

**Testimony of Meredith A. Baker
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Before the

**Subcommittee on Telecommunications and the Internet
Committee on Energy and Commerce
House of Representatives**

**Hearing on
Status of the DTV Transition: 370 Days and Counting**

February 13, 2008

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the progress 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 six weeks ago of the Television Converter Box Coupon Program (Coupon Program). Although the Program is off to a good start, this is only the beginning. In this statement, I will share with you the additional steps NTIA is taking to implement the Coupon Program and the agency's ongoing efforts to expand public education and outreach on the DTV transition and the Coupon Program.

As I indicated, NTIA successfully launched the Coupon Program on January 1, 2008. Across the Nation, consumers have begun ordering their coupons through one of four convenient channels: via a toll-free number (1-888-DTV-2009), online at www.DTV2009.gov, by mail or by fax (1-888-DTV-4ME2). The phone line is available to consumers 24 hours a day, seven days a week, with live agents available at all times and an Interactive Voice Response system available for English and Spanish-speaking callers. The phone line can accommodate requests in more than 150 different languages. There is also a special assistance line for the hearing impaired in English and Spanish. Braille application forms are also available. To date, approximately 65 percent of the requests have been received through our Web site, 34 percent through our telephone channel, and less than 1 percent of the requests by mail and fax. Approximately 89 percent of the household requests are for 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 in the nation applied on that first day. By the end of the first week, NTIA had received over one million requests for two million coupons. To date, NTIA has accepted more than 2.4 million household requests for more than 4.7 million coupons, representing 20 percent of the program's base funding. Approximately 47 percent of these households identified themselves as

fully reliant on over-the-air television. During this first six weeks, the Coupon Program obtained more than 83 million print and broadcast media impressions. NTIA's daily efforts working with the media has helped generate awareness of the DTV transition and Coupon Program. This initial surge 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.

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 partners, 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 consumer education campaign about the role of the Coupon Program in the DTV transition, leveraging opportunities to partner with consumer groups, community organizations, federal agencies, and industry to inform consumers of their options. To date, NTIA's consumer education partners include over 130 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, and the Native American Journalists Association to reach populations most likely to be affected by the transition.

In addition, 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.

In addition, 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, Health and Human Services, Agriculture, and Homeland Security, the Administration on Aging, and the 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.

In collaboration with IBM and Ketchum, NTIA has developed a comprehensive toolkit of information to provide guidance to its partners that are playing a critical role in educating their members, constituents and customers about the Coupon Program. Available for use by partners since January 1, 2008 and continuing through early July 2009, 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 includes 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.

NTIA has been greatly encouraged by the robust participation of manufacturers and consumer electronic retailers in the Coupon Program. As part of this effort, NTIA has been working with manufacturers to ensure that converter boxes are timely available for viewers and contain the necessary functions and features. Voluntary industry efforts by consumer electronics manufacturers to educate consumers about the DTV transition and

the Coupon Program are clearly having an impact as demonstrated by the number of requests for coupons NTIA has received to date.

As of February 1, 2008, NTIA had certified over 34 converter boxes containing the required minimum features as well as permitted features, including three boxes which include the capability to pass through an analog broadcast signal. A complete list of converter boxes certified to date is available on NTIA's website. These boxes demonstrate a range of consumer options and are priced between \$40 and \$70. We are continuing to review and certify boxes as manufacturers come into this Program.

NTIA continues to work on one issue with the Federal Communications Commission (FCC), consumer electronics manufacturers, and the broadcasting community to ensure that there are converter boxes that will serve the needs of viewers of Class A, low-power television, and television translator stations. As you know, these stations are not subject to the February 17, 2009 analog broadcasting cutoff deadline. 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 want 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 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 committed to an expedited review and recertification process for any box to which a manufacturer adds an analog signal pass through feature.

I was very pleased by the recent announcement of the National Association of Broadcasters (NAB) that it will be taking steps to help resolve this issue. NAB has said that it will also request that manufacturers incorporate the pass-through feature. In addition, it will urge broadcasters to let their viewers know that low-power stations and translators will not necessarily discontinue broadcasting in analog at the deadline, will help to identify locations where large numbers of viewers might still be getting analog signals after the transition, and will produce television spots that directly address the issue and what viewers need to do to still receive the signals.

In addition, NTIA began accepting grant applications in October 2007 from eligible Class A, low-power television, and television translator stations to enable them to continue analog broadcasts. This grant program will provide \$1,000 to eligible 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 station's analog channel. Applications will be accepted until February 17, 2009.

Of course, stations that operate at less than full power will also eventually convert to digital broadcasts, and by statute NTIA is directed to assist this effort through a program

that provides \$65 million for necessary equipment upgrades in eligible rural communities. To implement this program, a technical correction to the program authorization is required to permit the agency to begin making funds available during fiscal year 2009. S. 2607, recently introduced in the Senate, provides the correction necessary to enable NTIA to implement the program. 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.

NTIA will begin mailing coupons to consumers at the beginning of next week - - one year from the date of the transition. NTIA and IBM have been working closely with retailers in anticipation of this day. The agency has certified more than 615 retailers, representing more than 16,475 outlets nationwide, to participate in the program. Eight of the largest consumer electronics retailers -- Best Buy, Circuit City, Kmart, RadioShack, Sam's Club, Sears, Target, and Wal-Mart -- as well as many smaller retailers are among the 615 retailers certified by NTIA to participate in the Coupon Program.

At the request of many of these retailers that have reported the need for assistance in ordering stock, NTIA has made information available about the number of coupons requested on a per State basis as well as with greater granularity (by first 3-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. NTIA and IBM have tested the coupon application and redemption process in a limited pilot program in two markets to identify and correct any issues prior to full scale deployment of the coupons to consumers. When the Coupons are mailed next week, over 9,000 retailer locations will be participating in the program, including locations in all 50 states, Puerto Rico, and the U.S. Virgin Islands. Participating stores will have completed certification in the Coupon Program and will have indicated that their employees are trained, they have converted box inventory in their stores and their systems are prepared to redeem coupons. Participating retailers can be found on www.DTV2009.gov.

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