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November 15, 2006

The Honorable John M. R. Kneuer
Acting Administrator
Commerce for Communications and Information
National Telecommunications and Information Administration
U.S. Department of Commerce
1401 Constitution Avenue, N.W.
Washington, D.C. 20230

Dear Administrator Kneuer:

We are writing with respect to the Notice of Proposed Rulemaking (NPRM) to Implement and Administer a Coupon Program for Digital-to-Analog Converter Boxes issued by the National Telecommunications and Information Administration (NTIA). As you well know, this proceeding was required under the Digital Television Transition and Public Safety Act of 2005, as established under provisions of the Republican budget reconciliation legislation enacted earlier this year, namely Title III of the Deficit Reduction Act of 2005 (P.L. 109-171).

Pursuant to this law, on February 17, 2009, millions of Americans with analog television sets will cease to receive a free over-the-air analog television signal. As a result, such television sets will go dark unless they are connected to a digital converter box. The plan, enacted as part of the Republican budget, contains a capped subsidy program to permit consumers to apply for up to two coupons of $40 each toward the purchase of a digital-to-analog converter box.

While freeing up valuable frequencies once the DTV transition is completed has obvious benefits for the public that we wholeheartedly support, including for public safety entities in many communities and for fostering additional competition in various wireless services and technologies, we opposed the Republican transition plan during its consideration in the Committee on Energy and Commerce. We voted against it because we believed it did not address sufficiently the legitimate and reasonable expectations of consumers who will be disenfranchised by the Government's decision to shut off analog broadcasting. We continue to believe this plan is highly flawed and disadvantages the poor, the elderly, minority groups, and those with multiple analog television sets in their home. However, as NTIA has been directed to

implement key aspects of this program, which directly affects the welfare of our constituents, we write today to offer our suggestions and comments on how NTIA may address certain DTV transition issues within its control so as not to exacerbate the plan's statutory flaws.

First, we oppose NTIA's proposal to limit participation in the converter box program solely to over-the-air households, thereby shutting out millions of American consumers who subscribe to cable or satellite service, or have purchased a digital television, but continue to use other over-the-air analog television sets in their home. Limiting eligibility to analog broadcast-only TV households would unfairly disenfranchise consumers who possess perfectly functioning analog televisions. NTIA's proposed eligibility restrictions would also impose unnecessary and burdensome administrative costs. Consumers who have purchased analog televisions, which can typically last 15 years or more, deserve a government-backed plan to hold them harmless in this transition. It is bad enough that consumers will have to apply for coupons and hope they receive their coupons before the money runs out. Likewise we oppose any effort to impose a means test for program eligibility, as suggested in the NPRM. Since the Congress first began to plan the digital transition process, a paramount goal has been to avoid consumer disruption. We trust that when implementing this Congressional policy, NTIA will not enact administrative burdens that make it more difficult for consumers to make use of the converter box program.

Second, the converter boxes that are available for purchase through the coupon program should, at a minimum, replicate the picture and audio quality consumers experience today when watching their analog televisions. We note that during Committee consideration of the converter box program, several industry representatives advised Members of Congress that high-quality, consumer friendly and affordable converter boxes would be manufactured if Congress established a firm deadline for the transition. NTIA therefore should ensure that eligible boxes avail consumers of the ability to continue to receive free over-the-air TV content without degradation in picture and sound quality after the DTV transition date in 2009. In short, eligible boxes should convert digital television transmissions to display on analog TV sets nothing less than the same color picture quality and stereo sound consumers obtain today. We also support making energy efficiency a key component of the converter box standards NTIA adopts.

Third, NTIA should take into account advances in receiver technology (including chip performance and antennas) that may enable eligible boxes to receive higher quality pictures and sound. In addition, we suggest that NTIA also consider cost-effective measures to ensure that digital converter boxes have the capability to be updated, modified, or repaired in circumstances where problems arise. If boxes are not capable of software updates, the emergency alert system, television ratings information, closed captioning data, or other technology or services may be vulnerable. As you know, millions of consumers will be relying upon such boxes when the transition occurs and analog broadcasting ceases. NTIA should seek to safeguard the interests of consumers, the public's safety, and the integrity of the converter box program by analyzing

mechanisms by which boxes may be repaired and patched, as cable boxes, digital video recorders, and computers are today. NTIA should also coordinate adequate and timely testing procedures with the Federal Communications Commission to assure that boxes will work properly when installed in consumer homes.

Fourth, consumer education will be critical to the success of any digital television transition plan. We believe that the statutory $5 million cap for consumer education and outreach is woefully inadequate for such a broad and fundamental change. NTIA therefore must carefully manage the necessary outreach and education for a smooth, consumer-friendly transition. NTIA should work closely with other agencies and entities to provide consumers with education and outreach services regarding the digital television transition. This education program must be accessible by non-English speakers and persons with disabilities. Based on the Government Accountability Office's findings, any outreach program, to be effective, must specifically target lower-income households and other vulnerable populations. Therefore, it is imperative that NTIA must ensure that broadcasters, manufacturers, and retailers increase educational efforts to ensure that consumers are not confused by the transition and have the information necessary to participate in the converter box program.

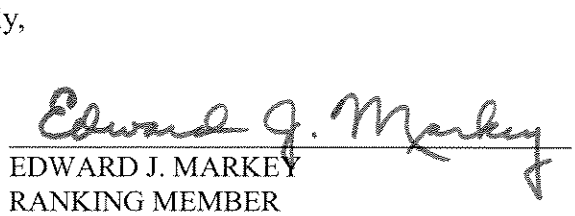
Finally, we urge that the program be designed to provide timely information to Congress and the public concerning the rate of coupon request and redemption. This would enable Congress to evaluate the effectiveness of NTIA's transition program and whether changes should be made prior to the statutory deadline. NTIA should also design an efficient and appropriate means for participating retailers to provide updated information concerning the inventory of converter boxes available in retail stores in order to remedy any supply difficulties promptly. We suggest that information about the particular converter boxes eligible for the program be sent to consumers along with the coupons.

Although the Republican budget bill delegated a challenging task to NTIA and failed to provide sufficient funding, the decisions made by NTIA in designing the converter box program will directly affect the success of the digital television transition. Failure to devise a consumer-friendly converter box program, or to inform consumers properly of its existence, could significantly jeopardize the public's acceptance of the transition and derail the firm deadline. We believe NTIA's foremost goal in this proceeding should be to safeguard the interests of all Americans with analog television sets in their homes so that they may continue to receive free over-the-air television service after February 17, 2009.

Thank you in advance for your time and effort on this issue.

Sincerely,

JOHN D. DINGELL
RANKING MEMBER



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