

**TESTIMONY OF KIM CANNON
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**STATUS OF THE DTV TRANSITION: 252 DAYS
AND COUNTING**

before the

**SUBCOMMITTEE ON TELECOMMUNICATIONS
AND THE INTERNET
COMMITTEE ON ENERGY AND COMMERCE
U.S. HOUSE OF REPRESENTATIVES**

WASHINGTON, DC

JUNE 10, 2008

Good morning Mr. Chairman, Ranking Member Stearns, and members of the Subcommittee. My name is Kim Cannon, and I am Vice President and General Manager for Time Warner Cable's Wilmington, North Carolina area cable systems. As you know, the FCC has chosen the Wilmington market as the location for its early digital transition trial. Time Warner Cable is the largest cable operator in the Wilmington area, serving more than 96,000 subscribers. I am pleased to have this opportunity to describe for you how Time Warner Cable is working to ensure that the service that we provide to our customers is not interrupted by the transition of broadcast television from analog to digital.

I note that the title of today's hearing is the "Status of the DTV Transition: 252 Days and Counting." Of course, for those of us in the Wilmington area it actually should read: "only 90 days and counting." That's right, in just three months – on September 8, 2008 – television viewers in the Wilmington area, along with the broadcasters, cable operators, satellite companies, and electronics retailers that serve those viewers, will make the leap from analog broadcast television to digital. While there are challenges associated with being the leading cable operator in the first broadcast television market to switch from analog to digital, it also is very exciting and we at Time Warner Cable are fully prepared to do our part to make the broadcasters' transition seamless for our customers.

While the broadcast digital transition will soon be upon us, the cable industry has been engaged in its own digital transition for a number of years. Time Warner Cable has been a leader in introducing new digital services such as high definition television, digital video recorders, video-on-demand, high-speed Internet access, and Internet protocol

based telephony. Time Warner Cable has invested over \$5 billion in upgrading its cable systems so that they can provide the widest range of services made possible by the digital revolution. And subscribers are enthusiastically responding. As of December 31, 2007, approximately 8 million (or 61%) of Time Warner Cable's 13.3 million basic video customers were subscribing to digital video services.

But the cable industry has not been focused only on its own deployment of digital technology. Cable operators in general, and Time Warner Cable in particular, have played an active and leading role in publicizing the broadcasters' digital transition. Television viewers who are connected to cable television are at no risk of losing access to broadcast television stations. However, some cable homes have additional sets that rely on over-the-air reception. For that reason, last September, the cable industry launched a \$200 million advertising campaign, featuring spots in both English and Spanish, to inform television viewers about the upcoming broadcast digital transition and NTIA's digital-to-analog converter box coupon program. In addition, even before the FCC adopted its digital transition consumer education rules, Time Warner Cable and other cable operators voluntarily began inserting written information about the transition in their billing statements.

Moreover, the cable industry has engaged in collaborative efforts with other affected industries. For example, in February 2007, NCTA and other interested industry and consumer groups joined together to create the DTV Transition Coalition – a privately-funded initiative that is using marketing and public education strategies to help educate television viewers about the change from analog broadcasting to digital. More recently, cable and broadcast industry groups partnered to create a “Coordination

Reference Handbook” to guide cable operators and broadcast stations as they work together to resolve any engineering issues that might arise in connection with the transition of broadcast television from analog to digital in a timely fashion in advance of the actual transition deadline.

Time Warner Cable has supported and participated in all of these efforts to prepare for and inform the public about the broadcast digital transition. Company-wide, Time Warner Cable is devoting over \$30 million in resources to transition-related actions. Beginning last fall, Time Warner Cable outlined an internal DTV transition action plan that involves educating employees, disseminating information to the public, and communicating with local broadcasters.

One of the first steps Time Warner Cable took was to update all of its division websites to include detailed information about the digital transition, including links to relevant government websites and the DTV Transition Coalition’s website. Time Warner Cable also is using a variety of media to educate and inform consumers about the DTV transition. The creative materials being used in this effort include:

- Television spots (including both the NCTA-produced spots and spots produced by Time Warner Cable).
- Radio spots.
- Internet banners.
- Direct mail and email messages.
- Posters and brochures (available at payment centers and given to subscribers by technicians on service calls).

Time Warner Cable personnel also are participating in community events aimed at drawing attention to and informing the public about the upcoming broadcast digital transition.

The aggressive educational efforts undertaken by cable operators such as Time Warner Cable have helped raise the public's awareness of the broadcast digital transition. Ironically, however, the very success of this information campaign is the source of one of our biggest challenges in the Wilmington area. Having spent nearly a year informing people that the broadcast digital transition is scheduled to occur on February 17, 2009, we now face the task of letting the people in the Wilmington market know that, for them, the transition will occur five months earlier.

In order to meet this challenge, Time Warner Cable is devoting additional resources to its educational efforts in our Wilmington service territory. We have updated the website for the Wilmington-area systems to highlight the new transition date and prepared alternate billing inserts, television spots, radio scripts, and newspaper ads that trumpet the fact that the transition will occur on September 8 in the Wilmington area. Each of our customer services centers and the "Cable Store" in Wilmington have digital transition displays with Wilmington-specific brochures available for the taking. On-screen crawls directing viewers to our website for more information about the transition are running on various channels and we have plans to use billboards to inform the community as well.

In addition, Time Warner Cable personnel are engaged in outreach efforts, often together with community leaders and local broadcasters, to get out the message about the new transition deadline. Many of these outreach efforts are specifically aimed at groups

such as seniors and Spanish-speaking viewers. For example, our Wilmington Cable Store will be hosting workshops specifically targeting the elderly and minority communities, with local broadcasters invited to participate. Time Warner Cable representatives also are manning information booths at area festivals and events such as a health fair at the Wilmington Senior Center, the Water Festival in Bladen County, the Cherry Point Airshow, and the Blueberry Festival in Pender County (to be held later this month).

Other examples of outreach efforts include the participation of system officials in media interviews regarding the transition and Time Warner Cable's attendance at the May 27 FCC Public Forum hosted by Chairman Martin and the May 20 presentation by the FCC to the Wilmington City Council.

Moreover, from a technical perspective, the vast majority of the work has been completed to ensure that our customers continue to receive the broadcast stations participating in the trial after those stations discontinue analog broadcasts. Of the participating stations that we currently carry, three [WWAY (ABC); WSFX (FOX); WECT (NBC)] already are operating their digital facilities at full, post-transition power levels. We are currently delivering those stations in both digital and analog formats to the vast majority of our subscribers. A fourth participating station that we carry [WILM-LP (CBS)] has not yet constructed facilities for broadcasting its digital signal over-the-air, but currently provides us with a fiber feed of its digital signal so that where we carry that station, we carry it in both analog and digital.

It is our expectation that when the Wilmington-area transition occurs at midnight September 8, all of the television sets connected to our cable systems in the area will be able to receive all of the local broadcast stations that they are now receiving. Of course,

we will continue to coordinate with these stations as September 8th approaches and will do whatever additional work may be necessary to make sure that this is the case. We also are taking steps in the Wilmington area to ensure that we have available the necessary equipment and personnel to hook up service for new customers and to connect additional sets for those viewers that decide to switch from over-the-air reception.

In conclusion, I again want to stress that Time Warner Cable is dedicated to ensuring, both through its individual efforts and through cooperative actions with broadcasters and others, that the broadcast television digital transition is a good experience for consumers, both in Wilmington and around the nation. I would be happy to respond to any questions you may have.