

**PREPARED STATEMENT OF**

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**Before the**

**COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION**

**of the**

**U.S. SENATE**

**On**

**“PREPARING CONSUMERS FOR THE DIGITAL TELEVISION TRANSITION”**

**JULY 26, 2007**



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## STATEMENT OF NANCY ZIRKIN, VICE PRESIDENT & DIRECTOR OF PUBLIC POLICY, LEADERSHIP CONFERENCE ON CIVIL RIGHTS

U.S. SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

“PREPARING CONSUMERS FOR THE DIGITAL TELEVISION TRANSITION”

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Chairman Inouye, Ranking Member Stevens, and members of the Committee: I am Nancy Zirkin, vice president and director of public policy of the Leadership Conference on Civil Rights (LCCR). Thank you for the opportunity to testify in today’s hearing on preparing consumers for the digital television transition.

LCCR is the nation’s oldest and most diverse coalition of civil rights organizations. Founded in 1950 by Arnold Aronson, A. Philip Randolph, and Roy Wilkins, the Leadership Conference seeks to further the goal of equality under law through legislative advocacy and public education. LCCR consists of approximately 200 national organizations representing persons of color, women, children, organized labor, persons with disabilities, the elderly, gays and lesbians, and major religious groups. Additionally, LCCR is a founding member of the DTV Transition Coalition, a large coalition that includes as members the Federal Communications Commission, the U.S. Department of Commerce, industry groups, grassroots and membership organizations, manufacturers, retailers, trade associations, civil rights organizations, and community groups. I am privileged to represent the civil and human rights community in submitting testimony for the record to the Committee.

Today, I would like to discuss what the government-mandated transition to digital television means for the communities LCCR represents, and what needs to be done to ensure that no community is left in the dark. Will *all* Americans be sufficiently educated about the transition, so that they will be able to make it relatively easily and without undue economic burden? Moreover, will *all* Americans actually receive the benefits of digital television, including High Definition Television and multicasting, or will they be deprived of these remarkable technological advances?

While a wide range of private stakeholders in the broadcasting, cable, retail, and manufacturing industries are already working hard to address the impact of the transition, LCCR believes that the challenges involved in preparing Americans for the digital television transition are of such magnitude that a strong Congressional response is required.

### **What’s at Stake**

Making the transition to digital is not simply a matter of being able to watch wrestling, or *American Idol*, or reruns of *Friends*. At stake in the transition to digital television is the ability of

the nation's most vulnerable populations to maintain uninterrupted access to their key source of news and information and emergency warnings: free, over-the-air television. It would be a great tragedy if the millions of Americans who rely on free TV wake up after February 17, 2009 and find that their TVs simply don't work.

A successful digital television transition will require well-informed consumers who can access what, for many, will be brand new technology. This cannot occur without a comprehensive, coordinated national consumer education effort focusing on not only the transition itself, but also on the coupon program to be administered through the U.S. Department of Commerce's National Telecommunications and Information Administration (NTIA).

The need for such an effort is particularly important for the communities that LCCR member organizations represent. In 2005, the GAO found that up to 19 percent, or roughly 21 million American households, rely exclusively on over-the-air, free television. According to the GAO, 48 percent of households that rely solely on over-the-air television have incomes under \$30,000.

These consumers will face an expensive choice to continue to receive a television signal: subscribe to cable or satellite, buy a digital television set, or purchase a digital-to-analog converter box without assistance from the government through its coupon program. All of these options cost money. Even an inexpensive converter box can cost more than a week's food budget for many low-income families and for many elderly persons living alone and on Social Security.

We are especially concerned because minority and aging households are disproportionately affected by the transition.

- According to the GAO, non-white and Hispanic households are more likely to rely on over-the-air television than are white and non-Hispanic households.
- Of the 21 million over-the-air households, one-third (or seven million people) are Spanish-language speakers, according to the testimony of Alex Nogales, President and CEO of the National Hispanic Media Coalition, before the House Subcommittee on Telecommunications and the Internet in March 2007.
- Eight million of the 21 million over-the-air households include at least one person over 50 years of age, according to the March 2005 testimony of Lavada DeSalles on behalf of AARP, before the House Subcommittee on Telecommunications and the Internet.
- One-third or more of over-the-air television viewers have disabilities, according to the American Association of People with Disabilities.
- African Americans make up 23 percent of over-the-air households, according to the National Association of Broadcasters.

LCCR believes that access to communications is a fundamental right of every American. Given the impact the transition will have on all our most vulnerable communities, LCCR applauds Congress for recognizing the need for a government compensation program to be administered by NTIA to assist with the transition. But the process that has been created raises a number of troubling concerns.



## **Funding**

First and foremost, we are deeply concerned that the \$5 million that Congress has allocated to NTIA to educate consumers about the coupon program will be woefully inadequate to support the kind of public education effort that the transition requires. Public education campaigns are not unlike state election campaigns in terms of scope. Therefore, consider California, Pennsylvania, and Ohio, whose combined population is approximately 21 million households—comparable to the number of households that will likely need to be educated on the digital television transition. The cost of a Senate campaign in Ohio in 2006 was nearly \$9 million; for all three, it was approximately \$39 million.

The lack of sufficient resources within the digital television transition consumer education effort for support of nonprofit, social justice, or community-based organizations further limits the scope of public education efforts that will be possible. LCCR is committed to working with our community-based organizations to make sure their members know about the transition and the coupon program. However, we are skeptical about the success of these efforts without additional resources. We believe that the costs of the digital transition to the 21 million over-the-air households should be paid for by the ample proceeds generated by the auctions of reclaimed spectrum.

If Congress wants the digital television transition and coupon program to succeed, it must adequately invest in an educational program that truly leaves no community behind. We strongly urge Congress to supplement the amount of funding for consumer education efforts. In the end, voters will look to Congress if their televisions go dark.

## **Research and Oversight**

In addition to our concerns that those populations most in need will be least likely to know about the coupon program, LCCR is concerned that low-income and minority communities, seniors, and people with disabilities will be least likely to receive the first-come, first-served limited number of coupons.

NTIA's Digital-to-Analog Converter Box Coupon Program currently contemplates what is essentially a two-phase process. Under the first phase, while the initial \$990 million allocated for the program is available, all U.S. households—including cable and satellite customers—will be eligible to request up to two \$40 coupons to purchase up to two, digital-to-analog converter boxes. Under the second phase, if NTIA requests the additional \$510 million already authorized by Congress, then households that certify in writing they rely on over-the-air reception will be eligible for coupons.

LCCR urges Congress to ensure that the transition to digital television serves to benefit all Americans. In order to do so, there must be a way for Congress to determine that coupons are going to those who most need them.

- It is too early to comment on the oversight of government-funded consumer outreach, since the Request for Proposals (RFP) award to provide services in support of the Digital-to-Analog Converter Box Coupon Program has not yet been made.

- However, it is clear now that we will need sufficient independent research to determine who is taking advantage of the coupon program during the first phase of the process, so that NTIA knows how to respond or whether and where to deploy additional funds.
- The government can play an important role in conducting this research through the General Accounting Office, with Congress tracking the progress.

### **Additional Governmental Outreach**

While both NTIA and the Federal Communications Commission are committed to educating consumers about the transition and the coupon program, a public education effort of this magnitude should not be limited to only a few agencies.

- Ensuring a successful transition will require public education at the national, state, and local level.
- At a minimum, every federal agency should be required to participate in educational outreach, and if possible, serve as a site where coupons can be distributed.
- These efforts should also be replicated at the state and local level.

### **Conclusion**

I want to acknowledge that despite the great challenges in making sure that all Americans know about the digital television transition and the coupon program, the transition presents great opportunities. Industry, broadcasters, manufacturers, interest groups, and federal officials agree that digital TV offers viewers better quality transmission and a wider range of programming options. Because the digital signal has the ability to provide so much more information, it has the ability to provide more services to those who speak languages other than English and people with disabilities (such as enhanced closed captioning and video description services). We do not know if the broadcasters are going to provide such services, but we do know that there is the potential to do so. Thus, the transition has the potential to open the door for more Americans to participate fully in the digital age. This will only be true, however, if all families will be able to access digital television programming.

Thank you for both the opportunity to speak today and for your leadership as we move forward in addressing the digital television transition. I look forward to answering any questions you may have.