

**Written Statement
Of**

**The Honorable Kevin J. Martin
Chairman
Federal Communications Commission**

**Before the
United States Senate Committee on Commerce, Science, and
Transportation**

September 23, 2008

Good afternoon Chairman Inouye, Ranking Member Hutchison, and Members of the Committee. Thank you for inviting me here today to continue updating you on the status of the digital transition.

The Commission has been hard at work on a number of fronts to minimize the potential burden for consumers and to maximize their ability to benefit from the upcoming digital transition. The conversion to digital television promises movie quality picture and sound as well as potentially new programming choices. It also will allow us to significantly improve public safety communications and usher in a new era of advanced wireless services.

With the national transition about five months away, much remains to be done. At the same time, since I last appeared before you, we have continued to make progress educating viewers and helping them prepare for the upcoming transition. In particular, in addition to our ongoing consumer education and outreach efforts, we have recently gained real-world experience with the challenges facing viewers and broadcasters as we approach February 2009.

Earlier this month, on September 8th, Wilmington, North Carolina became the first market in the country to transition from analog to digital

television. At noon on that day, five local Wilmington stations, turned off their analog signals and began broadcasting only digital to the viewers in the five counties that comprise the Wilmington television market. This was a historic day and I am pleased that the local broadcasters and the entire community embraced the challenge of helping the country prepare for the switch to digital.

Before I go into the details of the Wilmington transition, I would like to start by thanking Commissioner Copps for challenging me and the industry to find a community that would be willing to help the rest of the country lead this transition. Commissioner Copps deserves credit for urging the Commission to engage in a real-world test that would help ready the broadcasters, viewers and us for the upcoming transition.

For its part, the Commission worked to educate, inform, and prepare viewers for the transition. We had staff on the ground in every county, we attended over 400 outreach events, including Town Hall meetings, and distributed over 85,000 publications. But it was our partnerships, particularly those at the grassroots level, that were critical in enabling us to contact the “at risk” groups that we are focused on reaching – senior citizens, non-English speakers and minorities, people with disabilities, low

income consumers, and those living in rural or tribal areas. One of the invaluable lessons we have learned from Wilmington is that DTV outreach success depends on the commitment of the local community, including local industry, governmental and nongovernmental organizations. Community stakeholders must take a leadership role for such large-scale messaging to take effect, and tapping into existing grassroots networks is critical.

The Wilmington Test

The Wilmington switchover was critically important because it enabled us to learn what was effective in informing and preparing viewers and broadcasters for the transition. Equally important, it helped us identify what outreach and technical challenges still need to be addressed in the months ahead. While we hope that the transition in Wilmington went relatively smoothly, the measure of success in Wilmington is not what occurred earlier this month. The measure of success in Wilmington is what happens next February and whether we are able to learn from this experience and apply those lessons as we move this effort across the country.

Majority of Wilmington Viewers Aware and Prepared for Transition

Based on our current information, it appears that the majority of Wilmington viewers were aware of and prepared for the transition. Importantly, the consumer education campaign that was conducted appears to have been effective. Prior to the transition on September 8th, NAB released a survey indicating that 97 percent of Wilmington residents were aware of the switch to digital. Consumer calls received by the Commission at its call center also indicated that the vast majority of the 400,000 television viewers in the Wilmington-area were aware of the transition and prepared for it.

In total we received 2,272 calls regarding the Wilmington test, representing about 1.2 percent of Wilmington households. See Appendix D. During the first week of the transition we received 1,828 calls. That number dropped to 444 calls to the FCC call center during the second week. During the first day of the transition, the Commission's toll-free helpline received 797 calls representing less than one-half of one percent of area homes. Last Friday, 72 calls were placed to the call center by Wilmington residents.

It appears that the residents of Wilmington were generally aware of the early transition and generally prepared for it. For the two weeks

following the switchover only 100 callers said they were unaware of the transition and 186 callers were aware but did not act to prepare for it. See Appendix D.

Challenges that Remain

While we continue to enhance our consumer education efforts which appear to have been effective, we must also be focused on resolving technical challenges. Some of these challenges are easily resolved and others are not. With respect to the callers who are experiencing difficulty following the switch to digital in Wilmington, I have directed our engineers and outreach staff to work directly with these viewers and assist them in resolving their individual questions and needs.

For example, as of last Friday, 341 of calls to our helpline were about converter box problems. We received 301 calls about converter box during the first week and 40 of those calls in the second week after the transition. Thanks to dedicated Commission staff, many of these difficulties have been resolved. Specifically, Commission staff was able to resolve almost 90 percent (299 of the 341) of the calls that came in about converter box issues. See Appendix D. The solutions were often relatively simple - consumers needed to re-scan the channels on their television set or properly hook up

their converter box. Broadly speaking, gaining a better understanding of the challenges being faced by consumers after the real switchover in Wilmington, is enabling us to better focus our messaging and consumer education tools. Specifically, as we go forward, our consumer education efforts will need to better instruct consumers about how to effectively hook-up their box and the need to re-scan.

Unfortunately, some viewers are experiencing problems that will not be as easy for us to resolve. For example, there are a number of consumers in the Wilmington-area that have lost access to the Wilmington NBC affiliate, WECT. During the first week we received 581 calls from viewers experiencing problems receiving channels or calls signs. In week two, 154 such calls were made to the Commission's helpline. (For the two weeks the total number of calls in this category were 735.) Prior to the digital switch, the Wilmington NBC affiliate signal was available to viewers outside the television market as far south as Myrtle Beach, SC and as far north as Raleigh, NC. See Appendix B. The Wilmington NBC affiliate's new coverage area, however, no longer includes these out of market communities. Some of these viewers will be able to watch their local NBC affiliate in Myrtle Beach and Raleigh. There may be some, however, that will not have access to any NBC affiliate. See Appendix C. Reception

problems for channel 6 were caused by a significant reduction in the service contour for WECT channel 6, not the digital cliff effect.

Our goal is to ensure that all viewers in the Wilmington-area and the country have access to the same television signals that they did prior to the transition. The Commission is currently exploring what steps can be taken to address this problem in Wilmington and minimize the burden on viewers throughout the country.

Finally, relatively few consumers lost their broadcast channels as a result of the “cliff effect.” Digital TV experiences what is often referred to as the “digital cliff effect.” Analog TV pictures degrade gradually. As the signals get weaker the picture becomes progressively poorer or becomes “snowy.” Yet, viewers may still find these pictures watchable. In contrast, digital TV pictures remain crystal clear even with relatively weak signal levels. However, once the signal falls below a certain level, the picture breaks up or disappears. In such situations, viewers may lose their picture altogether.

I had previously testified that our engineers estimated that about 5 percent of over-the-air viewers may need a new antenna to receive digital television due to the digital cliff effect. Only about 15 percent of viewers

receive their signals over the air, so we estimated that less than 1 percent (5 percent of 15 percent) of all viewers would need a new antenna. The data from Wilmington suggests a similar estimate.

We received 549 calls from viewers experiencing antenna or reception issues and were able to resolve 139 of them. Only 410 calls then or .22 percent of Wilmington households were potentially experiencing the “cliff effect.” In short, for stations whose DTV coverage was designed to replicate their analog coverage, complaints about the potential cliff effect were well below our estimate of one percent.

The early switch to digital in Wilmington has been instrumental in helping the Commission to identify, understand, and hopefully prevent some future problems when the rest of the nation transitions in February 2009. The measure of success in Wilmington is not what happened on September 8th. Rather, it is how we are going to take what we learned in Wilmington and apply that knowledge to the rest of the country.

We have already learned some very important lessons. For example, the Commission learned from the Wilmington test the importance of

emergency preparedness. At the time we began outreach in Wilmington four months ago there were no battery operated converter boxes available. So the broadcasters and some folks down in Wilmington were able to work with one converter box manufacturer, Winegard, who recently introduced a DTV converter box battery pack specifically designed to allow its converter boxes to work in power outages.

We will continue to study the Wilmington experience so that we can best minimize the burdens placed on consumers as the national transition approaches.

Ongoing DTV efforts

In addition to our efforts in the Wilmington test market, the Commission has been busy in other areas. Our activities are described in great detail in the monthly digital television status reports that we send to Congress. I have attached the most recent of these comprehensive reports to my testimony. Appendix A. I would like to highlight a few things we have been working on.

Broadcasters' Transition to Digital

Progress on converting broadcast facilities to all digital is continuing. Based on the status reports that we have required broadcasters to make, over 90 percent of active full power television stations are either fully operational with digital service or are on track to have their full digital service operational by February 17, 2009. Slightly over five percent of the stations indicate that they will take advantage of the flexibility offered by the Commission and serve at least 85 percent of their service population on February 17, 2009, with final digital operations beginning sometime thereafter. The Commission gave such flexibility if a broadcaster faced unique technical challenges such as weather-related issues, or coordination with other stations.

Enforcement Activities

The Commission's DTV-related enforcement efforts have focused on protecting consumers by enforcing our rules as this transition takes place. As of September 18, 2008, Commission personnel have inspected 4,161 stores and 72 websites to assess their compliance with the Commission's rules requiring labels on analog-only television receivers. We have issued 369 citations for failing to comply with our labeling rules. Since October

2007, we have released NALs or consent decrees against 22 retailers, totaling more than \$4.74 million.

We also have been visiting retailers to assess their employee training in the DTV transition and the NTIA converter box coupon program. As of September 18, 2008, Commission field agents have visited 1,489 stores and conducted 1,438 interviews of store managers in 47 states and in Puerto Rico.

In addition, we are actively enforcing the DTV consumer education requirements that the Commission adopted last spring. To this end, we have recently issued a Bureau-level NAL in the amount of \$51,000 against one company for failing to notify its customers of the transition as required under our rules. We have also circulated a Commission-level order proposing \$12.3 million of fines collectively against eight companies for notification failures. We are in the midst of reviewing additional information submitted by broadcasters, cable operators, and telecommunications carriers, and expect to take additional enforcement actions in the near future.

Consumer Education and Outreach

Word of the digital transition is spreading quickly throughout the country. I would like to highlight a few of our education and outreach activities.

Nationwide 81-City Tour. Last month, I announced a nationwide initiative to increase awareness about the upcoming transition to digital television. As part of our efforts to prepare consumers for the transition, the Commission identified television markets in which the largest number of viewers will have to take action to be prepared for the transition five months from now. Specifically, we identified 81 target television markets for specific DTV outreach, including all those markets in which more than 100,000 households or at least 15 percent of the households rely solely on over-the-air signals for television. Within these markets, we are aiming to educate those groups most vulnerable to the transition such as senior citizens and non-English speakers. My fellow Commissioners and I, as well as other Commission staff, will fan out to these markets to raise awareness and educate consumers in the days leading up to the digital television transition on February 17, 2009.

At each stop, there will be a public event, such as a town hall meeting, workshop, or roundtable with an FCC Commissioner to highlight the digital transition, and be available to local press. In coordination with these visits, the Commission will work with local broadcasters and radio stations to increase the broadcasts of Radio and TV DTV PSAs. The Commission has visited several cities so far including, Anchorage, Fairbanks, Tulsa and San Francisco and plans many more trips in the upcoming weeks.

As part of this nationwide tour, the Commission is also coordinating with the broadcasters to explore whether at the same time these stations may participate in a temporary turn off of their analog signals. During these “so-called soft tests” analog customers would see a message on their screens informing them of the transition and how to become prepared.

DTV Awareness Sessions. The Commission has conducted over 1,882 DTV Awareness sessions, attended more than 509 conferences and events, established 514 partnerships, and made over 7,985 visits to various organizations around the country to disseminate DTV information .

Speakers Bureau. Last month, I announced that the Commission has launched a Speakers Bureau for groups throughout the country to request speakers to discuss the upcoming digital transition. The Speakers Bureau is

the latest addition to the Commission's DTV outreach effort. The Commission will provide speakers, without cost, to any group requesting one. To date, we have received 61 requests for speakers. The requests are being handled by staff traveling for conferences and events, as part of the outreach for our town hall meetings, and by our field agents.

Grassroots Bid. The Commission just announced that it is seeking contracts from grass roots organizations and community-based organizations to assist consumers, particularly those consumers that are home-bound or that have limited mobility, with the procurement and installation of digital TV converter boxes and related equipment. This builds upon the Commission's work with fire departments in Wilmington where firefighters entered residents' homes to help with installing converter boxes. These efforts will complement our ongoing work of educating consumers about the migration from analog to digital broadcasting.

U.S. Postal Service Partnership. We have distributed more than 9,300 posters nationwide. We are displaying DTV education posters in all 34,000 post offices across the country. These posters include a dinosaur saying "Don't Let Your TV Become Extinct." We are working with the U.S. Postal Service to install updated posters beginning November 1, 2008 running

through the end of the transition period. The new posters are targeted to instill a greater sense of urgency to consumers and will use the slogan “On February 17, 2009 your TV is changing. Are you ready?”.

Conclusion

In conclusion, the Commission is devoting significant resources to facilitating 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 five months will undoubtedly be challenging. Nevertheless, it is my hope that through the combined efforts of government, industry, advocacy, and grassroots groups, American consumers will reap the rewards that the digital transition has to offer.