

Written Statement

Of

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On

Preparing Consumers for the Digital Television Transition

Before the
Committee on Commerce, Science & Transportation
U.S. Senate

July 26, 2007

Good morning, Chairman Inouye, Vice Chairman Stevens, and members of the Committee. Thank you for the opportunity to speak about the ongoing efforts of the Federal Communications Commission (Commission) to facilitate and promote consumer education and awareness about the upcoming digital television (DTV) transition. The Commission is working, consistent with its statutory authority and budgetary capacity to ensure that no American is left behind in this part of the digital revolution.

For some time now, we have been working both on our own and in cooperation with industry, other government agencies, and consumer groups to advance the transition and promote consumer awareness. Our efforts to date have been three-fold. First, we have been working to get the right rules in place to facilitate a smooth transition. Second, we have been actively enforcing our rules to protect consumers. And, third, we have been promoting awareness of the transition through our consumer education and outreach efforts. Through all of our activities, the Commission has been dedicated to minimizing the negative impact of the digital transition on consumers while maximizing the benefits to them.

Policy and Rulemaking Activities

The Commission has initiated several rulemaking proceedings designed to facilitate the upcoming transition.

Viewability NPRM. In one recent proceeding, the Commission proposed to ensure that cable subscribers do not lose access to broadcast signals because of the digital transition. About 50% of cable subscribers today - - at least 32 million people - - subscribe to analog not digital cable. These consumers are at risk of losing their ability to watch broadcast television after the digital transition unless the Commission acts. According to the 1992 Cable Act, cable operators must ensure that all local broadcast stations carried pursuant to this Act are “viewable” by “all”

cable subscribers. The Commission is currently considering a rulemaking that would require cable operators to ensure their analog customers don't lose their broadcast signals. Cable operators can either continue to carry signals in analog format to the millions of analog cable subscribers or alternatively, cable operators who have chosen to go all-digital can provide their subscribers with the necessary equipment to view broadcast and other channels.

Consumer Information and Labeling. One of the most important actions we have taken to facilitate a smooth transition is to ensure that electronics retailers fully inform consumers at the point of sale about the DTV transition date and the equipment necessary to continue to be able to receive over-the-air television signals.

Consumers have certain expectations and one of their expectations is that the television that they purchase today will also work two years from now. As of March 1, 2007, all television receivers shipped in interstate commerce or imported into the United States must have an integrated digital tuner. Despite this prohibition on shipment, retailers may continue to sell analog-only devices from existing inventory. In April, the Commission released an order requiring retailers to disclose to consumers that a television with only an analog tuner will not receive over-the-air broadcast signals after February 17, 2009. Such notice should ensure that consumers are making a fully informed decision about the television that they seek to purchase *before* bringing it home. It will also help educate consumers about the upcoming digital transition.

DTV Education NPRM. Just last week, the Commission adopted a Notice of Proposed Rulemaking on several DTV education initiatives. This NPRM seeks comment on proposals that would require broadcasters, multichannel video programming distributors, retailers and

manufacturers to take certain actions to publicize the digital transition. The Chairman intends for the Commission to complete this proceeding expeditiously.

Enforcement Activities

In addition to our policymaking activities, we have also been vigorously enforcing our digital transition-related rules.

Labeling Requirement. As I described earlier, in April we adopted labeling requirements to ensure that consumers are protected from the unknowing purchase of television equipment without integrated digital tuners. As of July 24, 2007, Commission staff had inspected about 1089 retail stores around the country, as well as retailers' websites, to monitor compliance with our rules. As a result of these inspections, we issued over 262 citations notifying retailers of violations. As an outgrowth of our investigations, the Chairman recently presented his colleagues with Notices of Apparent Liability against seven large retailers for apparently violating the Commission's television labeling requirements. These fines, in the aggregate, total over three million dollars.

DTV Tuner Requirement. The Commission has actively pursued entities violating the DTV tuner requirement by acting on complaints and staff review of U.S. Customs data. On May 30, 2007, the Commission issued Notices of Apparent Liability against two companies – Syntax Brillian Corp. and Regent USA, Inc.

Swift enforcement of all of our DTV-related rules is critical to protecting consumers from purchasing television sets that may be rendered useless in 18 months. Enforcement activities in this area will continue to be a priority for the Commission in the coming year.

Consumer Education and Outreach

In addition to our policymaking and enforcement activities, we have devoted resources to promoting consumer awareness of the upcoming transition through education and outreach efforts.

Consumer Publications. Specifically, the Commission has prepared and disseminated numerous consumer publications to alert and inform consumers about the transition. For example, we have issued a consumer advisory on what consumers should know about buying TVs as the analog cutoff date approaches. We have also issued a consumer advisory on closed captioning for digital television which will help inform and advise people who are deaf and hard of hearing. And, we recently revised one of our DTV fact sheets – “DTV is Coming (And Sooner Than You Think)” – to add a section focused on helping consumers determine whether their current TV set contains a digital tuner or whether they will need to purchase a new one.

Collaborative Partnerships. Moreover, we are reaching out to consumers through many different venues, including forming partnerships with government and other organizations. For example, we are working together with government agencies including the National Telecommunications and Information Administration (NTIA) and the U.S. Administration on Aging to enhance the Commission’s consumer education and outreach efforts. In addition, we are working with the DTV Transition Coalition, of which we are a member, to coordinate consumer education and outreach efforts.

We have also partnered with several consumer organizations, such as CERC and NACAA, to help us disseminate DTV education information. In addition, we are continually developing working relationships with state and local entities and educational institutions. For example, we have been in contact with representatives of the Council of Great City Schools, a

coalition of 66 of the nation's largest urban public school systems, about ways we can work together to inform and educate school age children about the transition.

We have also reached out to state and local entities to enlist their participation in consumer education efforts. Some of the organizations we have reached out to include State Chambers of Commerce, the National Association of Regulatory Utility Commissions, the National Association of Telecommunications Officers and Advisors, the National Council of State Legislatures, the National Congress of American Indians, other Tribal organizations, and the U.S. Hispanic Chamber of Commerce.

Targeted Outreach. Our consumer outreach and education activities are geared in part toward reaching consumers who are likely to be unaware of the upcoming digital transition, including senior citizens, non-English speaking consumers, minority communities, people with disabilities, low-income individuals, and people living in rural and tribal areas.

For example, earlier this month we held an Indian Telecommunications Initiative Regional Workshop in Albuquerque, NM. This workshop focused on the DTV transition with the goal of assisting Indian Tribes in preparing, organizing and conducting their own DTV awareness programs and initiatives. While there, we organized and conducted DTV panels, exhibited equipment, and distributed DTV education materials.

In addition, we have coordinated with the National Council of Aging, as well as the Umbrella Leadership Council of Aging Organizations (LCAO), to find ways we can work together to educate seniors about the upcoming transition.

We have also taken a number of measures to ensure that we are communicating with the large Spanish-speaking community throughout the country. For example, all of our DTV consumer publications are available in Spanish versions and our dedicated dtv.gov Web page has

an entire section in Spanish. Furthermore, consumers who call our toll-free number, 1-888-CALL-FCC, may receive assistance, including DTV-related information, in either English or Spanish.

Events and Conferences. Another important way we have been disseminating information is through our participation in events and conferences. For example, we have worked with AARP to arrange a speaking role for Commission staff on the DTV transition at AARP's annual convention this fall in Boston, MA, on one of the convention's "Presentation" stages. We are also working with AARP to obtain prime exhibit space on their convention floor that will further enable us to spotlight the DTV transition and its implications for seniors.

We recently announced that we will host a DTV Consumer Education Workshop on September 26. The Commission's workshop will consist of officials from organizations who represent a broad range of DTV stakeholders, including government agencies, industry, tribal organizations, disability community groups, non-English speaking groups, senior citizen organizations, low-income consumer representatives and other public interest organizations that may represent underserved customers or those living in rural areas. The purpose of this workshop will be to provide an opportunity for all interested parties to jointly discuss the challenges associated with the upcoming transition and explore ways in which these organizations can work together, in conjunction with the Commission, to develop coordinated consumer education activities.

In addition to furthering the activities already discussed, the additional funding we have requested from Congress will allow us to undertake several new initiatives that will greatly enhance our efforts to reach those consumers who currently rely upon over-the-air service. For example, in order to reach consumers more directly, additional funds would allow us to expand

our dissemination of published materials through targeted direct mailings of DTV-related information to hundreds of thousands of households, with a focus on underserved communities and senior citizens. And, we could translate our DTV consumer education materials into languages other than Spanish, possibly including French and Mandarin, and distribute these materials through government and community organizations serving immigrants and non-English speaking consumers.

Conclusion

In conclusion, the Commission is committed to ensuring that Americans are not left in the dark after the DTV transition. Through all of our activities – policy, enforcement, and consumer outreach – the Commission is dedicated to minimizing the negative impact of the upcoming transition. We look forward to working closely with Congress, other agencies, and industry and consumer groups during the next 18 months to minimize the burden on consumers and ensure that all consumers reap the benefits of the digital transition. As the deadline approaches, we plan to continue our close coordination with the NTIA and the DTV Transition Coalition and to accelerate our consumer education and outreach initiatives, as funding permits, to ensure that all Americans are aware of the transition and understand what steps they need to take in order to continue watching TV when analog broadcasting ends.