Now, let me ask about—this is a little awkward, but, you know, I think you're doing a very good job right now, Ms. Baker, and I would ask Chairman Martin—don't you think Ms. Baker is doing a good job?

Mr. MARTIN. Oh, absolutely.

[Laughter.]

Senator McCASKILL. OK, well, then I don't get this—what we need right now is continuity. What we need right now is to not have, you know, I mean, I've laughingly and cynically and, maybe unfairly talked about the deck chairs on the ship of the *Titanic*, in terms of the movement that we have had in terms of personnel surrounding this issue. I mean, it seems to me the last thing in the world we need right now is to confirm someone new to take your job as this date is quickly approaching, and what we need most desperately is continuity.

I don't understand why the White House is interested in replacing you, Ms. Baker, and I don't want to put you on the spot, here, but I want to say for the record, I think you should stay. I think you should stay through the date of the transition. I think this is a really bad time to play politics with this position, because there are real consequences in terms of the program, and I just feel very strongly that the last thing in the world we need right now is to put a new person in because of some political consideration when we have a program necessity, in terms of making this thing work for the American people. So, I wanted to get that on the record.

And then, finally, the last thing I wanted to talk about is the labeling of the boxes as "coupon eligible." One well-known online retailer does not have its coupon-eligible boxes labeled as such, and there is also another retailer online that says consumers must redeem their coupons in the store—are you all taking steps to address those two problems that I see, in terms of the online community?

Ms. BAKER. Yes. As far as the labeling goes, at first we were worried about the fraud, that people would use our label and say that this is coupon eligible when it wasn't. We've since changed—there has been a course correction in this program, and we are encouraging people to use both our label, as well as say "coupon eligible" on the boxes. Any further instances that we see as we come along, we'll do continual course corrections.

Senator McCASKILL. And what about the retailer that's saying that you can't redeem online, you have to come in the store. Have you all made any attempt to contact them and talk to them about that problem?

Ms. BAKER. We've had a number of retailer issues that we've been working through.

Senator McCASKILL. OK. If you'd keep us advised of those, we'd appreciate it.

Thank you both very much.  
The CHAIRMAN. Thank you very much.  
Senator Wicker?

**STATEMENT OF HON. ROGER F. WICKER,  
U.S. SENATOR FROM MISSISSIPPI**

Senator WICKER. Thank you, Mr. Chairman.

I'll also ask an awkward question—Chairman Martin and Secretary Baker—don't you think Senator McCaskill is doing a really good job?

[Laughter.]

Senator WICKER. I have a particular concern about my home State of Mississippi, because there is so much new construction going on because of Hurricane Katrina, I don't know if either one of you are aware of it, but two and a half years after Katrina, there are still homes where we haven't even poured a new foundation because we just can't get there yet, because of Federal bureaucracy, or the magnitude of the storm.

Now, the coupon program is going to be based on valid street addresses provided by the Postal Service. I'm told that that process has been viewed as unsatisfactorily slow in some areas, and so—how do you get a new address registered in the system, and could you help us give particular attention to a place like South Mississippi, where so many people will be moving into new residences?

Ms. BAKER. We're certainly willing to work with you, as I think we have thus far. I think what's happening is that those folks—we're using the Coding Accuracy Support System or CASS system, which is the Post Office system, that they recognize whether it's a residential or a business. It depends on exactly where your consumer's applying—if it's on the web, they'll actually pull up an exemption application, they can apply immediately for an exemption. And they can self-certify that they are a residential address, and they will get their coupons. And I think we're making that easy for folks just like—

Senator WICKER. They self-certify and their word is taken for that?

Ms. BAKER. Yes.

Senator WICKER. OK.

Ms. BAKER. So, we're working—it's easiest when they apply on the web—it's a little bit slower on the phone because the folks that are answering the phone aren't allowed to grant exemptions, so it will take up to 5 days, and if it's via mail, it takes two to 3 weeks.

Senator WICKER. OK, well, I would just appreciate it if you could continue to be aware of our particular circumstance, there. And give us some sort of comfort level that the eligible household database will be updated as often as possible.

And it also strikes me that there are so many people on this committee who are from rural States, or States with a lot of rural areas, where people actually do rely on over-the-air signals for their primary service. There are a number of people like that in my State. There's also a sub-set of individuals who have satellite, but they rely, also, on over-the-air signals for emergency weather information, for local weather and things like that.



So, if there is currently no digital service in these areas, I'm told that these residents have no ability to test their existing antennas. And so my question to both of you is, is this a matter where the FCC and NTIA are providing guidance to individuals, and how are you providing this guidance?

Mr. MARTIN. Well, let me first focus on the broadcasters side, you're right, they have to have their final digital signal up and going to be able to see how it will fully reach. Many of the broadcasters will begin, many broadcasters already have that up and going, but many of them will also continue to be doing that throughout the year, so that's going to be an ongoing process. The ones that will require some changes do have to notify consumers, as I mentioned in my testimony earlier, but they will end up being able to go through and trying to get that digital signal up and going, so consumers can actually see what they would be able to end up doing.

But as far as educating on the consumer side, we've been focused on educating on the transition and taking the first steps, which involve getting the boxes and trying to get them home and plug them in, but you're right—it is going to be a two-way street, in that sense, we're going to have to get the broadcasters to the point where they're getting that digital signal up, so it can be fully tested.

Senator WICKER. Madam Secretary?

Ms. BAKER. I think the antenna issue, as the Chairman's outlined, is you know, there are certain areas of the country that have this antenna issue—I think we'd be surprised if most—when you put antennas and you put the box on the television, you switch to a digital signal, if you don't have to go like this, in very simplistic terms, you're going to have to probably adjust the antenna. Some of our boxes, actually, have a permissible feature, which is a Smart Antenna, which will adjust your antenna for you, but I think it's just part of the educational program that we're going to have to reach out toward consumers. As well as, you know, the Consumer Electronics Association has done a great website, which is *antennaweb.org* that all of us have linked to, that provides more information for this.

Senator WICKER. Well, thank you.

And I want to thank you, Mr. Chairman for holding this hearing. It strikes me that we're going to be able to get through this all right, but I do think that someday, some very intellectual person may end up doing a doctoral thesis or dissertation on this transition, and the law of unintended consequences and how it played out. So, it's going to be interesting to watch.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank you, sir.  
Senator Carper?

**STATEMENT OF HON. THOMAS R. CARPER,  
U.S. SENATOR FROM DELAWARE**

Senator CARPER. Thanks, Mr. Chairman.

To our witnesses, welcome. Thank you for joining us today.

In the last, I guess, the last couple of months I've had a chance to hold, really, forums around the State of Delaware. It reminded

me a little bit of what we did when the Medicare prescription program was passed, and we just wanted to reach out to people and make sure that they knew what benefit was going to be offered so they could understand that benefit and make the best choices for themselves.

So, what we're endeavoring to do in Delaware is just to use my own office and position to—not to be Paul Revere, but to let people know that a change is coming, and that could affect some of the people in our State, and to make sure that they're in the position to make the right decisions for themselves, understand the options.

And I found there is a whole lot of—believe it or not—a whole lot of confusion. And it reminded me, again, of Medicare Part D plan, which is, as you may recall, very confusing, particularly for people that are in their 70s, 80s, 90s. And a lot of the people, I think, inordinately, some of the people who use analog TV over-the-air reception, are folks who tend to be older—not all—but a number of them do.

And I guess one of my first questions is—in terms of developing an outreach program to folks, to educate them, to bring them along, so they can make, really, the best informed decision for themselves—do we take that into account? I know, I used to say, when we were working on Medicare Part D, and trying to put together the outline of the program and, in being able to explain it to people, I always used my mom as an example—is there any way my mom would understand Medicare Part D? And I finally said, “Probably not.” She's going to have to get some other people to help explain it to her.

And I just hope at the end of the day we're not nearly as complicated here with the digital transition. So, let me just start with that, are we considering, at all, the particular age cohort of some of the folks that we need to outreach to?

Mr. MARTIN. We do try to end up focusing on the consumers that we think—and that we know—are disproportionately over-the-air viewers, like the elderly and like seniors. And I think that that is a prominent part of our outreach plan. So, for example, we've sent the Commission staff throughout the country located in our field offices to over 3,000 different senior centers throughout the country, and then about almost another 1,000 community centers that are frequented by the elderly to try to provide information and do seminars and outreach events to try to explain in very simplistic terms what the transition is going to mean to them, and what steps they'll need to take.

We do reach out to other targeted groups, as well, but we do try to take that into account.

Senator CARPER. All right, thank you.

Ms. Baker?

Ms. BAKER. Luckily for us, we have each hired Ketchum, which has experience in Medicare Part D, so they have a track record of understanding how to reach out to these groups.

We conducted 17 different focus groups across the country including seniors, trying to get our language right, trying to get our materials right. It's how we ended up with, I think, the coupons being handed around. It's red—consumers liked red. It has the Department of Commerce logo on it, because that gave seniors, in par-

ticular, some validation that it was from the government. It's how we started using, "It's a one-time buy-in," type of language, it's a discount—

Mr. MARTIN. If she gives it back, I'll let her show it to you.

Ms. BAKER.—it's a discount, not a rebate. And government-run—they like to make sure it's government-run. The expiration in 90 days—all of this language comes from these focus groups, and particularly the seniors. I think outreach is critical. We often hear about the United Kingdom, and how they've gone to every household for over 75, they've gone to hook up the box for the senior citizens, and that's really, you know, a nice program, the way that they're running it there, but that's not the way we're running it here.

Every time I speak to a senior's group, we go through the different ways that you can make the transition, and inevitably they all put their hands up and say, "I have cable, do I need the box?" So, I do think it's something that we all need to reach out to our neighbors and reach out to our church groups, really try and get as many people to understand this as we can, particular the vulnerable groups.

Senator CARPER. All right, thank you.

I'm going to ask each of you, and this question may have already been asked, and I apologize if it has been.

But my sons are both—one's in college, one's in high school, and my youngest son is going to be graduating in May and we talk about grades a lot, and how things are going, turns out they're going pretty well.

But, I just want to talk to you about assigning grades, and ask each of you to maybe help me in assigning grades, maybe a letter grade, in looking with respect to how well we're doing in educating consumers. And I'm encouraged by what you just shared with us, but—when you say, if you're assigning a grade for how well your own agencies are doing in the education process, you know, A, B, C, D—what kind of grade would you assign at this point in time, incomplete? I don't know.

[Laughter.]

Mr. MARTIN. Well, certainly I think it is incomplete until we know where we are at the end of the day—until we get further along in the transition. I think that you do have to look at the dramatic changes that have occurred over the last 3 or 4 months. As one of the recent surveys was done by the Association of Public Television Stations, they said that in the last 3 months, consumer awareness of the DTV transition has increased from about 50 percent to over 76 percent.

Senator CARPER. From about what, to—

Mr. MARTIN. From about 50 percent to over 76 percent. So, you've seen a dramatic increase in DTV awareness over the last few months. So, in the context—over the last few months, I think that both agencies have been doing a very good job of trying to get out a message through both the resources that we have and the additional resources that Congress has recently provided to us.

But, I do think that most of the education efforts by both of our agencies and by the industry have all just started, but I think that there is a reason for that, I don't think people thought it was ap-

propriate to begin that education process until we got closer to that year-out time-frame for the transition.

Ms. BAKER. I'd have to get an incomplete thus far, as well, but you know, for the roughly third—beginning third that we've done, which is focus groups, and generating materials and doing the market research—we have 10 million coupon requests. So, I think the numbers speak for themselves, so we're doing a pretty good job so far. We have a lot of work to be done, and I think, you know, as soon as we see the redemption rates, and in which DMAs these redemption rates are—what those numbers are, in which area, then we'll know where to spend the rest of our time and our education.

I think the numbers speak for themselves, that we've done a good job so far.

Senator CARPER. About 10 million? Ten million?

Ms. BAKER. Ten million, yes.

Senator CARPER. OK, would you say most of those are from Delaware?

[Laughter.]

Ms. BAKER. I can tell you what's in Delaware, as a matter of fact. In Delaware we have had 11,409 coupon applications. We've only had 740 redeemed, so far, though.

Senator CARPER. All right, well we have our—

Ms. BAKER. But we'll keep you updated.

Senator CARPER.—we have our work cut out for us, OK.

Let me ask, a similar kind of question if you could, maybe, think of a letter grade you might assign to the work being done by—the education work being done—by the broadcast industry itself—how are they doing?

Mr. MARTIN. Oh, by the broadcast industry themselves?

Senator CARPER. Yes, on this front.

Mr. MARTIN. Well, I think that they are obviously the most critical in this. And so, in the end they need to get an A, because they're the ones who are going to be making sure that their viewers are making that transition. I think that they just announced at the end of February their most recent plan for how they're going to be doing that, they began a \$700 million campaign last fall, they changed it, and modified it, and increased what they were going to be doing.

And again, I don't think we can give them a grade, as of yet, because we've got to get further along in the process, and closer to the transition to understand.

Senator CARPER. Ms. Baker?

Ms. BAKER. I'm not quite as shy in giving them a good grade, because I think they really have done a terrific job. They've pledged a billion dollars, they realize that it's their customers, that it's their business that's at stake, and really, they're the experts on how to get the word out on a program like this, and I think they've really stepped up, and are doing it.

Senator CARPER. Good.

My youngest son's in high school, he's just started—they started yesterday, the fourth marking period out of four. And so maybe we're in the—are we in the first marking period, here? Do you want an A in the first marking period? OK, fair enough.

How about the cable industry itself? What kind of grade would you give our friends in the cable industry?

Mr. MARTIN. Well, again, I think that they've provided not as many resources as the broadcasters, but this is not as much their challenge. So, I think that their willingness to participate has been very good. Because, as I said, this isn't really their responsibility.

Senator CARPER. All right.

Ms. Baker?

Ms. BAKER. I also am very grateful to them for all of the efforts that they've done to educate their consumers, and also to see these groups working together on an issue that's as historic, and as important as this, is really valuable.

Senator CARPER. And, last but not least, the retailers?

Mr. MARTIN. I think, again, the retailers haven't made as many public commitments in terms of education as early as the other two industries did, but they also have done a very good job in starting to stock the stores with the converter boxes, and they've become much more active, recently, in just a very practical part of how we're going to make the transition occur.

I don't know if you have a better sense, having worked with them directly on the converter box program, what would you say?

Ms. BAKER. Again, it's a voluntary program for them, and we are very grateful for their participation. We have over 1,000 retailers with 11,000 outlets across the Nation, online, you know, telephone operators—it's a big investment for them to be certified. They had to actually put point-of-sale software into their stores, they had to train their people, they had to agree to be audited, they have to provide NTIA with electronic redemption information, they had to agree to accept the coupon, and have the automatic payment system from the Treasury. For them to voluntarily step up and participate in this program, we are very grateful.

Senator CARPER. Although I'd say if I were a retailer, maybe, a retailer with a national network of stores, I would love to be the only retailer handling these coupons. Just think of all of the millions of households, shoppers, that you can get into your store. And they get them to come in and redeem their coupon, but maybe in the hopes that when they're in your store, they could buy some other stuff, too.

In fact, if I were a retailer, I would put the coupon redemption operation all the way in the back of the store——

[Laughter.]

Senator CARPER. And kind of hide it so people really had to look around for it. But hopefully, they won't be quite that thorough.

Just to follow up on this one, Secretary Baker—have retailers contacted your agency about getting geographic breakdowns of your coupon demand and redemption data in order to be able to track the local demand for converter boxes?

Ms. BAKER. We're providing that to them by zip code, and it's also available on our website, so anybody can look at it.

Senator CARPER. All right, good. Fair enough.

And the last question, Mr. Chairman, I'd have for our witnesses, this is a question to Mr. Martin, if I could. I think you probably know better than anyone else that there is a lot going on in terms of telecommunications policy these days. At the same time, how-

ever, the FCC has been charged with a great deal of the responsibility for overseeing this digital TV transition—we have a hard date, as we know, of about, oh gosh, a little less than 11 months away.

Given the daunting task that's before us, let me just ask if you believe that the digital TV transition should be the top focus of the FCC, one of the top focuses of the FCC—I realize that the National Telecommunications and Information Administration also has a significant role and part in the transition, but I'm concerned about the FCC role of being an effective proponent of the transition, even as your agency has to be focused on a lot of other unrelated issues?

Mr. MARTIN. I certainly think it's one of the most important issues that we're facing. I think certainly another issue that's very critical was related to that, it was the auction that we just completed of the spectrum that we're going to be getting back as a result of the transition. I think that was critical for us to complete to get the spectrum back into use, both for the economic benefits for the country, when you've got spectrum being fully utilized, and also in terms of increasing wireless broadband deployment.

We have one piece of the auction that we need to end up completing, we've got to go back and re-evaluate what to end up doing with the D Block, which not only serves the potential for wireless broadband, but also has the potential to dramatically increase, for example, public safety's ability to solve their interoperability problems.

So, while I think this is certainly right at the top, and the most important thing in the media area, I do think that making sure we're focusing on, for example, solving public safety's interoperability problems, I think I have to always say is a top challenge for us, as well.

Senator CARPER. All right.

My thanks to both of you.

Thanks, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Senator Thune?

**STATEMENT OF HON. JOHN THUNE,  
U.S. SENATOR FROM SOUTH DAKOTA**

Senator THUNE. Thank you, Mr. Chairman, and thank you for holding the hearing. I want to thank our witnesses for providing valuable information today on the road ahead for this transition. There's a lot of benefit that we gain from, I think, transforming the way that we enjoy television by this transition to digital, and I recollect my days growing up in South Dakota—I grew up in a rural area of the State in a town that now has about 600 people in it, and we had one TV station until, I think, I was about in 8th grade, we got the CBS network affiliate. And as much time as people in the Dakotas spend in their houses during the winter months, and you only had one—I don't know how we survived on one—but I remember when the NBC network affiliate came when I was in the 8th grade, it was like winning the lottery, you know, we had double the television.

But, that's just kind of put into context, though, things have changed a lot in rural areas—we have satellite, we have cable,

there are lots of opportunities for accessing information in rural areas that didn't exist before.

And as this transition occurs, however, there are still a lot of people out there who derive their TV through the—through an analog signal, and I think are probably likely to be more proportionately impacted by this change than perhaps our folks in other areas of the country.

And so, as I have in the past at some of these hearings, focused primarily on the impact on rural areas of the country, and I guess one of the things I would like to ask with respect to rural areas, is also tribal lands, because we have a lot of tribal lands in South Dakota—we don't have data on how many people we—television users out there that derive their services through an analog signal.

We do have, however, in comparing the statistics with Delaware, as Senator Carper was pointing out—14,000 households have applied for over 21,000 coupons—and so I think we've got a significant number of people out there who are going to have to make this transition.

But what efforts has the FCC made with respect to tribal areas and tribal lands? I know that you had some kind of an outreach workshop that was conducted here in Washington, can you tell me a little bit about that? And what other things might be done to reach out into those areas of, more rural areas of the country?

Mr. MARTIN. Well, we have done a workshop where we even focused specifically on how we can reach out to viewers who are living in rural areas, and in tribal lands, in particular. We've been working closely with several of the organizations that are representing the Indian community, on how we can reach out to that community, to make sure we are getting that message out effectively—both in terms of providing them information about the upcoming transition, and what they'll need to end up doing.

We've also been working with the Bureau of Indian Affairs to make sure that we work with all of their regional offices, in getting them the kind of information that they need in terms of flyers and outreach material, to help them get that message out.

I also would point out that both telephone companies in rural areas, and particularly those serving tribal areas, also receive Universal Service funding, and they will be some of the ones who would be required under our recent orders to also be getting the message out in terms of billing inserts for their consumers, if they were receiving Universal Service funds, for example, for our Lifeline and Link-Up Program—it would provide service to many tribal areas, then those telephone companies would have to be putting inserts into their bills that will be identifying this upcoming transition.

So, we both had workshops here, we've been trying to get the message out in working with the advocacy groups, and going out into the field with the advocacy groups when they're having conventions, and also trying to work with the Bureau of Indian Affairs to specifically try to adjust the tribal areas.

Ms. BAKER. I would say, we've worked with the Native American groups from the very beginning. I think when we were developing our rule, we heard from Council Tree, so we included a specific exemption in our rule to permit those that were living on Indian res-

ervations and Alaskan Native communities to apply for the coupon, even though they use a P.O. box. We thought we had solved it, but obviously we didn't. So we are, as you might have heard, we have a draft NPRM to change that rule so people who use a post office box can certify that they have a household, and we'll be able to give them coupons, as well.

I think we have an October event with the National Congress of American Indians scheduled, but we are certainly happy to reach out in any other ways that we can, and look forward to any suggestions you might have as to what else we can do to reach out to these important groups.

Senator THUNE. My State of South Dakota, of course, too we've got particular concern with seniors. And I guess my question has to do with what the FCC, Mr. Chairman, may be doing to coordinate with community social service, grassroots organizations, Meals-On-Wheels—points of access that seniors use on a regular basis to get information?

Mr. MARTIN. Well, first, we've actually asked our field offices to go out into every State and try to provide information to every senior center and every community center which is frequented by seniors about this—offering to do presentations both about the upcoming transition and what they'll need to do, and actually how they'll need to utilize a set-top, a converter box, to make sure they can still watch television.

That program, in and of itself has reached out to over 3,000 senior centers, and almost another 1,000 community centers. And I think that's been instrumental in trying to get that message out at the grassroots level.

But we have also been trying to work with some of the local community service, or senior service areas—both through HHS, and also through some of the corresponding State agencies. And I can get you some more of the specifics about what we've done in South Dakota. I don't know off the top of my head, but I can get that for you.

Senator THUNE. Secretary Baker, you talked about the coupon program for converter boxes, and those coupons being good for 3 months. I think it's been—has it been about 3 months or so, or a little over, since the first wave of those, since the applications for coupons were submitted, is that—

Ms. BAKER. May 27th is when we're going to see our first expiration date.

Senator THUNE. And that's when you'll have the first good data on the redemption rates for those?

Ms. BAKER. It's going to be our first data. You know, our first week we mailed out 350,000, our first few weeks we only mailed out 350,000. We're now mailing out over a million a week. So, our first data is going to be a little bit less conclusive. I would say, by the end of June, beginning of July, we'll probably have pretty good data on redemption rates.

Senator THUNE. Do you have any anticipation, expectation about what those redemption rates might be? I mean, do you have anything so far that would give you an insight into—

Ms. BAKER. You know, it's really too early. We've had 260,000 coupons redeemed. We've had data that we've had surveys, we've



had data that we've, you know, gleaned from our own interaction with groups. We've had—we have general data on how many people use a coupon, but I'm not sure—this is a unique program, and so I don't think I should give a guess as to what the redemption rate is really going to be.

Senator THUNE. Well, we won't ask you to extrapolate, but I didn't know if you had any preliminary data that might tell you something about that.

Well, I appreciate your attention to this, and you've got a big challenge ahead of you, both of you. I know it's—up to the FCC and NTIA to get this job done, and up to, what, 20 million or thereabouts, folks around the country that are going to need—be educated and understand how to make this transition? So, we wish you well, and I hope that you will—if there are things that we can be doing to be helpful, in that regard, that you'll make sure that we're aware of those, as well.

Thank you for your testimony.

Mr. MARTIN. Thank you.

Senator THUNE. Thank you, Mr. Chairman.

The CHAIRMAN. All right.

Thank you very much.

I noted in your testimony that about 6 weeks ago, the National Association of Broadcasters and the Consumers Union issued a report on their findings of the polls. The National Association of Broadcasters suggested that awareness has grown to about 79 percent.

However, at the same time, the Consumers Union poll indicated that 74 percent of those polled were really not aware of what was happening, they had major misconceptions; and these numbers trouble me. So, I hope that both agencies will be able to advise this committee on a monthly basis as to progress you're making in, you know, management of this transition. I think it would be very helpful to us.

Mr. MARTIN. Of course. We'd be happy to.

The CHAIRMAN. And I'm pleased to advise you that, Madam Secretary, S. 2607, the low-power bill, will be considered on April 24, and at that time it will pass unanimously.

Ms. BAKER. Thank you very much.

[Laughter.]

The CHAIRMAN. And, I'd like to thank both of you on behalf of the Committee for your testimony, it's been very helpful. I've just got my fingers crossed. I hope everything turns out well.

Mr. MARTIN. Thank you.

Ms. BAKER. Thank you.

The CHAIRMAN. Thank you.

[Whereupon, at 4:21 p.m., the hearing was adjourned.]



## A P P E N D I X

PREPARED STATEMENT OF HON. JOHN F. KERRY,  
U.S. SENATOR FROM MASSACHUSETTS

In less than a year, on February 17, 2009, two-and-a-half million televisions in Massachusetts will go dark unless their owners take action when major broadcast stations are required to switch from analog broadcast of television signals to digital transmission.

For the most part, the switch to digital is a good thing. Digital transmission will provide TV watchers with a clearer picture and provides an opportunity for an increase in the amount of local programming available. It will also free up some "beachfront real estate" on our public airwaves, which will be used to improve the way our public safety officials communicate during an emergency and for other innovative purposes.

But in order to get to that point, we need to make sure that the millions of Americans who are in jeopardy of losing TV service on 2/17/09 are aware of the steps they need to take.

There needs to be a real concerted effort at the FCC and at the NTIA to educate those who will be affected. Congress needs to provide sufficient funding so that government can partner with industry to get the word out effectively, and I am confident we will do that.

But equally important to funding is the emphasis placed on this effort by the Administration. The DTV transition represents an historic moment for this country, and is the most significant development in television technology in half a century. It deserves the full attention of this Administration, lest it result in mass confusion and frustration on behalf of the millions of affected American households.

I urge Chairman Martin and Acting Assistant Secretary Baker to expend every effort on smoothing the transition for the elderly and low-income populations that studies show will be adversely impacted. And I urge you also to leave less critical, more politically charged issues to be dealt with in due time. On behalf of Americans across the country still reliant on over-the-air television, we must get this right on February 17, 2009.

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PREPARED STATEMENT OF HON. BILL NELSON, U.S. SENATOR FROM FLORIDA

On February 17, 2009, American consumers will see one of the biggest changes in broadcast media since color television was introduced in the late 1950s.

On that day, all full-power television stations broadcasting in the United States will discontinue their analog signals, and switch to all-digital broadcasts.

Digital television broadcasting will allow consumers to receive multiple video channels from a single broadcaster, superior picture resolution, and CD-quality sound.

This transition, however, will only be a success if *all Americans* learn about how the transition will impact them.

So far, the record is mixed.

A January 30, 2008, study by Consumers Union found that 74 percent of consumers who knew about the digital television transition had major misconceptions.

Perhaps most troubling, the study also found that one-third of consumers living in households with only analog, over-the-air reception televisions still had no idea that the transition was happening.

On February 19, 2008, the Federal Communications Commission (FCC) adopted an Order requiring broadcasters to provide on-air information about the digital television transition to their viewers.

This is a good start.

However, it is critical that the FCC follow-up on this outreach to ensure that it is being received by populations that may be disproportionately impacted by the transition, such as rural viewers and senior citizens.

This could be accomplished by conducting studies in certain targeted areas to ensure that the message is getting through to key impacted groups. The Commission could then use this data to ensure that public outreach programs are effectively targeted for maximum impact.

The FCC has recently focused on a number of other non-urgent issues—such as relaxation of the media ownership rules. With little over 10 months remaining until the transition deadline, it is imperative that the Commission make the success of the digital television transition one of its top concerns.

I also have some concerns about the National Telecommunications and Information Administration's (NTIA) "digital-to-analog" converter box coupon subsidy program.

These converter boxes allow consumers with older, "analog-only" television sets to convert digital broadcasts into analog signals that their television sets can use. Currently, the base component of this program provides up to two \$40 converter box subsidy coupons to every American household that requests them.

As of April 7, 2008, almost 10 million converter box coupons had been ordered from NTIA.

This level of demand is positive. Unfortunately, NTIA's rules governing the program may leave some Americans behind.

For example, NTIA's current rules define "household" as all persons living at a "U.S. Postal Service address." However, this definition appears to exclude many people living in multiple tenant dwelling units at a single address. Therefore, an assisted living center—with 50 individual rooms at a single U.S. Postal Service mailing address—would only be eligible for two converter box coupons.

Furthermore, even when consumers get the coupons, they may not be able to use them. The coupons currently have a 90-day expiration date—with no provision to replace them if they expire. While NTIA has signed up a number of retailers to participate in the converter box program, no one is monitoring retailers to ensure that they actually have converter boxes available for purchase.

Finally, NTIA needs to do a better job of ensuring that viewers of low-power and Class A television stations know that some of these stations will not transition to digital broadcasts next February—and that affected consumers will need a converter box with an "analog pass-through" feature to continue receiving these channels.

The digital television transition holds great promise for America—but also substantial perils. I hope both the FCC and NTIA take this opportunity to address these concerns, before it's too late.

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PREPARED STATEMENT OF HON. MARIA CANTWELL, U.S. SENATOR FROM WASHINGTON

I want to thank Chairman Inouye and Vice Chairman Stevens for holding this important hearing. Last summer, when the Committee held its last oversight hearing on the digital television transition, I expressed concerns that this is a train wreck for American consumers waiting to happen.

A half year later, I still don't have a warm feeling about it. Surveys indicate a high level of consumer awareness of the transition. But while the level of awareness may be high, the level of confusion seems even higher. And unlike the approach the Clinton Administration took with Y2K, there is no one person or organization accountable for ensuring a smooth DTV transition for all involved. Even at this late stage, there remains a need for a White House level interagency working group to coordinate DTV activities government-wide.

The effort to make Americans aware of the transition and to educate them on how to be prepared remains, by and large, decentralized and voluntary. I do want to thank broadcasters, cable system operators, consumer electronics companies, and too many not-for-profit organizations to name for their voluntary efforts to educate consumers about the coming transition. These contributions are significant. The recently-released, long-awaited DTV education order will continue to build awareness, but awareness is only the first of many steps, particularly for disadvantaged populations.

Over the course of the past year, I have met with a number of not-for-profit organizations that work daily with seniors, the disabled, low-income, non-English speakers, and Native Americans. It is clear that these organizations will need additional resources to take on any additional responsibilities helping these underserved groups prepare for the DTV transition.

For example, I thought the Corporation for National and Community Service did a great job in explaining Medicare Part D to seniors. I ran into their volunteers wherever I went in my state. I could see the organization taking on a similar effort with respect to the DTV transition, including providing technical assistance, but

they clearly will need some additional resources. The challenge is clear: there is virtually no time to get a funding increase enacted, and out the door of a Federal agency quickly enough to have an impact.

Finally, I want to touch on Senator Snowe's DTV technical corrections bill that I have co-sponsored. Washington State has a combined total of 196 low-power TV, translator, and Class A television stations. While some of these low-power stations fill in gaps in coverage in the Seattle market due to the terrain, the majority of these stations provide over-the-air television programming to consumers in small communities throughout central, eastern, and coastal Washington.

Many of the rural translator stations are financed through a mechanism called a Translator Investment District, where residents literally pass the hat around the community to pay for operating expenses. The Act makes a simple technical correction to current law regarding two grant programs authorized at the Department of Commerce to allow these low-power stations to upgrade their equipment a little sooner.

Thank you and I look forward to hearing from the panel.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DANIEL K. INOUE TO  
HON. KEVIN J. MARTIN

*Question 1.* On March 15, *The Garden Island*, the newspaper on Kauai, printed an article entitled "Kauai Not Affected by '09 Analog TV Deadline." According to the newspaper, Kauai residents are served exclusively by low-power broadcasting facilities. What is the FCC doing to prevent residents on Kauai from being confused by national messages about the transition telling consumers to make changes to their televisions to prepare for digital reception?

Answer. On February 19, 2008, the Commission adopted a DTV Consumer Education Initiative Report and Order requiring television broadcasters, multichannel video programming distributors (MVPDs), telecommunications carriers, retailers, and manufacturers to promote awareness of the Nation's transition to digital television. The educational efforts of these industry groups are intended to provide consumers, including those in rural and small communities, with clear and accurate information about the DTV transition.

The Report and Order, among other things, encourages all LPTV broadcasters, particularly those that plan to continue analog-only broadcasting, to begin educating their viewers immediately about the effect of the DTV transition on LPTV service. For instance, LPTV stations should notify their viewers that: (1) they are watching a low-power broadcast station that, unlike full-power stations, may continue to offer analog service after February 17, 2009, and (2) viewers who plan to purchase a converter box in order to view digital signals should select a model with analog pass-through capability in order to continue watching that station.

In addition, we have developed a list of those communities that appear to be served exclusively by low-power, Class A, and/or translators, and shared this list as well with the interested parties. We have been coordinating with these groups to see how they are using this information, particularly with respect to consumer education and outreach. The list is available on the Commission's website (<http://www.dtv.gov/consumercorner.html#faq22>).

*Question 2.* I believe the DTV transition requires that we have "block captains" in communities across this country. We need troops on the ground to get the word out and assist consumers with preparing for the transition. What efforts have the NTIA made to coordinate and put DTV block captains and authorities in place through the Corporation for National and Community Service? Would it be possible to use organizations like Americorps and Seniorcorps to assist with the DTV transition in the communities where they serve?

Answer. We cannot report what efforts the NTIA has made to coordinate and put DTV block captains and authorities in place through the Corporation for National and Community Service.

The Commission has been coordinating with several grass roots organizations, including Americorps and Seniorcorps (which are part of the Corporation for National and Community service ("CNCS")), regarding educating and assisting consumers about the DTV transition in local communities.

As a result, the Director of Seniorcorps has notified all of their 1,300 local grantees and asked them to start working on this issue in their local communities. Seniorcorps has indicated that it can assist the DTV transition effort through its three programs: "RSVP Program" which can help by getting the word out to communities, "Senior Companion Program," which can use the information themselves and also inform and assist the clients they serve each year; and the "Foster Grand-

parents Program,” where volunteers will receive training about the analog-to-digital issue at one or more of the monthly in-service trainings that they attend. According to the staff at CNCS, it does not appear that there will be an opportunity to involve Americorps because of that organization’s grant cycle.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN F. KERRY TO  
HON. KEVIN J. MARTIN

*Question 1.* Mr. Chairman, the digital transition is helping to increase the sales of digital televisions. It is estimated that 45 million sets will be sold in 2008–2009. It is important that the manufacturers of these sets know what IP they need, who owns it, and that the licensing terms are transparent. In order to ensure a free and open market, manufacturers need these facts. Therefore, please provide the Committee with information as to which patents are essential for manufacturers to make and sell ATSC televisions in the United States. Who owns the patents essential for manufacturers to make and sell ATSC televisions in the United States and what are the licensing terms for all manufacturers?

Answer. The Commission does not maintain a list of patents on the numerous technologies used in the Advanced Television Systems Committee (ATSC) standard, nor is there a single private compendium that lists those patents or the holders of rights to those patents. Rather, manufacturers developing products for operation under the ATSC standard must identify relevant patents and those holding patent rights by conducting patent searches in the same manner as for any other technology. The Commission’s staff has, however, obtained information from the ATSC, the Consumer Electronics Association (CEA), Commission decision documents, *ex parte* presentations by parties opposing royalty payments, Internet searches and LG Electronics Company, Inc. to respond to the specific questions raised on this matter, as described below. We do not have complete information on the amounts actually charged for patent licenses because those licenses are business arrangements that are negotiated on a case-by-case basis; we do have some information, however, which is provided below.

There are at least 16 entities licensing patents that are essential to the manufacture of ATSC receivers. One of those entities, MPEG LA, provides a service that enables manufacturers to acquire essential patent rights from multiple patent holders in a single transaction, as an alternative to negotiating separate licenses. The MPEG LA “MPEG–2 portfolio” includes essential patents owned by 25 entities: Alcatel Lucent; British Telecommunications plc; Canon, Inc.; CIF Licensing, LLC; Columbia University; France Télécom; Fujitsu; General Instrument Corp.; GE Technology Development, Inc.; Hitachi, Ltd. (Hitachi); KDDI Corporation (KDDI); Koninklijke Philips Electronics N.V. (Philips); LG Electronics Inc. (LG); Matsushita Electric Industrial Co., Ltd. (Panasonic); Mitsubishi Electric Corporation (Mitsubishi); Nippon Telegraph and Telephone Corporation (NTT); Robert Bosch GmbH; Samsung Electronics Co., Ltd. (Samsung); Sanyo Electric Co., Ltd. (Sanyo); Scientific-Atlanta, Inc. (Scientific-Atlanta); Sharp Corporation (Sharp); Sony Corporation (Sony); Thomson Licensing; Toshiba Corporation (Toshiba); and Victor Company of Japan, Limited (JVC). Royalties for the MPEG–2 portfolio of video encoding/decoding patents are \$2.50/unit.

MPEG LA also manages another portfolio of 32 patents specific to the ATSC standard for seven entities: LG, Panasonic, Mitsubishi, Philips, Samsung, Scientific-Atlanta, Inc., and Zenith Electronics LLC (parent company LG Electronics, Inc.). Zenith had previously licensed separately a number of its patents for the 8–VSB transmission system used in the ATSC system. It recently indicated to us that it now licenses those patents through MPEG LA ATSC also, so that all of its ATSC patents are licensed through that entity. The royalty on the MPEG LA “ATSC portfolio” is \$5.00/unit (this is in addition to the royalty for the MPEG–2 portfolio). Information on the MPEG LA patent portfolios, patent holders, patent numbers, and licensing terms is available at <http://www.mpegla.com> (see <http://www.mpegla.com/atsc/atsc-agreement.cfm>).

Dolby Laboratories, Inc. (Dolby) holds the patent for the AC–3 digital audio technology used in the ATSC standard. Information on the Dolby AC–3 patent, including the patent number and patent numbers of related technologies, is available at <http://www.freepatentsonline.com/7283965.html>. We do not have confirmed information on the licensing terms or rates for the Dolby AC–3 patent. In addition, Tri-Vision Electronics Inc. (Tri-Vision) holds the rights to the patent for the ATSC V-chip parental control program blocking technology. General information on the Tri-Vision and the V-chip technology is available at <http://www.tri-vision.ca>. A document with the Tri-Vision V-chip patent number is attached; we do not have con-

firmed information on the licensing terms or rates for the Tri-Vision V-chip patent. Funai (brand names Emerson, Philco, Symphonic, and Magnavox) holds one ATSC patent (U. S. Patent No. 6924848) that it acquired from Thomson/RCA and licenses separately. Information on the Funai patent is available at <http://www.freepatentsonline.com/6924848.html>. We do not have confirmed information on the licensing terms or rates for the Funai patent.

U.S. patent numbers and additional information for the above technologies are provided in materials that are attached separately. Copies of the information available on the websites discussed above and other materials also are attached (*See Appendix A.*)\* There also may be additional patents for technologies used in the ATSC standard that are not included in the above sources.

At least one of the entities holding the original rights to an ATSC patent subsequently transferred its rights. AT&T sold U.S. Patent No. 5,243,627 to Rembrandt Technologies, L.P. (Rembrandt), a patent holding company. We do not have specific information on Rembrandt's licensing terms or rates for this patent. However, the Harris Corporation (Harris) claims that Rembrandt is seeking very high rates.

*Question 2.* Mr. Chairman, it is also critical to ensure the American consumer is not paying too much for their digital television sets. A way to ensure our consumers are paying the appropriate price is to compare what it costs for patent licenses in Europe and Japan versus here in the United States. What digital broadcast television standards have been adopted in Europe and Japan? What patent licenses are needed to build televisions using those standards? Who owns those patents and what are the terms of licensing? Is the total cost of patents needed to build digital televisions for U.S. citizens higher than the total cost of patents needed to build televisions for sale in Europe and Japan?

Answer. Japan and Europe have adopted digital broadcast television standards that are different from the ATSC standard. Japan has adopted the "Integrated Services Digital Broadcasting-Terrestrial" (ISDB-T) standard for its broadcast DTV service. This standard was developed by the Association of Radio Industries and Businesses, a Japanese standards-making body. The Internet newsletter "EE Times Asia" ([http://www.eetasia.com/ART\\_8800452486\\_480700\\_NT\\_d776b8f3.HTM](http://www.eetasia.com/ART_8800452486_480700_NT_d776b8f3.HTM)) states that Mitsubishi, Panasonic, and Sony have established Uldage Inc. (Uldage) to provide a one-stop patent-licensing program for DTV receivers in Japan; however, we have not been able to obtain the specific Japanese patents covered by Uldage. Under this program, manufacturers and distributors of digital broadcasting devices can license major patents for ISDB-T DTV receivers at a relatively low cost. Thus far, the Uldage program includes patents owned by France Télécom, Hitachi, Japan Broadcasting Corporation, JVC, Mitsubishi, Panasonic, Sanyo, Sharp, Sony, Telediffusion de France, and Toshiba. Uldage has also indicated that its program does not yet include all of the relevant patents and that it will continue inviting participants to achieve full coverage.

It is important to note that the Uldage program includes only a portion of the patents needed for operation of the ISDB-T standard; in particular it does not include patents for the MPEG-2 video and audio technologies that ISDB-T uses. As noted in the response to *Question 1* above, those patents are licensed by MPEG LA, with a \$2.50 royalty for the MPEG-2 portfolio; however, we have not been able to determine whether this royalty is collected for products sold outside the United States. As indicated by *EE Times Asia*, there may also be essential patents for other technologies used in the ISDB-T standard that are not included in either the Uldage or MPEG LA portfolios.

Europe has adopted the "Digital Video Broadcasting—Terrestrial" (DVB-T) standard for its broadcast digital television service. The patents for this standard are managed by MPEG LA and the royalty for this "DVB-T portfolio" is 0.75 Euros/unit (at current exchange rates, about \$1.20/unit). The DVB-T portfolio includes essential patents owned by France Télécom, JVC, and Panasonic. However, licenses for the essential patents for the MPEG-2 technology used in the DVB-T standard, *i.e.*, the MPEG-2 portfolio, are not included in the license for the DVB-T portfolio. The royalties for those patents are an additional \$2.50 per unit (see e-mail message from Larry Horn of MPEG LA in *Appendix A* responding to an inquiry on this point). Information on the MPEG-2 and DVB-T patent portfolios, patent holders, patent numbers, and licensing terms is available at <http://www.mpegla.com> (see <http://www.mpegla.com/m2/m2-agreement.cfm> for the DVB-T license agreement).

*Question 3.* Mr. Chairman, when the ATSC standard was adopted in 1996 the FCC said that the relevant patents must be made available free of charge or on a reasonable, nondiscriminatory basis. Manufacturers reportedly pay more than \$20

\*This appendix is retained in the Committee files.

per television set for ATSC patent royalties. By comparison, consumers in Japan pay 82 cents per set, and consumers in Europe pay less than \$1 per set for comparable digital standards. Do ATSC royalties of more than \$20 per set meet the FCC standard for reasonableness? What can the FCC do to address this disparity? What, if anything, has been done or is under consideration?

Answer. The ATSC requires that participants with essential patent claims to technologies used in the standard make their technologies available on a “reasonable and non-discriminatory” (RAND) basis. The ATSC also requires participants holding patent rights to sign a patent statement affirming this commitment. More information is available in the ATSC Patent Policy available on the ATSC website ([http://www.atsc.org/policy\\_documents/](http://www.atsc.org/policy_documents/)). At least 17 ATSC participants assert ownership of essential patents which may amount to thousands of claims in hundreds of patents. The ATSC patent statements as signed by original patent holders are available at <http://www.atsc.org/patentstatements.html>. A copy of the ATSC patent policy and the ATSC patent statements submitted by patent holders from that website is attached (*See Appendix B*).\*\*

It is also important to note that only participants in the ATSC standards development process are covered by the ATSC patent policy. The identities and actions of other entities that may hold essential claims are not known at this time. Many of the original ATSC patent holders have sold or assigned their patent rights to other entities (see, for example, the list of patent holders participating in the MPEG LA portfolio, several of which are not included in those signing the original ATSC statements) (*See Appendix A*), but the requirement to adhere to the RAND commitment in the ATSC patent statements continues to apply to subsequent rights holders. In its 1996 decision adopting the ATSC standard as the U.S. DTV standard, the Commission stated that the standard is premised on the reasonable and nondiscriminatory licensing of relevant patents. The Commission also concluded that greater regulatory involvement was not necessary at that time. The Commission indicated, however, that it remained committed to this principle and would take appropriate action if a future problem is brought to its attention. See, *Fourth Report and Order* in MM Docket No. 87-268, 11 FCC Rcd 17771 (1996).

No party has filed a formal complaint with the Commission regarding access to patents to produce digital televisions or digital-to-analog converter boxes. The Commission is aware of some issues regarding access to patent rights. Several parties have made presentations to the Commission concerning the acquisition of one of the ATSC patents (U.S. Patent No. 5,243,627) by Rembrandt Technologies, and the amount of the license fees that the company is requesting from TV networks and transmission equipment manufacturers. More recently, the “Coalition United to Terminate Financial Abuse of the Television Transition” has made informal presentations to the Commission asserting that high rates for ATSC patent royalties are increasing the price of DTV receivers. In addition, the Consumer Electronics Association has requested that the Commission clarify its rules with respect to DTV V-chip functionality based in part on concern that patent royalties demanded by Tri-Vision, a Canadian entity, would adversely affect the price of DTV receivers (see, *Petition for Clarification and/or Reconsideration of the Commission’s Report and Order* in MB Docket No. 03-15).

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RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. BILL NELSON TO  
HON. KEVIN J. MARTIN

*Question.* In February, the Government Accountability Office issued a report finding that the FCC closed 83 percent of complaints with no enforcement action. Do you think this is an acceptable record? Might it make more sense to split up the current Consumer and Government Affairs Bureau (CGB) into a separate Office of Consumer Affairs that is focused solely on dealing with consumer complaints?

Answer. While the GAO states that 83 percent of the investigations were listed as closed with no action, Commission review of the databases and paper records indicate only 3 percent were closed with no action. In fact, 71 percent were closed with compliance found, 15 percent closed after taking action and 11 percent closed due to insufficient information. GAO states that the Commission’s existing enforcement databases do not contain information about the disposition of a complaint. This is incorrect. This information resides in the problem resolution or similar notation sections of the Commission’s database systems. This section of the database was readily accessible to GAO during the course of their investigation. During the prepara-

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\*\*This appendix is retained in the Committee files.



tion of this report, the Commission informed the GAO of our concerns that the draft report contained factual flaws or errors in presenting certain data.

The Commission is a proponent of strong enforcement action to protect consumers and to ensure the Communications Act of 1934 (the Act) is carried out in the manner intended by Congress. During my tenure, the Commission has undertaken more than 3,400 enforcement actions. These enforcement actions have resulted in assessing more than \$65.7 million in fines, forfeitures, and consent decree payments—including more than \$43 million in 2007 alone, which the GAO acknowledges is the highest annual amount since the Enforcement Bureau was created in 1999. In addition, the Commission has devoted significant resources to reviewing and taking action on a backlog of more than 113,000 consumer complaints.

Finally, the CGB responded to more than 128,000 consumer complaints on a variety of topics, including cable and satellite services, radio and television broadcasting, and wireline and wireless telecommunications during Fiscal Year 2007, as reported in the Performance and Accountability Report for Fiscal Year 2007. In addition, as a result of CGB's efforts, during calendar year 2007 consumers were benefited by credits totaling over \$3 million.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO  
HON. KEVIN J. MARTIN

*Question 1.* Looking ahead over the next 10 months till the DTV hard date, what do you consider to be the highest risk factor with respect to U.S. consumers getting through the DTV transition with minimal interruption?

Answer. There have been some concerns raised that viewers will need to replace or upgrade their existing antennas to receive DTV service. Many of the difficulties viewers currently encounter in receiving DTV service result from the fact that some stations are not currently operating their DTV signals to serve the same geographic areas as the areas served by their analog signals. After the February 2009 transition, these stations will generally provide DTV service within the same or larger service areas than their former analog service areas. Also, some consumers who do not have antennas that can provide good reception of UHF TV signals may need to upgrade or replace their antennas so that they can adequately receive the full range of TV channels. The Commission has drafted and disseminated an Antennas and Digital Television Fact Sheet which includes reception information and tips for consumers. This Fact Sheet is available at [www.dtv.gov/publications.html](http://www.dtv.gov/publications.html) and via mail by calling 1-888-CALL-FCC (voice) or 1-888-TELL-FCC (TTY).

*Question 2.* A consumer receiving over-the-air television broadcasts records programs for their personal use on a VCR model that has a built in tuner, allowing the viewer to watch one channel while recording another. If this consumer purchases the set-top box for that television, will the consumer still be able to record programming from one channel while watching programming from a different channel with the provided equipment? If not, what options does that consumer have and how would they become aware of them?

Answer. Consumers using a single set-top box will not be able to watch one channel while recording another channel on a VCR. In order to watch one channel and record another it is necessary to have two DTV tuners—one to tune the channel being watched and the other to tune the channel being recorded. Each set-top box can tune only a single channel and thus cannot support the provision of separate tuned channels to a TV and VCR.

In order to watch one channel and record another, a consumer has two principle options. One option is to use two separate set-top boxes, with one connected to the VCR and the other to the TV set.

The second option is for the consumer to use a set-top box connected to the analog VCR and a new TV receiver with a digital tuner. Information on use of VCRs with digital-to-analog set-top converter boxes is provided by the National Telecommunications and Information Administration, which manages the digital-to-analog set-top converter box program, in its frequently asked questions at <https://www.dtv2009.gov/FAQ.aspx>. Information on how to connect set-top boxes, VCRs, TV receivers and other home entertainment devices is also on a website provided by the Consumer Electronics Association at <http://www.ceaconnectionsguide.com>.

*Question 3a.* What percentage of households in the country will need a new rooftop antenna in order to receive over-the-air digital broadcasts? What is the range of estimates? What is the basis of the estimates?

Answer. Our engineers estimate that approximately 5 percent of households that are currently watching a poor or snowy analog picture may fall on the down side of the digital cliff-affect and will need to obtain a new antenna to obtain service.

Approximately 85 percent of households are receiving their signals by cable or satellite and will not be affected. Therefore, it is only 5 percent of the remaining 15 percent of households that are viewing signals over-the-air that may need a new antenna. We have published a consumer guide on TV antennas that explains to consumers they should first try their existing antenna, what to do if they have problems, and information on how to obtain a new antenna should they need one.

*Question 3b.* What information is your agency providing to consumers on this issue?

Answer. The Commission has posted a Fact Sheet with information on antennas, factors needed for good quality reception of digital broadcasts, and tips on how to get the best reception with an antenna on its website at <http://www.dtv.gov/publications.html>. We have also included information on use of antennas for reception of DTV service in the presentations and programs on DTV education that our staff provides to the public at events across the country.

*Question 3c.* Are there any tools available to give consumers an idea if they may need a new outdoor antenna?

Answer. The Consumer Electronics Association, in conjunction with the National Association of Broadcasters, has established a website that provides a software “antenna tool” for consumers to use to determine the appropriate antenna needed to receive digital television channels at their individual location. The AntennaWeb tool considers DTV signal strengths and geographical maps and makes a recommendation for appropriate outdoor antennas. This antenna tool is available at [www.antennaweb.org](http://www.antennaweb.org).

*Question 3d.* How sensitive are rooftop and rabbit ear antennas with respect to direction of the incoming digital signal when compared to incoming analog signals? Will some homeowners with rooftop antennas have to readjust the orientation of their antenna to receive a signal?

Answer. The directionality of an antenna is determined by its physical characteristics and is not affected by the modulation of the radio signals that it may receive. That is, antennas perform the same with respect to directionality for both analog and digital signals.

*Question 4.* Should there be a DTV hard date for all television broadcasts? If so, when should that be? What actions would the FCC have to take and complete in order for the DTV hard date for low-power stations to occur with minimal disruption to consumers?

Answer. The February 17, 2009, DTV transition “hard date” for full-power TV stations does not apply to low-power television stations, television translator stations and Class A television stations (collectively “LPTV stations”).

I have circulated an item for the Commission’s consideration which seeks comment on whether the analog transmissions of LPTV stations should be terminated in 2012. The proposed rulemaking also requests public comment concerning how best to minimize any consumer disruption related to the LPTV transition, including ensuring that all stations in the LPTV services have the channels necessary to convert to digital and that procedures are developed to ensure a smooth digital transition for these stations.

In the interim, the Commission is taking steps to help inform and facilitate the dissemination of information to consumers in LPTV communities about the DTV transition and the effect of the transition on LPTV service. On February 19, 2008, the Commission adopted a *DTV Consumer Education Initiative Report and Order* which, among other things, encourages all LPTV broadcasters, particularly those that plan to continue analog-only broadcasting, to begin educating their viewers immediately about the effect of the DTV transition on LPTV service. For instance, LPTV stations should notify their viewers that: (1) they are watching a low-power broadcast station that, unlike full-power stations, may continue to offer analog service after February 17, 2009, and (2) viewers who plan to purchase a converter box in order to view digital signals should select a model with analog pass-through capability in order to continue watching that station. The LPTV station also could direct viewers to the NTIA converter box coupon program, and in particular the NTIA listing of certified converter boxes. Finally, the *Order* urges the industry and the Commission’s private and public sector partners to do what they can to educate consumers generally about LPTV issues, and to assist in the effort to ensure that no American loses a signal due to the DTV transition.

The Commission also has compiled lists of all low power, Class A, and translator stations which we have shared with the parties involved in the low-power issue, including the Community Broadcasters Association (CBA) and National Translator Association (NTA), as well as the Consumer Electronics Retailers Coalition (CERC), CEA, and NAB. In addition, we developed a list of those communities that appear

to be served exclusively by low power, Class A, and/or translators, and shared this list as well with the interested parties. We have been coordinating with these groups to see how they are using this information, particularly with respect to consumer education and outreach. Additionally, the public can utilize a new web-based search tool to easily search for low-power stations in their area by simply inserting a zip code. The search tool is available at: <http://fjallfoss.fcc.gov/eb/zipsrch/>.

Last fall, the Commission also issued a Consumer Advisory on "The DTV Transition and LPTV/Class A/Translator Stations." The Advisory explains the status of LPTV, Class A, and translator stations, and provides background information on the stations and on ways to determine whether a viewer is watching one of them. The Commission recently updated this Consumer Advisory to explain digital-to-analog converter boxes with analog pass-through capability and the availability of analog pass-through boxes that have been certified by NTIA's DTV Coupon Program. The Consumer Advisory is available on the Commission's website (<http://www.fcc.gov/cgb/consumerfacts/DTVandLPTV.html>). This information also is posted in the Frequently Asked Questions section of our [www.dtv.gov](http://www.dtv.gov) website (<http://www.dtv.gov/consumercorner.html#faq22>).

Finally, on February 12, 2008, I sent a letter to the National Association of Broadcasters, the National Cable & Telecommunications Association, the Satellite Industry Association, the Consumers Electronics Association, and the Consumer Electronics Retailers Coalition concerning the DTV transition and low-power television stations. In the letter, I requested that manufacturers of consumer electronic equipment incorporate analog pass-through capability in digital-to-analog converter boxes and requested that retailers make analog pass-through boxes available to the public. The letter also encouraged the carriage of low-power stations on cable and satellite television systems on a voluntarily basis, and asked full-power broadcasters to make a portion of their stations' digital capacity available for the use of low-power stations.

*Question 5.* What do you see as the role of the Federal Communications Commission compared to that of the Federal Trade Commission with respect to consumer protection issues surrounding the DTV transition?

*Answer.* As the independent agency with primary responsibility for the digital transition, the FCC has special responsibility to ensure a successful transition to digital television by February 17, 2009. As many consumers consider new equipment to realize the full technological benefits of the digital transition, the FCC's consumer protection efforts have focused on ensuring that those consumers do not unknowingly purchase equipment without elements important to the digital transition. For example, the FCC has taken numerous enforcement actions against manufacturers for the importation or interstate shipment of televisions without digital tuners or V-chip technology. The FCC also recently took action against retailers that failed to properly disclose that certain televisions receivers offered for sale lacked the ability to receive over-the-air digital television signals and adopted a consumer education order that requires broadcasters, manufacturers, and others to inform the public about the digital transition. Finally, the FCC has held numerous consumer awareness sessions across the country to make sure that consumers know about the transition and understand their options.

The FCC and the FTC have often accommodated the missions of each other in areas of shared interest. The FTC has a part to play here in protecting consumers from fraudulent or deceptive practices related to the digital transition. For example, the FTC's broad jurisdiction may allow that agency to take appropriate action if any retailers participating in the NTIA's converter box coupon program engage in "bait and switch" tactics, for example, by encouraging consumers to buy digital TVs instead of utilizing their coupons.

*Question 6.* My constituents living in Bellingham, Washington and other border communities receive over-the-air broadcasts from Canada. Cable and satellite subscribers in Bellingham receive programming from the Seattle market. They hear the PSAs telling them what they need to do to prepare for the DTV hard date. There are a number of these subscribers that have a second television that receives over-the-air broadcasts from Canadian stations in Vancouver and Victoria, British Columbia. As you can imagine, this sometimes leads to confusion as the Canadian DTV transition is not slated until August 2011. Are all Canadian full-power stations within the border region broadcasting currently in both analog and digital formats? Are changes required to our existing treaty with Canada due to the DTV transition, and if so, what are they and what is the status of the treaty modifications?

*Answer.* At this time, very few Canadian television broadcast stations transmit both an analog and a digital signal. It appears unlikely that any Canadian station will cease analog broadcasting prior to their August 31, 2011 required transition

date. Consequently, viewers in the U.S.-Canada border areas should continue to have access to analog programming from Canadian stations during Canada's DTV transition period.

The United States has bilateral mechanisms with Canada governing the deployment of DTV stations in the border areas. These procedures, however, will need to be revised to accommodate the final configuration of DTV stations in the United States after the completion of the DTV transition in February 2009. The United States and Canada have been engaged in discussions concerning the DTV transition for the past few years, and recently reached an agreement to develop a DTV plan and an associated agreement to facilitate changes to that plan on a going forward basis. It is anticipated that a DTV plan between the United States and Canada will be completed this summer. Once agreement is reached on the DTV plan, U.S. stations in the border areas will be entitled to operate in accordance with that plan and Commission rules. The associated formal DTV agreement will not be concluded until after Canada's DTV transition occurs.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. KAY BAILEY HUTCHISON TO  
HON. KEVIN J. MARTIN

*Question 1.* The rules for coupon eligible converter boxes require manufacturers to self certify compliance with NTIA's technical specifications and to submit the test results and samples of tested equipment to the FCC for verification. Does the FCC test each piece of equipment provided to it through this process across all channels, or are the tests limited to a small number of sample channels?

Answer. The NTIA is responsible for all aspects of the coupon eligible converter box program, including establishment of the technical standards and process for ensuring compliance. The NTIA requires submittal of a written application and test results showing compliance with its standards. The NTIA and the FCC have a Memorandum of Understanding under which the FCC tests converter boxes upon request from NTIA. As the lead agency in this matter, the NTIA determines which boxes need to be tested and the scope of the tests. NTIA requires the boxes to comply with its standards on all TV channels but may ask the FCC to test only some channels. NTIA has not made public what channels may be tested by the FCC in order to mitigate the possibility that manufacturers would design for compliance only on the channels selected for the tests.

*Question 2.* If the answer to *Question 1* is that the FCC tests only on a limited number of channels, why does the FCC not test across all channels to test for possible adjacent channel interference that could prevent reception of all digital channels?

Answer. The boxes are tested on certain channels based on guidance from NTIA. The channels that are selected are designed to detect potential non-compliance and additional channels may be tested as appropriate.

*Question 3.* Does the FCC do any post approval testing of production model boxes sold directly to consumers?

Answer. The FCC does not independently conduct any post approval sampling and testing of NTIA approved converter boxes. The FCC will test any NTIA-approved model including post-approval, that NTIA asks us to examine. Indeed, the agreement between the agencies expressly allows the NTIA to request post-approval testing of any converter box for compliance with the NTIA rules.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. DANIEL K. INOUE TO  
MEREDITH ATTWELL BAKER

*Question 1.* It is now 10 months before the DTV transition. However, recent reports from the NTIA suggest that 46 percent of the base funds for converter box coupons have already been requested. At the current rate of request, when will the NTIA run out of coupons? Do you believe more coupons will be necessary to meet consumer demand?

Answer. Coupons are being requested at a rate of approximately 105,000 per day, on average. The availability of funds for coupons is determined by two main factors—demand for coupons and redemptions. NTIA does not have a view toward how many consumers might want to redeem coupons toward the purchase of converters, and therefore cannot predict the availability of funding for coupons at this time. Many consumers may choose to purchase digital televisions or subscribe to pay services in order to adjust to the digital transition. Assuming a 100 percent redemption rate of the coupons requested, which we think is unlikely, and using current appli-

cations rates of approximately 105,000 coupons per day, NTIA estimates it will reach the limit on issuance of coupons using initial funds on August 6, 2008. Assuming a 50 percent redemption rate, which we think is more likely, and using current application rates of approximately 105,000 per day, NTIA estimates it will reach the limit of coupons using the initial funds on March 26, 2009. Under this scenario, most of the contingent funds would be returned to the Treasury. NTIA is tracking coupon request and redemption information closely and will update the Congress, retailers and manufacturers, and our consumer education partners regularly.

Based on the information currently available and in order to avoid potential program delays, on April 25, 2008, NTIA submitted a statement, as required by Section 3005(c)(3) of the Act to release the remaining \$510 million in appropriated funds, certifying our anticipation that the initial funds of \$990 million will be insufficient to fulfill the requests for coupons from eligible households, specifically with respect to administrative resources. Program changes contemplated in the recently released NPRM would require the use of some of the administrative funds from the contingent pool.

*Question 2.* On March 15, *The Garden Island*, the newspaper on Kauai, printed an article entitled “Kauai Not Affected by ‘09 Analog TV Deadline.” According to the newspaper, Kauai residents are served exclusively by low-power broadcasting facilities. What is the NTIA doing to prevent residents on Kauai from being confused by national messages about the transition telling consumers to make changes to their televisions to prepare for digital reception?

Answer. The broadcast community is leading in educating their viewers about the digital television transition. Recently, the National Association of Broadcasters (NAB) announced an effort to target messages regarding low-power broadcasting in markets with at least ten translators, including Hawaii. The purpose of these campaigns is to ensure that consumers in these markets will hear messages more germane to their circumstances. In addition NTIA is working with the NAB and the Consumer Electronics Retailers Coalition (CERC) to share retailer data by market, so that our industry partners can increase the likelihood that analog “pass through” converter boxes will be available and will be advertised by broadcasters and retailers alike.

*Question 3.* I believe the DTV transition requires that we have “block captains” in communities across this country. We need troops on the ground to get the word out and assist consumers with preparing for the transition. What efforts have the NTIA made to coordinate and put DTV block captains and authorities in place through the Corporation for National and Community Service? Would it be possible to use organizations like Americorps and Seniorcorps to assist with the DTV transition in the communities where they serve?

Answer. NTIA is coordinating with the Corporation for National and Community Service to provide Coupon Program information to its Corporation State Offices. State Office employees have oversight for SeniorCorps and AmeriCorps VISTA projects. CNS’ Office of Human Capital is including an article on the Coupon Program in its monthly publication, *update*, which is sent to all CNS employees. NTIA has also sent information packets to all State Service Commissions of the Corporation for National and Community Service. We are coordinating with CNS’ Office of Human Capital and will be happy to explore with them, at the next opportunity, your very interesting idea to mobilize block captains to prepare consumers for the digital transition.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. BILL NELSON TO  
MEREDITH ATTWELL BAKER

*Question 1.* On February 11, 2008, I sent you a letter expressing concern that some senior citizens may be excluded from the converter box program because NTIA’s current rules appear to define nursing homes as a single “household.” Under that definition, an entire nursing home complex would be eligible for only two converter box coupons—even though there might be 50–60 residents with old analog televisions at that location. It is my understanding that NTIA staff is currently working on a “fix” for this problem—and I appreciate your efforts on this. However, we have also been told that it may take up to 6 months for the fix to be implemented through a rulemaking process. Is there any way you can speed the process up? Have you asked OMB for expedited approval of the rulemaking? In the alternative, have you considered an expedited waiver process for nursing home applications?

Answer. NTIA published a Notice of Proposed Rulemaking in the *Federal Register* on April 24, 2008, proposing certain changes to the TV Converter Box Coupon Pro-

gram (Program) rules, such as waiving the “eligible household” application requirements for individuals residing in nursing homes or other senior care facilities. Comments must be submitted no later than June 9, 2008. Details are available at: [http://www.ntia.doc.gov/ntiahome/frnotices/2008/DTV\\_NPRM\\_080424.pdf](http://www.ntia.doc.gov/ntiahome/frnotices/2008/DTV_NPRM_080424.pdf). NTIA provided a relatively short (45-day) comment period and will expedite the rulemaking to the extent it is able.

*Question 2.* When a consumer calls the DTV coupon request number and says they need physical assistance to connect the DTV converter box, where do you refer them? Also, has any effort been made to coordinate a national assistance program with interested organizations—such as AARP?

Answer. NTIA is working with its partners to mitigate difficulties some consumers may have in installing the converter boxes. NTIA has information on its website about installation and trusts that most consumers will be able to install the converter box using the instructions provided by the manufacturer. If consumers have specific questions, they should ask the retailer from which they purchased the converter box or call the manufacturer’s technical support hotline. NTIA has also worked with the Consumer Electronics Association to produce a generic “Quick Start Guide” and installation video, both of which are available at [www.DigitalTips.org](http://www.DigitalTips.org).

NTIA has also teamed up with Collegiate 4-H which selected the digital TV transition as its 2008 National Service Project topic. Each Collegiate 4-H chapter will do at least one DTV project in 2008, based on lesson-plan materials developed by NTIA. A project could include helping individuals most at risk of losing television reception fill out coupon applications or install their converter boxes. Additionally, NTIA is working with its partner, the Family, Career and Community Leaders of America (FCCLA), to educate local communities about the DTV transition through FCCLA’s “Keep Your TV On” Award. This program, which began in January and continues through May 2008, recognizes and rewards FCCLA Chapters that have excelled in planning and implementing a local DTV public awareness campaign. We are also in constant dialogue with AARP and would be happy to assist them in any way appropriate to ensure their efforts to assist seniors are successful.

*Question 3.* Your testimony noted that over 1,100 retailers signed up to participate in the converter box coupon program by NTIA’s March 31, 2008, deadline. In some areas, however, consumers have few retail choices—and may not be able to purchase a box by the end of the coupon’s 90-day deadline if those retailers do not have stocks of converter boxes on hand. Does NTIA have a contingency plan if the number of retailers in an area is not sufficient to meet demand?

Answer. NTIA is very pleased with the number of retailers that are voluntarily participating in the Program. There are over 1,600 retail organizations with over 16,000 stores, as well as 22 virtual retailers participating (7 by telephone, 15 with an online presence). We require retailers to stock and manage inventory according to commercially reasonable methods. NTIA is not aware of any geographic area where there is an insufficient number of retailers to meet demand.

*Question 4.* In your testimony, you note that—as of April 7—5.2 million households have requested DTV converter box coupons. Do you have any information on the demographic breakdown of these requests? Furthermore, is NTIA looking at demographic information to ensure that traditionally hard-to-reach populations are taking advantage of the converter box coupon program? It is now 10 months before the DTV transition. However, recent reports from the NTIA suggest that 46 percent of the base funds for converter box coupons have already been requested. At the current rate of request, when will the NTIA run out of coupons? Do you believe more coupons will be necessary to meet consumer demand?

Answer. Because NTIA does not collect consumer information beyond their home address, it is not feasible to ascertain detailed demographic breakdowns from the data on hand. We are monitoring the markets that are disproportionately over-the-air reliant to determine whether anomalies in coupon requests may require special consumer outreach.

Coupons are being requested at a rate of approximately 105,000 per day, on average. The availability of funds for coupons is determined by two main factors—demand for coupons and redemptions. NTIA does not have a view toward how many consumers might want to redeem coupons toward the purchase of converters, and therefore cannot predict the availability of funding for coupons at this time. Many consumers may choose to purchase digital televisions or subscribe to pay services in order to adjust to the digital transition. Assuming a 100 percent redemption rate of the coupons requested, which we think is unlikely, and using current applications rates of approximately 105,000 coupons per day, NTIA estimates it will reach the limit on issuance of coupons using initial funds on August 6, 2008. Assuming a 50

percent redemption rate, which we think is more likely, and using current application rates of approximately 105,000 per day, NTIA estimates it will reach the limit of coupons using the initial funds on March 26, 2009. Under this scenario, most of the contingent funds would be returned to the Treasury. NTIA is tracking coupon request and redemption information closely and will update the Congress, retailers and manufacturers, and our consumer education partners regularly.

Based on the information currently available and in order to avoid potential program delays, on April 25, 2008, NTIA submitted a statement, as required by Section 3005(c)(3) of the Deficit Reduction Act (the Act) to release the remaining \$510 million in appropriated funds, certifying our anticipation that the initial funds of \$990 million will be insufficient to fulfill the requests for coupons from eligible households, specifically with respect to administrative resources. Program changes contemplated in the recently released NPRM would require the use of some of the administrative funds from the contingent pool.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO  
MEREDITH ATTWELL BAKER

*Question 1.* Looking ahead over the next 10 months till the DTV hard date, what do you consider to be the highest risk factor with respect to U.S. consumers getting through the DTV transition with minimal interruption?

Answer. NTIA clearly wants to reduce to the smallest number possible those households not taking action to keep their televisions working on or before February 17, 2009. Because television is a primary means of receiving information, it is critical we monitor data closely to make any program adjustments required to assist vulnerable Americans. For example, NTIA is monitoring consumer awareness surveys closely and is adjusting its consumer education strategy to maximize the opportunity that hard-to-serve consumers will be made aware of the digital transition and the TV Converter Box Coupon Program (Program). We are also analyzing request and redemption data at the DMA level to determine what markets may require special outreach due to low request and/or redemption numbers. We are also sharing this information with our retail and manufacturer partners so they can make supply chain adjustments possible to meet converter box demand. As the analog shutoff date approaches, we will be intensifying our messages, in partnership with the broadcast community, to alert over-the-air consumers to the need to take action so they do not lose their television service.

*Question 2.* A consumer receiving over-the-air television broadcasts records programs for their personal use on a VCR model that has a built in tuner, allowing the viewer to watch one channel while recording another. If this consumer purchases the set-top box for that television, will the consumer still be able to record programming from one channel while watching programming from a different channel with the provided equipment? If not, what options does that consumer have and how would they become aware of them?

Answer. The Consumer Electronics Association has an excellent website—*DigitalTips.org*—that shows consumers how to install a converter box, including adding a VCR or DVD recorder to the set up. This is shown visually, through a video, and on paper, through a “Quick Start Guide,” that provides step-by-step instructions to consumers. NTIA provides a link to this installation information on our *DTV2009.gov* website. Unfortunately, a consumer cannot connect a VCR to a converter box and watch one channel while recording another. A consumer should consult with a consumer electronics retailer associate to find out what options are available to watch and record separate channels.

*Question 3.* What percentage of households in the country will need a new rooftop antenna in order to receive over-the-air digital broadcasts? What is the range of estimates? What is the basis of the estimates? What information is your agency providing to consumers on this issue? Are there any tools available to give consumers an idea if they may need a new outdoor antenna? How sensitive are rooftop and rabbit ear antennas with respect to direction of the incoming digital signal when compared to incoming analog signals? Will some homeowners with rooftop antennas have to readjust the orientation of their antenna to receive a signal?

Answer. Federal Communications Commission (FCC) Chairman Martin has stated that approximately 5 percent of viewers located at the outer reaches of a broadcast station's coverage area may need a new antenna. NTIA has no independent basis on which to base any estimates of antenna performance. We refer consumers to *www.antennaweb.org*, which is a very robust website provided by the Consumer Electronics Association and the National Association of Broadcasters to help consumers optimize their over-the-air broadcast reception.

*Question 4.* My understanding is, as of April 1st, 9.5 million coupons have been requested and roughly 210,000 have been redeemed for set-top boxes. Does NTIA have a mechanism in place for collecting feedback from consumers that have purchased the set-top box?

Answer. On a monthly basis, our Call Center handles hundreds of thousands of consumer calls. Mostly, these consumers are calling to order coupons—but we do handle consumer questions and complaints about the Coupon Program. Through this vehicle, NTIA is able to make appropriate adjustments to provide a better program experience for consumers.

*Question 5.* Have you installed a DTV set-top converter box on an analog television? Do you think that a 70 or 80 year old person will find the operation of the navigation menu intuitively obvious and easy to read? Consumers have lots of experience tuning in a strong picture with analog rabbit ear antenna but virtually no experience with digital rabbit ear antennas. Rabbit ear antennas used for digital reception appear much more sensitive to direction and small movements than those used for analog reception. Additionally, while television viewers have vast experience tuning in an analog picture through a noisy background ('snow'), the pixilation associated with loss of a digital signal may be confusing. Have you conducted any focus groups with seniors on the installation and operation of the set-top boxes? If so, what was the feedback?

Answer. In fact, I have installed multiple TV converter boxes, and NTIA has set-up TV-converter box displays both at the Department of Commerce headquarters and on Capitol Hill. NTIA is working with its partners to mitigate difficulties some consumers may have in installing the converter boxes. If consumers have specific questions, they should ask the retailer from whom they purchased the converter box or call the manufacturer's technical support hotline. As discussed above, NTIA has also worked with the Consumer Electronics Association to produce a generic "Quick Start Guide" and installation video, both of which are available at [www.DigitalTips.org](http://www.DigitalTips.org) and linked to by [DTV2009.gov](http://DTV2009.gov). Additionally, NTIA worked with reporters from the *Washington Post* to tape an instructional video on converter box installation, which can be found on the [Washingtonpost.com](http://Washingtonpost.com) website.

NTIA has also teamed up with Collegiate 4-H (one of the more than 200 partners with whom we are working) which has selected the digital TV transition as its 2008 National Service Project topic. Each Collegiate 4-H chapter will do at least one DTV project in 2008, based on lesson-plan materials developed by NTIA. A project could include helping individuals most at risk of losing television reception, such as seniors, to fill out coupon applications or to install their converter boxes. Additionally, NTIA is working with its partner, the Family, Career and Community Leaders of America (FCCLA), to educate local communities about the DTV transition through FCCLA's "Keep Your TV On" Award. This program, which began in January and continues through May 2008, recognizes and rewards FCCLA Chapters that have excelled in planning and implementing a local DTV public awareness campaign. We are also in constant dialogue with a coalition of aging organizations, including AARP, the National Association of Area Agencies on Aging, and Meals on Wheels, who are exploring ways to assist our most vulnerable seniors with the Coupon Program.

*Question 6.* Significant areas of central and eastern Washington are served exclusively by translator stations. These are places like Curlew, Coulee City, Omak, Oroville, Tonasket, Wenatchee, and Twisp to name a few. We have heard about the need for a set-top box that converts the digital signal back to an analog one and also allows the analog signal to pass through unblocked. When can I tell my constituents in these and similar communities that set-top boxes with analog pass through capability will be on their store shelves? As there are no inventory requirements, how do we ensure that there are sufficient numbers of these "analog pass-through" boxes in the communities that require them?

Answer. NTIA has certified 16 coupon-eligible converter models with analog pass-through function including:

Alpha Digital AT2016  
 APEX DT 250  
 Digital Stream DSP7700T  
 Digital Stream DX8700  
 Digital Stream DTX9950  
 DISH Network DTVPal  
 EchoStar TR-40  
 Insignia NS-DXA1-APT

Jiuzhou DTT9001  
 Magnavox TB-100MG9  
 Philco TB150HH9  
 Philco TB100HH9  
 RCA DTA800B 1  
 Tatung TDB3001  
 Venturer STB7766G1  
 Zenith DTT901



Many of the certified pass-through boxes are familiar brands sold at major retail chains. In addition, analog pass-through boxes are being made available through on-line and telephone participating retailers. It is not within the scope of the Program to track specific inventories at retail but more information would likely be available from these manufacturers.

As I stated in testimony on April 8th, NTIA asked manufacturers early on to take into consideration the development of certified converter boxes with an analog pass-through capability, and to investigate options that would permit them to do so in a manner that minimizes signal loss. On February 5, 2008, I sent a letter to each of the prospective converter box manufacturers involved in the certification process to once again encourage them to consider the needs of all viewers, including the viewers of Class A, low-power television, and television translator stations, in the development of converter boxes for the Coupon Program. NTIA is working to ensure that a variety of analog pass-through boxes are available to consumers who need them as quickly as possible, including through an expedited recertification process for boxes re-designed to include this feature.

*Question 7.* There is a 90-day expiration date on the coupons for the set-top boxes. I can imagine situations, particularly in rural parts of my state where consumers receive over-the-air television programming exclusively and require an analog pass-through converter box, that the coupon will expire before the unit is available in stock locally. This problem could be exacerbated given there are no retailer inventory requirements. If a consumer's coupon expires unused, can that consumer file again for a coupon? If not, what is the rationale for preventing a consumer from ordering and receiving another coupon?

Answer. NTIA is sensitive to the concern that has been raised with regard to coupon reissuance, and plans to review its options once sufficient redemption data is available.

*Question 8.* I understand consumers living in nursing homes, assisted living, mobile parks, group homes, and Federal housing are not considered to have valid addresses for purposes of the coupon program, and are not eligible for the coupon program. I commend you for trying to fix these shortcomings as you became aware of them. I would like to focus specifically on Native Americans, where yet additional changes may be required. As you are aware, many Native Americans live in Federal housing on reservations. I spoke with a representative from the National Congress of American Indians and there appears to be confusion as to whether Native Americans meet the program's address eligibility criteria, even with the exception included in the final rule.

The rule states "residents of Indian reservations, Alaskan Native Villages and other rural areas without home postal delivery may be requested to supply additional information to identify the physical location of the household, as required." What is the additional information required? What assurance can you give me that NTIA will ensure that individuals living on Indian reservations who need the converter box will be eligible to obtain the converter box?

Answer. NTIA crafted its Final Rule partly in response to concerns from Native Americans on reservations, including especially Council Tree, who depend on post office boxes to receive their mail. Section 301.3(a) expressly provides an opportunity for residents of Indian Reservations to use a post office box in the case where the U.S. Postal Service does not provide home mail delivery. As stated in the Final Rule, NTIA may ask these residents to supply additional information to identify the physical location of the household (this could include a recently-issued utility bill, an unexpired homeowner's or renter's insurance policy, or other proof of physical residence bearing the applicant's name and physical address).

Additionally, on April 25, 2008, NTIA issued a Notice of Proposed Rulemaking to waive its eligibility requirements with respect to households using a post office box who otherwise do receive U.S. Postal Service mail delivery, so long as the applicant provides proof of physical residence (such as those listed above). One of the desirable effects of this rule change would be to reduce the number of applications being denied due to the use of post office boxes, including by those on Indian Reservations.

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RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. KAY BAILEY HUTCHISON TO  
MEREDITH ATTWELL BAKER

*Question 1.* Prior to certifying individual converter boxes for eligibility in the coupon program, does NTIA do any testing of the boxes for potential interference concerns?

Answer. Yes. NTIA has entered into a Memorandum of Understanding with the Federal Communications Commission (FCC) under which the FCC Laboratory con-

ducts tests on sample converters including tests for potential interference concerns. For example, tests relating to Co-Channel Rejection, First Adjacent Channel Rejection, Taboo Channel Rejection, and Field Ensembles are conducted.

*Question 2.* If the answer to *Question 1* is no, does NTIA at least review test data and the FCC's verification information before certifying a box as eligible to participate in the coupon program?

Answer. In addition to testing boxes for potential interference concerns, NTIA reviews test data supplied by manufacturers. For your information, instructions to manufacturers were issued by NTIA in May 2007 and are available in the Public Notice (available at [http://www.ntia.doc.gov/ntiahome/frnotices/2007/DTVmanufacturer\\_053007.htm](http://www.ntia.doc.gov/ntiahome/frnotices/2007/DTVmanufacturer_053007.htm).) Items #2 and #3 provide guidance to manufacturers on testing and how to report their test results.

*Question 3.* Has NTIA done any post certification testing of converter boxes made available to consumers in retail locations as 47 CFR 301 permits?

Answer. Yes, NTIA plans to purchase converters at retail outlets to selectively test for continued compliance with NTIA's technical specifications.

