

Testimony of Manuel Mirabal,

On behalf of the Hispanic Technology and Telecommunications Partnership (HTTP)

Before the Subcommittee on Telecommunications and the Internet

Of the House Committee on Energy and Commerce

Preparing Consumers for the End of the Digital Television Transition

March 10, 2005

Good afternoon, Mr. Chairman and members of the Committee. I am Manuel Mirabal, Founder and Co-Chair of the Hispanic Technology and Telecommunications Partnership (HTTP). HTTP is the largest coalition of national and regional Hispanic organizations and represents the interests of 44 million Americans of Hispanic descent on technology and telecommunications issues. HTTP members are nonprofit organizations dedicated to promoting the social, political, and economic advancement of Hispanic Americans by facilitating access to health care, quality education, economic resources, and technology tools and resources. Since 1993, I also have served as President of the National Puerto Rican Coalition, the largest national organization representing the social and economic interests of eight million Puerto Rican U.S. citizens. As President of NPRC, I served for five years as National Chairman of the National Hispanic Leadership Agenda (NHLA). NHLA is a coalition of 42 National Hispanic organizations and civic leaders that addresses national public policy issues affecting the Hispanic community. NHLA issues a national policy agenda on social and economic issues affecting all Latinos and a Congressional Scorecard tracking votes on legislation that affects Hispanic Americans. I am also an appointed member of the Nielsen Independent Task Force on

Television Measurement. The task force was established to study and make recommendations about the methodology used to measure minority television viewership.

Thank you for inviting me to participate in this important discussion of the digital television transition. I welcome the opportunity to share with the Committee HTTP's concerns regarding the impact of the digital transition on Hispanic consumers, in particular, and to offer our thoughts on how best to inform Hispanic consumers of the timing and effects of the transition and the steps that must be taken to ensure their continued access to free, over-the-air television service after the transition.

As you contemplate this daunting task, I urge you to consider that the success of the digital transition will ultimately be measured by its impact on over 70 million American citizens who rely on over-the-air broadcast television and the more than 40 million Americans who rely *exclusively* on over-the-air broadcast television for news, information, and entertainment. This hearing is an important step in identifying and beginning to address that impact, and I commend the Committee for its efforts here today.

The members of HTTP recognize that the public stands to benefit from the digital transition in numerous ways: high definition programming; additional new programming streams; and more efficient use of spectrum will all enhance consumer welfare. The potential to offer multiple streams of programming over a single television channel – including a high definition service – is particularly exciting, because this capability increases the opportunities for more Spanish-language programming on free, over-the-air television. There is, however, one fundamental prerequisite to realizing these benefits: viewers must be capable of receiving DTV signals. At the present time, a large percentage of the population, and virtually one hundred

percent of over-the-air viewers, are unable to view DTV signals. Although the FCC has mandated that television set manufacturers include built-in digital receivers on a phased-in basis – a mandate that will not be fully implemented until July 2007 – most experts agree that the vast majority of Americans will receive digital programming by subscribing to pay television services offered by multichannel video programming distributors (MVPDs), such as cable or direct broadcast satellite services. This means that consumers who cannot afford to buy expensive new television sets or subscribe to pay television service are at risk of losing access to television entirely. While it will be unfortunate if these viewers are deprived of the many benefits of the digital transition, it will be tragic if the principal impact of the digital transition upon their lives is rendering their analog televisions obsolete, thereby severing their television lifeline to news and emergency information.

While both the manner and the effect on consumers of terminating analog broadcasting are of great concern, I wish to focus in particular on the impact of this dramatic change on Hispanic households in the U.S. This focus on the Hispanic segment of the population is warranted for three reasons. First, as the FCC and the GAO recently acknowledged, reliance on over-the-air analog reception is highest among Hispanic viewers, one-third of whom continue to rely *exclusively* on over-the-air reception for all of their television viewing. An additional 7% of Hispanic households are DBS households that rely on over-the-air reception for all of their local programming. Thus, a total of 40% of Hispanic households nationwide rely exclusively on over-the-air reception for their local news, emergency information, and other local programming. Second, digital television technology has so far failed to make inroads into the Hispanic community, with Nielsen data indicating that use of DTV receivers in Hispanic households is the lowest among all consumer groups. Third, the Hispanic community is unique among consumer

groups because the percentage of Hispanics relying exclusively on over-the-air reception has actually *increased* significantly over the past few years, while that percentage has been decreasing for other segments of the population.

These three facts lead to one inescapable conclusion – any DTV transition plan that does not specifically address the needs of the growing Hispanic population risks the disenfranchisement of a large segment of that population.

The Hispanic community is now the largest ethnic minority in the United States. The full inclusion of Latinos must be assured if we are to succeed in integrating new technologies into our society. To accomplish this in moving toward a fully digital television system, we must recognize that the Hispanic community has unique characteristics that will require special educational efforts to ensure that they understand the steps they must take to have continuous access to television service.

Although the Internet can be a very useful source of information, the Internet alone is not adequate for the purpose of informing America's Hispanic viewers of the key elements of the digital transition. Apart from potential language barriers, statistics show that Hispanics are less likely to obtain information about the digital transition through the Internet. The Department of Commerce's most recent report on Internet use by Hispanics indicates that the digital divide has grown to 21.5%. While the percentage of Internet use by the total population is 58.7%, for Hispanics it is only 37.2%.

Many Hispanics are Spanish dominant or primarily Spanish dominant. Therefore, information about the digital transition must be provided to them in Spanish via many types of media, including Spanish language television and radio stations, local newspapers and equipment

labeling and documentation. Language usage also affects the ability of Spanish-dominant Latinos to interact with government agencies, which are often less likely to have Spanish-speaking staff. Therefore, before it establishes a hard date for the cessation of analog broadcasting and the return of analog spectrum, Congress should require that information be made available – in Spanish and through the use of multiple media – to educate Hispanic consumers about the timing of the transition and the planned obsolescence of analog TV sets.

The obsolescence of analog TV sets also will have a particular impact on Latino Americans. Hispanics have larger family households, with several generations living together. This results in a larger number of televisions sets being used within the household, including, typically, a set in the family room, one for the children, and often a set that is reserved for the use of the grandparents. Therefore, any program to address the digital transition must anticipate that a large segment of the Hispanic community will require a solution that provides assistance for up to three TV sets in each household.

Television programming – and especially Spanish-language programming – is not merely a source of entertainment for America’s Hispanic population. The Hispanic community depends on over-the-air television service as a critical source of news, public affairs and other uniquely local information that is necessary to keep Spanish-speakers in the mainstream of American life. Recent immigrants in particular need over-the-air television to provide them access, in Spanish, to the news in their local communities and help them become fully integrated into American society. Local broadcast stations featuring Univision, Telemundo, TeleFutura, Azteca and other Spanish-language programming available over-the-air provide to their audiences Spanish-language news, information, and other programming on current events that affect their daily lives and keep them connected to their communities and the world.

Because the Hispanic community relies so heavily on over-the-air television, it will face a disproportionate impact when analog service ends. Most Hispanic Americans, particularly those who are native Spanish speakers, are not aware of the digital transition and thus are not prepared for its impact. They do not realize that on a certain date, their televisions will become inoperable unless they purchase expensive digital converter equipment or even more expensive digital television sets. Based on where the transition stands now, we should not be considering a near-term cut-off date that would disenfranchise millions of Hispanic consumers without addressing the issues we have identified here today. Moreover, for a segment of this population – the most vulnerable segment – paying hundreds or even thousands of dollars for new equipment or services will present a real financial hardship that they simply will not be able to shoulder. These viewers – just like those who can afford to buy new equipment – should be allowed to retain full access to free, local television programming during and after the digital transition.

Solutions that do not take these factors into account will fail to address the needs of the Hispanic community. For example, I have seen proposals for a “phased” approach to the DTV transition whereby some analog stations are shut down each year until there are none left. However, the “phased” transition proposals I have seen so far would first shut down those analog stations assigned to channels above channel 51. Unfortunately, that is precisely where Spanish-language and other minority-oriented stations are currently concentrated. Rather than moving Hispanic viewers to DTV sooner, such an approach would effectively abandon them altogether. This result is completely unacceptable for America’s largest minority population.

To ensure that Hispanic consumers are included in and benefit from the digital transition, some obvious steps need to be taken. First, given that 23.6 million analog television sets were sold *last year*, nearly *fifty times* the number of digital tuners sold in that same time period, the

public must receive effective notification that analog broadcasting will be terminated. At a minimum, this will require labeling analog television sets in both English and Spanish with a warning that analog broadcasting will be terminated on a date certain and that the set will then be incapable of over-the-air reception without additional equipment.

Our government must also become much more effective than it has been so far in communicating this critical fact to consumers – in English and in Spanish – because even if no new analog sets are sold from this day forward, there are already hundreds of millions of analog sets in American homes that will need to be replaced or connected to a converter box to function. Studies have indicated that few consumers are even aware of the planned shut-down of analog television, much less know what steps they need to take to ensure continued access to their local news and entertainment programming. I note that a key component of the rapid DTV conversion in Berlin involved the government sending a letter to every household informing consumers of what is involved in the transition to DTV, and providing information on what steps had to be taken by consumers to ensure continued access to television programming.

Beyond making consumers aware that they are about to find themselves on the wrong side of the digital divide, we also need to do all we can to bridge that divide. Right now, the most effective tool for accomplishing that is to make digital to analog converters readily available to the public. If Congress wants the DTV transition to succeed, it must adequately invest in a program that truly will “Leave No TV Behind,” or face a long and painful series of costly, piecemeal efforts and improvised solutions aimed at resolving the issues afterward.

Providing digital converters at no cost to those needing them – principally over-the-air viewers – is the unavoidable price of admission to an all-digital broadcast system. Congress

must also acknowledge that needy Americans cannot afford to buy expensive converters or digital equipment merely to avoid losing the free television service they already enjoy.

The solution, we believe, lies in providing a subsidy for the necessary equipment for those households that cannot afford to subscribe to an MVPD. The subsidy must be sufficient to pay for conversion equipment that will permit the viewer to gain full access to local television programming available in the digital format, including the higher quality video and audio outputs offered by digital broadcasts and future multiple programming streams.

Cutting consumers' analog television lifeline without ensuring that they possess a digital lifeboat would be a very short-term, and very harmful, solution. It is therefore critical that Congress allocate the funds necessary to make these converters available and invest in the infrastructure necessary to broadly publicize and distribute them. Ample supplies of converters will not help if consumers are unaware that they are entitled to a converter or don't know how to obtain one. To succeed, these efforts must reach Hispanic households, must be culturally sensitive, and must include a substantial Spanish-language public education component.

While we all look forward to the benefits that digital television will bring to all Americans, the DTV transition must be managed in a way that does not disenfranchise millions of Hispanic Americans. Only then will Americans of Hispanic descent, who depend on free, over-the-air television, be fully included in the digital transition.

Thank you for inviting me to testify before you today. I know that the members of HTTP stand ready to work with the Subcommittee on Telecommunications and the Internet to ensure that Hispanic consumers are informed of the DTV transition and understand fully the steps they must take to continue to use their television sets after analog broadcasting ends.