

Statement of
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Consumer Electronics Retailers Coalition

Before the
Subcommittee on Telecommunications and the Internet
House Energy and Commerce Committee

Status of the Digital Television – 154 Days And Counting

September 16, 2008

Chairman Markey and Ranking Member Stearns, thank you for inviting the Consumer Electronics Retailers Coalition (“CERC”) to appear in order to help review the status of the DTV Transition, of which the key date is now five months away. I am proud to serve as CERC’s Executive Director. Our members include specialist retailers Best Buy, Circuit City and RadioShack, and general retailers Amazon.com, K-Mart, Sears, Target and Wal-Mart, as well as the three major retail associations – the North American Retail Dealers Association (NARDA), the National Retail Federation (NRF), and the Retail Industry Leaders Association (RILA). Along with our colleagues in the DTV Transition Coalition, we have been pleased to work with this Subcommittee, the Federal Communications Commission (FCC), and the National Telecommunications and Information Administration (NTIA) through this long, challenging and exciting process. We are gearing up for the final push to assure that no consumer loses television reception on account of any lack of information or an inability to obtain the tools or products that they need.

I. Overview of The Transition, Public Education, Inventory

As you have noted, Chairman Markey, this is your sixth hearing in this Congress on the Transition to Digital Television. We have all come a long way, and crucial months lie ahead. But we can be very proud of how far we have come:

- Retailers have now accepted more than 10 million NTIA Coupons, with very few hitches, problems, questions, or delays at the checkout counter.
- I am proud to say that *every* CERC member company is a participant in the NTIA Coupon program. In addition to accepting NTIA Coupons in their stores, three CERC members – Best Buy, Circuit City, and RadioShack – now accept coupons and sell over the telephone, and two – Amazon.com and BSAT – sell on-line.
- CERC members have been working at the local level with community organizations, government leaders and the media to take the initiative in DTV public education events. RadioShack alone has participated in or scheduled almost 200 such events; Best Buy has a long list of programs and projects with community and service organizations, on both local and national bases. Circuit City has provided venues for or participated in major events featuring Secretary Gutierrez and Members of Congress, including one sponsored by Rep. Ed Towns, and in several televised phone banks sponsored by local broadcasters.
- Now that our members have transitioned their inventories to feature “analog pass-through” boxes, the current supply seems plentiful:
 - In the FCC’s tabulation of 424 Wilmington consumer calls on September 9, not a single consumer called to say that a retail store was out of boxes.
 - The NTIA now lists 35 on-line retailers and 13 who sell over the telephone.¹ Our counsel checked these on Friday. **All 35 on-line retailers had models in stock – an average of five in-stock models per retailer**, many or most with analog pass-through. **All twelve telephone retailers** with which we connected had models in-stock.

So, even apart from our own members’ strong efforts and progress in keeping every store fully stocked, **any consumer with a telephone has a dozen places to call**, most of which carry several models. **Any consumer who can go on-line has 35 places**

¹ See list from NTIA consumer site, <https://www.dtv2009.gov/VendorSearch.aspx>, also attached.

where he or she can use an NTIA coupon – one online retailer has 23 models in-stock for same-day shipment. Converter boxes are available with features to fit every budget. There are even retailers who offer a converter box for about the price of the Coupon.

The inventory situation in our members' stores has also improved since mid-summer, when some stores ran low due to a surge in demand and the changeover to analog pass-through converters. While CERC does not gather commercial information, our informal polling of members indicates a greatly improved inventory situation, with some achieving or approaching their goal of keeping every store adequately stocked. Indeed, on a recent weekend two of our members included their Converters in their national advertising which (in addition to its educational purpose) certainly does not imply any shortage of product.²

CERC and its members have worked closely with the NTIA and their contractor team to address specific challenges in the coupon program. We are keenly aware of the very strong demand in Puerto Rico. Our members have worked hard to recognize and serve this demand, including air-freighting shipments there. For example, at present, both Best Buy and Circuit City have literally **thousands** of boxes in their Puerto Rico inventories for their total of four stores there, and more on the way – many more than the present sales rate in those stores would justify. RadioShack has 48 stores in Puerto Rico

² Copies from the Sept. 7 Best Buy and RadioShack circulars are attached. Our members' ability to direct inventory to meet demand has been greatly aided by NTIA and its contractor team's publishing Coupon redemption data by zip code.

and is maintaining inventory in all of them.³ We continue to work with NTIA and the contractor team to try to assure that those needing unexpired Coupons can get them, and that Converters will be available to them when they do.

II. Wilmington Support and Experience

CERC was among the very first groups contacted by Chairman Martin's office to assist in the planning, announcement, and execution of the Wilmington early transition project, and our members stayed engaged throughout. We were gratified that, in the ceremony on September 8, Chairman Martin specifically thanked CERC and our members for our contribution. Now, we must all work together to analyze and apply the lessons learned.

Beyond bulking up their inventories to assure that every consumer could find a Converter, retailers faced additional challenges in Wilmington. Their staff training, in-store video messaging, and printed consumer education material all focused on the February 17, 2009 date, as did the national advertising of their own stores, and broadcaster PSAs, which of course continue to focus on that date. Thus, each Wilmington area retailer had to revise its in-store material and training. This was particularly difficult in border areas, where the February 17 message remained pertinent to some customers.

Additionally, our members worked actively with the FCC staff and others in the community to plan and host events at their stores. We were pleased that an FCC staff leader in Wilmington was Louis Sigalos, with whom CERC has been working on DTV

³ Moreover, like other customers throughout the United States, citizens in Puerto Rico can order Converters by phone or in a RadioShack store and have them delivered free of charge.

education since well before the passage of the Transition legislation. We also were pleased to work directly with Chairman Martin's office and staff in planning and executing events. We and our members also worked with other national associations, as in the case of the "Ask The Experts" event, sponsored by the Consumer Electronics Association, hosted at a Circuit City store in Wilmington. Our members donated Converters to local senior citizen facilities, in conjunction with a CEA program, and directed some of their earliest shipments of analog pass-through boxes to Wilmington.

The September 9 telephone calls from consumers, as tabulated by the FCC,⁴ indicate that challenges do lie ahead:

- Apparently, many consumers waited until the analog shutoff to hook up their DTV Converters, then realized that they didn't know how. We and our Transition Coalition Colleagues, working with the FCC, the NTIA, and the Congress, need to do a better job of explaining that there is no reason to wait until February 17 to start attaching and using Converters.
- There appear to have been more problems with antennas than had been anticipated. This is a potentially complex issue that we will want to analyze with our Transition Coalition partners and the FCC before we further adjust our messaging and training.

Hooking up Converters now. NTIA leadership, with whom we routinely coordinate and review our messaging, had suggested to us several months ago that in the next revision of our educational material we emphasize that the Transition is going on NOW, rather than "on" February 17. Accordingly, in the revision of our CERC Guide⁵

⁴ Attached at the close of my statement.

⁵ "What Consumers Need To Know About The 'DTV Transition' And The NTIA 'TV Converter Box Coupon Program'," attached and available at <http://www.ceretailers.org/CERC%20Consumer%20Guide%20-%202008.pdf>.

that we made after the last hearing of this Subcommittee, we removed the date from the title and made other changes to emphasize this message of immediacy.

Antennas. Initially, CERC had not discussed antennas in its educational material because the public-private consensus was that in about 95 percent of all homes, existing antennas should work fine. After some questions were raised about this earlier this year, we did include an antenna chapter in the CERC Guide. We now need to work with our private and public sector partners to analyze the Wilmington data, to see whether our guidance is the best it can be. I believe our members have been conservative on the subject of antennas, not wanting to foist unnecessary upgrades on consumers. We and they now need to see whether there is more guidance we can give, again without any “upselling.”

III. Work and Coordination With NTIA

I mentioned that we revised the CERC Guide after the last hearing of this Subcommittee. We do this periodically as the Transition develops, but one of the reasons was the concern expressed by Chairman Markey over practices of some “rotten apple” (*i.e.*, non-CERC member!) retailers who had “locked up” the expiring Coupons of some consumers but failed to deliver product. We immediately began talking to NTIA about this and other expiring-or-expired Coupon scenarios, to see what could be done.

First, we and NTIA agreed that NTIA was doing the right thing in immediately ejecting any such retailers from its program. That’s what the NTIA regulations call for, that is what NTIA did, and that is how any “rotten apple” incidents are being handled. We believe this is the best and surest way to protect consumers, and that it has worked.

The CERC Guide now urges consumers with complaints about retailers to contact the NTIA right away, and provides an email link for them to do so.⁶

The underlying issue, however, is that at the time of your last hearing some consumers were having difficulty finding Converters and were left with expired or expiring Coupons. Our members' management and NTIA's management looked very, very hard at whether there should or could be a change to the NTIA requirement that a retailer only accept a Coupon if it can provide or set aside a Converter for shipment. We concluded that a change to this requirement would only open the door to the sort of "rotten apple" misconduct that we all were trying to guard against, could not be implemented until the temporary inventory squeeze was over,⁷ and would likely cause great consumer confusion as *all* retailer personnel, who had been trained and were efficiently abiding by the existing rule, would have to be retrained according to a directly contrary understanding.

What did emerge from our discussions with the NTIA was a "help your neighbor" program to assist consumers who need unexpired Coupons in obtaining them with the help of individuals in their community. In our input to the NTIA regulations, CERC had urged that a retailer should be able to accept any NTIA Coupon that is valid and unexpired, no matter who had requested it, and this is what the NTIA regulations provide. Nationally, the redemption rate for Coupons still hovers at just under 50 percent, meaning

⁶ Additionally, our counsel did legal research confirming that the sort of conduct noted by Mr. Markey would likely *also* run afoul of existing FTC regulations and federal mail fraud provisions. We are prepared to share this research with the NTIA or other authorities to the extent any further problems emerge.

⁷ Actually after studying this with NTIA and the contractor team we all concluded that for technical reasons such a change could not be made during the lifetime of the program.

that from the onset of the program, no matter what the inventory situation, about half of all Coupons have been expiring without being used. This is no surprise – it is just as easy to request two Coupons as it is to request one, and over 90 percent of all applicants do so. Some consumers who have requested Coupons also learn that they don't really need one, or decide to sign up for cable or buy a DTV receiver instead. ***These Coupons that will not be used, and others that can be ordered by neighbors and family who are eligible to request them, are a major potential source of Coupons for those who have seen their own Coupons expire.***

After your last hearing and our discussions with the NTIA, we revised our CERC Guide to address *both* the issues of retailer misconduct *and* the “help your neighbor” idea. We took this idea to our partners in the Transition Coalition, where some others had been thinking along similar lines. As a result, Coalition material is being revised to encourage this solution. We also understand that in Puerto Rico the NTIA is now working with church groups to implement this idea on a very local⁸ basis.

Looking ahead toward February 17, and to mid-2009, when we expect the last Coupon to have expired, we know that additional and perhaps even more difficult challenges are in store. Nobody knows what the final demand will be for Converters, or if there will be any demand for them once the last Coupon expires. CERC does not and cannot be involved in discussions of commercial intention, but it seems evident that the component suppliers, manufacturers, and sellers of Converters will be looking to avoid either a shortage or a glut of product at the time the last Coupon expires. There is no

⁸ Neither we nor NTIA mean to encourage any wholesale trafficking in Coupons, and their sale or exchange for remuneration rightly remains against NTIA regulations.

precedent or history to help any of them identify this “sweet spot” either nationally or locally in thousands of stores. As Mr. Ripperton of RadioShack testified at your last hearing, this has been one of the most challenging inventory planning episodes in anyone’s experience, and it may be that the most challenging part still lies ahead.

IV. Work And Coordination With FCC

CERC’s joint work with the FCC began well before the passage of the Transition legislation. We co-branded a DTV “Tip Sheet” with the FCC and CEA, and several members distributed them in stores and electronically. We contributed to the discussions at the FCC about the place analog pass-through boxes have in the Transition, and CERC member retailers and their vendors modified their procurement and inventory plans accordingly. This led to the addition of new models to the inventories of some members, and to the complete conversion of inventory by others. Since sometime in July, all CERC members have carried pass-through Converters in their inventories of Coupon-eligible Converters. (Based on our counsel’s recent research they are now in the inventory of almost all of the on-line and telephone retailers listed by NTIA, as well.)

Throughout the year, CERC members have provided venues for public education local events hosted by or featuring Chairman Martin or the other FCC Commissioners as well as Members of Congress and other political leaders. Building on our successful work with the FCC in Wilmington, CERC members have been actively recruited for, and have responded enthusiastically in, the FCC’s 80-plus city “roadshow” that is now under way. We expect that CERC member stores throughout the country will be among the venues as the Commissioners and staff tour the country. As in Wilmington, this involves listening, observing, and learning, as well as educating. We look forward to working

with the FCC and its people, and our other private and public sector partners, to process what we hear and better focus our efforts in the crucial final months of the Transition.

V. DTV Tariff Reform Legislation

As Mr. Ripperton testified at your last hearing, and as Greg Hephner, of Wichita, KS CERC member Hephner TV testified at few months ago at a Small Business subcommittee hearing, it is both distressing and ironic that with one hand our government is subsidizing the distribution of Converters to consumers, yet with the other, apparently inadvertently, is imposing a five percent tariff that can only make them more expensive or shorter in supply. Bipartisan legislation, H.R. 5635, was introduced by Reps. Ron Kind and Kevin Brady to correct this absurdity and inequity, and companion legislation introduced by Senators Lincoln and Roberts is also pending in the Senate. Though the bill was not assigned to this Committee, we hope that this Committee and its members, who have led in all things pertaining to the DTV Transition, will also be leaders in helping this legislation pass as this Congress heads so rapidly to a close. On behalf of CERC and its private sector allies seeking passage of this important bill, I can commit to working with you and your staff to help make this happen.

VI. Challenges Ahead

In closing, Mr. Chairman, on behalf of CERC I want to thank and congratulate you and Chairman Dingell, and Ranking Members Barton and Stearns, your staffs, and the subcommittee members, for having these six hearings in this Congress, and the many in previous Congresses that resulted in the passage of the Transition legislation. It has not always been easy sledding for us and some of our colleagues in the private sector, but we are all doing a better job because of it. Nobody knows whether you might be able to

have another before the year is out, so here are the main challenges we see as we enter the Transition homestretch:

- **Keep Up With Spot “Soft” Shutoffs.** One technique that local broadcasters and cable operators have embraced has been the “trial shutoff” that briefly simulates the real thing, and allows consumers to see which of their TVs remains “on.” From the outset, with an early implementation in Las Vegas, we have discussed this project in the Transition Coalition, and our broadcaster partners agreed to give CERC advance notice of these events, so our members can take them into account in our inventory distribution planning. These are now so popular that every week we get a long list of them from NAB, and distribute it to our members. This requires constant adjustment to our members’ inventory planning and priorities.
- **Prepare for Early Shutoffs.** CERC is aware of a handful of communities where stations are planning to completely convert to digital and cease analog broadcast in advance of the February deadline. These situations, most notably in Western Nebraska where public television stations and a couple of commercial stations convert ahead of schedule, create mini-Wilmington experiences.
- **Apply The Wilmington Lessons.** We don’t know all the Wilmington lessons yet, and appreciate the timing of this hearing so that we can all absorb them. We want to do this as soon as possible, because even though it is still Summertime, by retailers’ calendars we are on the verge of the holiday shopping season when it will be difficult to focus our stores and personnel on anything else. We want to work with the FCC, the NTIA, and our partners to make any necessary adaptations as quickly and efficiently as possible. Wilmington is important not just for what happens in advance and at the time of conversion, but what happens in the aftermath.
- **Focus On Puerto Rico.** Our understanding is that the supply and demand situation in Puerto Rico is improving. On both the Converter supply and Coupon distribution fronts we and our members are cooperating with the NTIA and its contractor team, and (directly or indirectly) with concerned congressional offices, to assure that citizens in Puerto Rico are well served. We do want to hear about problems and we want to address any. Our member companies’ literature is almost universally made available in both English and Spanish, in Puerto Rico and elsewhere.
- **Help Consumers Find Converters If Necessary.** At present, it appears that CERC members and the dozens of other on-line and telephone retailers listed on the NTIA site have plentiful inventories. After a tight summer for some retailers in some local areas, our members report fully stocked shelves in all or most of their stores. Nobody knows what the “end game” will look like, however. There will be two, not just one, key dates in this respect:

- **February 17, 2009.** Ideally, we would hope that “last minute” consumers will find Converters at their local retailers. If there are spot shortages, however, we *all* in the public and private sectors need to remind consumers that three CERC members (Best Buy, Circuit City, RadioShack) ship from toll-free numbers, two CERC members (Amazon.com and BSAT [www.bsat.net]) accept Coupons over the Internet, and dozens of others do one, the other, or both.
- **Date When Last Coupon Expires.** The NTIA will still be accepting Coupon applications after February 17, so the last Coupon is unlikely to expire until well into 2009, on or before July 9. For retailers this will be an extraordinarily difficult period to predict demand, especially at the local store level. Moreover, it seems unlikely that suppliers of components and Converters will be eager to offer or support inventory once the shutoff has occurred, and any remaining demand is residual. And nobody knows whether there will be any appreciable demand for these limited-utility products, which are constrained from including additional features, once the last Coupon has expired. However the laws of supply and demand do operate in this unique and unprecedented period, we must all do our best to help consumers find what they need, where and when they need it.

* * *

In conclusion, Chairman Markey, it has been our privilege to work with this Subcommittee in this ambitious endeavor, through thick and thin. Given all the doubts and uncertainties we had 18 months ago, we in retail are pleasantly surprised, or at least gratified, that the program has worked so well. Everyone in the public and private sector partnership can take credit for this, just as we will all take the blame if it goes off the rails at the end. The Transition will not be a complete success until everyone who wants to maintain his or her over-the-air viewing has been able to do so in the manner they choose. That is CERC’s goal, and we look forward to working with you, the FCC, the NTIA, and our Transition Coalition partners to make this happen.

Thanks you very much for having invited us to testify today.

Online and Telephone Retailers

Converter boxes can also be purchased online or by telephone and can be shipped directly to your home.

Online Retailers:

A1activations at www.a1activations.com
All American Direct at www.allamericandirect.com
Amazon at www.amazon.com
Antennas Direct at www.antennasdirect.com
Broadband Solution's BSAT e-shop at <http://dtv.bsat.net>
Bruce's Antenna Systems at www.watchdigitaltv.com
Cerebral Cortech at www.freetvsignal.com
Compu Parts and More at www.compupartsandmore.com
Cadence Sound System at www.mytvconverter.com
Consumer Electronics Group at www.consumerelecgroup.com
Data Action LLC at www.data-action.com
Direct Depot at www.directdepot.net
DISH Network at www.dtvpal.com
Ditec at www.cheapdigitalconverters.com
DTV Box Answers at www.dtvboxanswers.com
E & E Electronics at www.digitalstar.com
eIndustries.biz at www.eindustries.biz
Gridlink Technologies at www.egridlink.com
Happy Iguana at www.tvconverterboxstore.com
Home Theater Consultants at www.analog2digital.tv
iNet Access at www.ezdttv.com
JtecDirect at www.jtecdirect.com
Logic Mart at www.kingboxinc.com
Meritline at www.meritline.com
Microtel Systems at www.convertdtvnow.com
Mosquito Productions at FreeDTVShop.com
Newcast at www.newcaststore.com
QVC at www.QVC.com
Satellite Radio Superstore at www.digital-tv-converter.net
SavingLots at www.savinglots.com
Skyview at www.skyviewf2a.com
Solid Signal at www.solidsignal.com
Summit Source at www.SummitSource.com
The Twister Group at www.thetwistergroup.com
Winegard at www.WinegardDirect.com

Telephone Retailers:

A1activations at 800-670-0388
All American Direct at 1-800-249-1063
Best Buy DTV Hotline and Order Center at 1-877-BBY-DTV9 (1-877-229-3889)
Circuit City at 888-280-9382
DISH Network at 888-638-9912
Etronics at 1-800-323-7669
Fingerhut at 1-888-301-5606
iNet Access at 877-388-7010
My Virtual Zone at 1-866-819-9888
Online Electronics Liquidation at 800-717-1635
RadioShack DTV Telephone Order Center at 1-877-RS-DTV-4U (1-877-773-8848)
Satellite Radio Superstore at 800-513-8554
Solid Signal at 1-866-3SIGNAL (1-866-374-4625)

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WE GIVE YOU 3 EASY SOLUTIONS.

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2. Upgrade to an LCD HDTV
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If you have an analog TV and use a rooftop antenna or rabbit ears, you must take action before February 17, 2009 to continue receiving

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\$59⁹⁹
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Plus get **\$40 OFF** with the government TV Converter Box Coupon Program.

- Hooks up easily to your analog TV to receive over-the-air digital broadcasts
- With analog pass-through you'll receive the new digital stations plus any low-power analog stations not switching to digital
- When used with a quality antenna, the converter box may also provide clearer digital pictures and additional channels in many areas
- Includes a universal remote that also controls most TVs and DVD players



TAKE ACTION BEFORE FEBRUARY 17, 2009!

WHY THE CHANGE TO DIGITAL?

- Provides additional airwave space
- Better signal quality • More programming

SOLUTION #2

UPGRADE TO AN LCD HDTV WITH BUILT-IN DIGITAL TUNING.

- No converter box needed
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SAVE \$100
32" 720p LCD
\$499⁹⁹
As Low As \$150
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16-649/684 Reg.



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\$399⁹⁹
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EVERYTHING IN ACCESSORIES

Your neighborhood RadioShack has a great selection of antennas to use with your converter box plus all the cables and connectors you need to hook up an HDTV.



SOLUTION #3

SEE DISH NETWORK ON NEXT PAGE.

credit approval for purchases made on the RadioShack AnswersPlus® credit card. The advertised minimum monthly payment is an estimate of the minimum monthly payment required based on the amount of the purchase, does not include taxes or other charges and is based on the APR for purchases listed below. The actual required minimum payment for your account may be more or less than the amount shown above. Payment is due on the 15th of each month. Payment may be made in full at any time. Payment of the minimum monthly payment does not constitute an agreement to finance. Finance charges are assessed on the unpaid balance of the account, including application of the default rate, existing balances or making additional transactions, including optional credit protection fees billed to the account, and interest charges assessed on the account. You can always pay more than the amount indicated above since the more you pay each month, the quicker your balance will be repaid. See card for details. APRs up to 23.85%. Default APR 27.85% (rates may vary). Minimum FINANCE CHARGE: \$1.50. Offer is only valid for consumer accounts in good standing.

RadioShack policy on advertised items. Products were selected far in advance and may not be currently available. Participating stores will issue rain checks for the advertised item on out-of-stock items (excluding special-purchase items and phone orders). If sold out, a comparable value will be offered. Independent RadioShack dealers may not be participating in this ad or stock or special-order every item advertised. Not liable for pictorial or typographical inaccuracies. Warranty copies available at stores or by writing RadioShack Customer Care, Mail Stop CF7-101, 300 RadioShack Circle, Fort Worth, TX 76102. ©Copyright 2008 RadioShack Corporation, Fort Worth, TX 76102.



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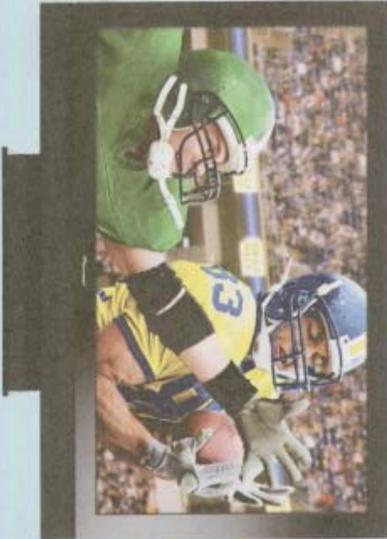
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Pioneer KURO
60" Class 1080p Plasma HDTV
59.6" measured diagonally, Room light sensor
automatically adjusts picture for varying light
conditions and programming type for enhanced picture
quality, 4 HDMI inputs, USB 2.0 and a PC Input.
(P/N: 602020) 8849147

SAVE \$550
INSTANTLY **\$4999**
MSRP \$5499

¹ Merchandise taken from regular prices. Excludes Power Rear TVs, Digital Center items, clearance, demo and open box items. Selection varies by store. Online offer may vary. See a Customer Specialist for details.

² When the average customer rating is at least 4.0 (1/17/2009). See BestBuy.com for the most current information.

We'll get you ready
for the digital TV
transition

By law, on February 17, 2009, digital
television broadcasts will replace our
current analog system nationwide.

If you currently use an antenna-based TV
signal and you want to continue to receive
free over-the-air programming on your
analog TV, you will need a Digital-to-Analog
Converter Box like this one.



\$59.99

APEX
Digital-to-Analog Converter for Analog TVs
Provides an analog path through so you can hook the converter
box up now and receive both digital and analog signals.
(P/N: 501301) 8811 527/8133114

To learn how to get up to two \$10 coupons
for converter boxes, go to BestBuy.com/DTV
talk to a Customer Specialist in store or
call 1-877-888-8111

¹ Excludes Power Rear TVs. We add in labor,
delivery or conversion service.

**Wilmington, NC DTV Transition (September 9, 2008)
Overview of DTV Calls**

**Wilmington, NC Transition Calls from Second Day
Overview/Analysis of Wilmington Transition Test DTV Calls**

Category	Count
CONSUMERS WHO WERE NOT AWARE OF THE TRANSITION	
They were not aware of the switch to DTV	10
They were unaware of the correct transition date	10
They did not think the stations they watch would switch to digital	15
Subtotal:	35
CONSUMERS WHO WERE AWARE BUT DID NOT ACT	
They forgot to upgrade	19
They were unable to attain assistance to upgrade	4
They relied on another member of their household to upgrade	4
They waited too long to buy or set up a digital set or a converter box	19
They were out of town or too busy or knew they could do it later	11
Subtotal:	57
CONSUMERS WHO HAD PROBLEMS WITH THE CONVERTER BOX COUPON PROGRAM	
A coupon did not arrive in time	17
Wanted coupon or had not received coupon from NTIA	8
The retail store was out of boxes	0
Subtotal:	25
CONSUMERS WHO HAD INITIAL DIFFICULTY WITH THEIR CONVERTER BOXES	
Setting up converter boxes was too hard	12
They didn't understand the instructions for the digital set or the converter box	17
Their converter box "didn't work"	78
Subtotal:	107
CONSUMERS WHO HAD RECEPTION AND TECHNICAL PROBLEMS	
Their antenna didn't work or they have no antenna or their antenna wasn't connected	42
Problem with channel or call sign	13
Weak or spotty signal	2
Subtotal:	57
CONSUMERS COMPLAINING ABOUT NOT RECEIVING WILMINGTON SIGNALS	
Problem with channel or call sign	124
Subtotal:	124
OTHER PROBLEMS	
Satellite subscribers to Dish Network or Direct TV -- did not subscribe to local package	3
They thought all their sets were hooked up to cable or satellite	7
They were waiting for cable or satellite installation	6
Wanted DTV consumer information sent to them	3
Subtotal:	19
Total	424

Consumer Electronics Retailers Coalition



www.ceretailers.org

WHAT CONSUMERS NEED TO KNOW ABOUT THE “DTV TRANSITION” AND THE NTIA “TV CONVERTER BOX COUPON PROGRAM”

(1) WHEN WILL THE TRANSITION FROM ANALOG TO DTV BROADCASTING OCCUR?

The transition to digital television is ongoing; it is occurring NOW. The last day that major full power local broadcasters can send out conventional “analog” television signals will be *February 17, 2009*. After that date, your major local television broadcasters will broadcast exclusively digital television (“DTV”) signals that can be received only by digital TVs or converters. *If you use a TV antenna* with one or more TVs, *you may need to get an NTIA Converter Box Coupon*.

(2) I NOW RELY ON AN ANTENNA FOR AT LEAST ONE TV THAT DOES NOT HAVE A DTV TUNER. WHAT ARE MY OPTIONS?

NTIA Coupons (see below) come with a card listing three options. *CERC suggests that you take this card with you* when you go shopping with DTV in mind.

- To continue to rely on an *antenna*, you will need a DTV broadcast converter product such as the *Coupon-Eligible TV Converter Box*, which you can buy with aid of an NTIA Coupon.
 - You could, instead, *subscribe to a cable, satellite*, or other program delivery service that carries the broadcast programming in which you are interested.
 - You could purchase a *new digital television*.
- If your set is a regular analog television, you may want to obtain a TV Converter. You can apply for NTIA \$40 coupons on-line at www.dtv2009.gov/ or by calling 1-888-DTV2009 (1-888-388-2009).
- If your set is an *HD Monitor* (sometimes called “*HD-ready*”) you are likely to want a tuner that can receive HDTV broadcasts in full HDTV resolution (rather than “*downconverting*” them to a lesser format). TV converter boxes that are coupon-eligible do not have HDTV outputs, so you may want a product that is not eligible for the coupon program.

(3) WHAT IS THE NTIA “TV CONVERTER BOX COUPON PROGRAM”?

Each consumer household can apply for up to two \$40 electronic coupons that can be used at participating retailers toward the purchase of coupon-eligible converter boxes that convert digital TV broadcasts to analog signals that can be received by the older TVs.

- You can apply for these coupons now on-line at www.dtv2009.gov or by calling toll-free 1-888-DTV2009 (1-888-388-2009). The web site and the coupon packaging will also have information about the models of certified converters and the local and on-line or telephone service retailers who will accept the government-issued coupons. The coupons cannot be combined to buy a single product, or to pay for shipping or to pay for sales tax. **Each coupon will expire 90 days from the date of issuance.** The deadline to apply for coupons is March 31, 2009, or while supplies last.

(4) I NOW SUBSCRIBE TO CABLE OR SATELLITE – DO I NEED CONVERTERS FOR MY TVs THAT ARE HOOKED UP TO THESE SERVICES?

No. Cable operators pick up most local broadcasts at a central location and send them to homes over cable; satellite services increasingly are able to do this as well. Through at least 2012 they will be required to provide the sort of free local broadcast programming they currently offer. However –

- If some of your TVs are *not* hooked up to the subscription service, and *do* rely on an *antenna*, you *will* need to hook them up or get a converter box if they are not DTV sets.
- (If the TV is not currently hooked up to an antenna – is being used only for video games, DVDs, camcorder movies, *etc.* – nothing will change, because only *free over the air broadcasts* will be affected by this DTV broadcast transition.)
- Local major broadcasters are offering additional digital channels, some or all of which might not be carried, or carried in HDTV, by your service. If you want to see such *additional* channels, you need an antenna, and your set needs an HDTV or DTV tuner built-in or added on via a converter. For local information, see www.antennaweb.org.
- In the future, cable operators might *also* move to “all digital” means of delivery, which *could mean that even for your TVs that are hooked up to cable, you would need to procure a “set top box”* from your cable company or have a TV with a digital cable tuner (such as one with a “CableCARD” slot) – but for most cable systems this is likely a future consideration.

(5) MY NTIA CONVERTER COUPON IS EXPIRING, OR I CAN’T GET OUT TO STORES, AND I’M HAVING TROUBLE FINDING A CONVERTER – WHAT ARE MY OPTIONS?

- The NTIA’s Coupon Program web site, at <https://www.DTV2009.gov/VendorSearch.aspx>, lists major national retailers that accept Coupons – Best Buy, Circuit City, K-Mart, RadioShack, Sears, Target, and Wal-Mart (all CERC members).
- The same web page also lists retailers (including Best Buy and RadioShack) that accept purchases with Converter Coupons by phone, and the toll-free numbers for each, and has links to retailers that accept Coupons on-line.
- Under program rules it is permissible to use a Coupon ordered by a friend (or a relative or a neighbor) or even to ask your friend to order a Coupon for your own use, provided that your friend’s household is still entitled to receive Coupons. The program does not require that you be the one who ordered the Coupon that you use, so long as it is valid and unexpired, so, in a store or on-line, YOU can use a Coupon ordered by a friend. (Retailers do NOT check IDs based on your use of a Coupon, though they might of course if you are paying for the balance of the Converter price by credit card.) It is illegal, however, to sell coupons or to exchange coupons for something of value other than a converter box.

(6) WHAT IF I'M HAVING PROBLEMS WITH A RETAILER OR IN GETTING MY CONVERTER TO WORK?

Public and private resources are available to consumers who experience difficulties:

- If you believe a retailer has acted improperly or unethically, CERC advises that you call the NTIA at 1-800-DTV2009 or email via this link: <https://www.dtv2009.gov/ContactUs.aspx>. Retailers are subject to expulsion from the Converter Program if the NTIA finds they are consistently or purposely failing to follow its rules and requirements. Tell NTIA the specific store and location (or on-line or telephone name), date & time, and names or jobs of any sales associates or personnel in question. Of course, you should always try to resolve your difficulties directly with that retailer first.
- If you have problems operating a particular Converter, contact the manufacturer. You might also check whether the retailer from which you obtained it has a toll-free DTV "help" line.
- If you have unexpected reception problems on some stations, you may wish to check with those local broadcasters or with a local retailer. They may have some tips on improving your reception.

(7) DO I NEED A NEW ANTENNA?

In many or most instances, your existing antenna should work fine, but there may be exceptions to this because the local area effective reception patterns for digital broadcasts might be somewhat different than for the same station's analog signals.

- If you use an indoor antenna, in many cases the key part now will be the round or square element, not the "rabbit ears" part. You may need to experiment with both parts of the antenna to receive all of your channels. With an indoor or rotating outdoor antenna it might take more trial and error to "find" a digital signal, as you will not see a "too weak" signal at all.
- If you use a rooftop antenna and are at the edges of a coverage area, you might need some adjustment or amplification to pull in all the signals that you want.
- While a Converter that offers "analog pass-through" has the advantages discussed in Question 11, below, such a Converter, or an external "splitter" or "A/B" switch, splits the signal path so may require some antenna adjustment to make up for a slight loss in signal strength. This could be reflected in your antenna needs.
- You can obtain an initial indication of your situation at www.antennaweb.org. Some retailers and antenna installers will be able to test for signal strength at your home to help assure that you pull in the stations that you want.

(8) WHAT IS "DTV," ANYWAY?

While many signals are already sent and displayed digitally, the "transition" refers to the change in the broadcasting of local "over the air" TV (not cable or satellite), *as you receive it using a "rabbit ears" or roof-top antenna*. A tuner for a digital broadcast signal may be called a "DTV" tuner.

(9) WHAT IS “HDTV?”

HDTV (“High Definition Television”) is the highest quality version of digital television. Not all digital broadcast, cable, or satellite signals are in HDTV and not all “DTV” receivers can display HDTV. *Analog HDTV broadcasts in the U.S. are not possible; all High Definition transmissions require digital HDTV tuners.*

(10) DOES MY PRESENT TV HAVE A DTV TUNER? WHAT ABOUT MY VCR, DVD RECORDER, PVR, DVR, ETC.?

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

- Newer TVs still have “analog” tuners (useful in receiving signals from cable and satellite boxes, game players, and low power TV stations), but they also have built-in DTV or HDTV tuners as well.
- If you can get digital TV channels (*e.g.*, channel 4.1, 4.2, 4.3 ...) using an antenna now, then your set is a digital TV (or an HDTV) and it will not need any Converter.

(11) WHAT ABOUT “LOW POWER” OR “COMMUNITY” BROADCASTERS? I WATCH A LOW POWER “COMMUNITY” BROADCASTER THAT IS NOT REQUIRED TO CONVERT TO DIGITAL ON FEBRUARY 17, 2009, BUT I ALSO WATCH THE MAJOR STATIONS THAT WILL BE ALL-DIGITAL. HOW CAN I KEEP WATCHING BOTH ON MY “ANALOG” TV?

While the major commercial and public broadcasters are going all-digital by February 17, 2009, there are some specialized low power or “community” broadcasters that are not required to convert to digital in 2009. If you are accustomed to watching one of these stations, you will likely hear from *them* about how to maintain your viewing. Some of the Converters listed with an * in NTIA information have an “analog pass-through” feature that facilitates switching of the antenna between your analog TV tuner and your coupon-eligible converter box.

- This “pass-through” feature is not mandatory in TV Converters because there is a tradeoff in slightly reduced signal strength due to the switching circuitry. This might or might not be a factor in your viewing location.
- Initially, only a few of the NTIA-certified Converters had this “pass-through” option but many additional Converter manufacturers and retailers are adding this feature at the request of low power stations. If you are alerted that a station you watch is “low power” you may wish to check on the local or on-line availability of a “pass-through” Converter before applying for your coupon(s) from the NTIA.
- Alternatively, you could use a non-pass-through Converter and buy an accessory kit to do the switching between it and your analog TV.

(12) IF I AM SHOPPING FOR A NEW TV, WHAT DOES THE SHUTOFF OF THE ANALOG CHANNELS MEAN TO ME?

Almost all TVs available in stores today have built-in digital and analog TV tuners, and the few that do not should be accompanied by “consumer alert” labels. However, stores also sell display products that are “monitors” that do not have *any* tuner at all. Monitors can only be used with converter boxes for broadcast, cable, satellite, and competing services; or with DVD players, game players, computers, *etc.*

(13) WHAT ELSE DO I NEED TO KNOW ABOUT HDTV?

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

- If your existing set is *not* HD-capable (*an “HDTV Monitor” or “HDTV” television*) it will not display an HDTV signal in full quality, even if it receives an HDTV signal from some other source.
- If your existing set *is* HD-capable it should display an HDTV quality picture from its own tuner or an external HDTV tuner (cable, satellite, broadcast, *etc.*) or disc or game player, but will display only a standard quality picture from a coupon-eligible converter box or other non-HD source.
- For an existing TV that cannot display an HDTV picture, your coupon-eligible converter box will *tune* the HDTV broadcast channels, but provide them to your set *in a standard quality format that your set can display*.
- For further information on display formats, see the Consumer Electronics Association’s HDTV Consumer Guide at <http://www.myceknowhow.com/digitalTelevision.cfm>.

(14) WHY WILL OVER-THE-AIR TV STATIONS STOP BROADCASTING ON THE “ANALOG” CHANNELS, ANYWAY?

After decades of study, Congress passed a law in late 2005 requiring this change. For more than half a century, TV broadcasts have used and improved on basic analog technology that was invented in the 1920s and 1930s. These signals take up a lot of radio “spectrum” that is now urgently needed for emergency communications and new broadband services. (Finding new frequencies for emergency communications became a high priority after September 11, 2001.)

- Congress found that we can support these essential communications, and new digital services, by moving TV to much more efficient digital transmission, while offering *more* locally broadcast channels, plus HDTV programming, in less overall spectrum space.
- Because many U.S. households still rely on antennas (indoor or outdoor) for all or some of their TV viewing, the Congress, when it enacted the DTV Transition law, set aside up to \$1.5 billion dollars to fund the “TV Converter Box Coupon Program.”

You can find out even more information on the DTV Transition by going to: www.DTVTransition.org.

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