

THE TRANSITION TO DIGITAL TELEVISION

CEA POSITION: CEA supports the goals of the Congress and the Federal Communications Commission (FCC) to ensure a successful transition from analog to digital television (DTV). The DTV transition provides enormous benefits to consumers, including vast improvements in television viewing with the introduction of digital and high definition (HD) broadcasting services; new "beachfront" spectrum for licensed and unlicensed wireless Internet services; interoperable broadband spectrum to support the increasing demands on public safety; and nearly \$19 billion in new revenues for the U.S. Treasury from the auction of spectrum licenses.

BACKGROUND: On February 8, 2006, President George W. Bush signed into law legislation setting February 17, 2009 as the date U.S. broadcasters must end transmission of analog television signals.

TV manufacturers are leading the DTV transition, offering hundreds of DTV products including integrated sets and set-top receivers at affordable prices. CEA research shows a remarkable level of satisfaction with the product. More than 113 million DTV products have been sold since product introduction in 1998 and we're now in the home stretch of the DTV transition.

The FCC's expressed goals for DTV are "to preserve and promote free, universally available, local broadcast television in a digital world" and "to promote spectrum efficiency and rapid recovery of spectrum by fostering the swift development of DTV." CEA continues to work with government and related industries to ensure a smooth and successful transition and enable consumers to enjoy the enhanced performance and services found in digital television.

The National Telecommunications and Information Administration (NTIA) digital-to-analog converter box coupon program is well on its way to ensuring Americans are able to continue to use their analog televisions after the transition. NTIA's program provides each U.S. household with up to two \$40.00 coupons upon request that are good towards the purchase of up to two converter boxes. These converter boxes allow consumers who watch television programming through an over-the-air signal (i.e., roof-top antenna or "rabbit ears") or have a television with only an analog receiver (no built-in digital tuner or set-top box) to continue watching television after the transition date.

CEA is actively engaged with broadcasters, cable operators, public interest groups and other stakeholders to build coalitions for coordinated communications related to the DTV transition. In February 2007, CEA joined as a founding member of the DTV Transition Coalition. The diverse coalition includes government agencies, consumer groups, members of the broadcast, cable and CE industries and many others. The DTV Transition Coalition website (www.DTVtransition.org), which CEA developed on behalf of the entire group offers answers to frequently asked questions and links consumers with industry and government agency resources about the transition.

In 2008, as part of its education efforts, CEA has continued to work with a broad range of partners and to reach out to a number of audiences to ensure consumers are informed about the digital television transition. In anticipation of the early transition to DTV in Wilmington, NC, CEA partnered with the FCC, the NTIA, Circuit City and WECT news for a DTV education weekend. The weekend began with a large donation of converter boxes to senior centers in the area that do not have cable or satellite service. Information was also distributed at the Wilmington Shark's baseball game and various interviews with CEA's Digital Answer Man were aired on local television stations. The

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weekend culminated with an “Ask the Experts” day at the local Circuit City. This consumer-focused event, fun for all ages, helped educate Wilmington residents about the DTV transition.

Through the summer, CEA participated in the Hearing Loss Association of America convention in Reno, NV, the NAACP Convention in Cincinnati, OH and the AARP Convention in Washington, DC. CEA exhibited in

July 2008 at the Legislative Summit for the National Conference of State Legislatures to help inform state lawmakers on the DTV transition. CEA also continued its participation in FCC and Congressional DTV Workshops.

Another method that CEA has used to educate consumers about the digital transition is to co-sponsor contests. The “Rabbit Ears Pioneer Contest,” hosted jointly by CEA and the National Association of Broadcasters (NAB), seeks to encourage baby boomers to help their parents and older neighbors prepare for the analog cut off. “Rabbit Ears Pioneers” are individuals who rely on over-the-air broadcast TV signals, a trusty analog television set, and an antenna to tune in to their favorite programs. Entrants are asked to nominate their favorite “Rabbit Ears Pioneer” with a photo and a short essay about why they enjoy broadcast TV, when they bought their TV set, and what their favorite TV show memories are. The “Pioneers” – and those who nominate them – are eligible to win a grand prize to be awarded in November of a home entertainment center including a flat screen high-definition TV, an HD Blu-ray disc player, and a surround sound audio system. Winners chosen in the initial rounds receive a Digital Converter Box and digital reception antenna to help them keep watching an existing TV and are entered into the Grand Prize competition.

In October, CEA launched another contest through YouTube, which encouraged consumers to submit a video showing how they helped transition their friends and family to digital television. With the help of Whiskey Falls, a popular country music band, the contest kicked off in October and ran through early December, culminating with one winner being awarded a new home theater system.

CEA provides a number of resources to consumers regarding the transition, including a nine-minute video called “DTV 101: A Consumer’s Guide to Digital Television,” which explains the steps a consumer may or may not need to take in order to prepare for the transition. The video is being distributed to broadcasters, pay TV service providers, consumer groups and is available on CEA’s website. The video includes a Spanish language feature and closed-captioning. Along with this video, CEA published a digital converter box Quick Start Guide, which provides simple step-by-step instructions on how to set-up and use a digital television converter box.

CEA also operates five websites that promote the DTV transition through consumer and dealer education. CEA’s DigitalTips.org website helps consumers navigate the new features and options made available by digital television. DigitalTips.org includes interactive buying guides which are designed to introduce consumers to digital television and to ease confusion about the technology before shoppers even enter the store. Another CEA website, AntennaWeb.org, permits consumers and salespeople to determine which free, over-the-air DTV signals that can be received at their location and what type of antenna they may need for DTV reception. This website receives approximately 100,000 hits per month. CEA also maintains the website CEknowhow.com, an online program that is designed to equip retailers with up-to-date product category training for sales associates. CEknowhow.com is customizable, allowing retailers to license and tailor the program to suit their particular needs. In October 2004, CEA released *The Connections Guide* website (www.CEAconnectionsguide.com), an interactive resource designed to help consumers better understand how to connect their audio and video (including DTV) products. In addition to these web

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sites, CEA includes a wealth of information about HDTV on its own web site www.CE.org/hdtv, including a DTV Toolkit prepared for lawmakers in May 2007 to help answer constituents' questions about the transition. All the materials included in the packet are available at www.CE.org/HDTV. CEA's educational materials also appear on several partner websites and publications. For instance, Decisionmark's consumer education website, www.CheckHD.com, features CEA's educational brochure, *A Consumer's Guide to the Wonderful World of HDTV*. Many of CEA's pieces are available for download at www.CE.org/hdtv.

CEA's members, several of whom are listed as FCC DTV Partners, also have been actively engaged in CEA's activities to educate consumers and also in their own educational activities. The FCC's DTV Partners, such as LG Electronics and its subsidiary, Zenith; Panasonic; Philips; Mitsubishi; Motorola; Pioneer; Pro Brand; RCA; Samsung; Scientific Atlanta; Sharp Electronics; and Sony are working to ensure that consumers have the information that they need to ensure a smooth transition to all-digital TV.

OUTLOOK: To date, the transition has been a resounding success for equipment manufacturers, suppliers and the consumers they serve. DTV sets, and high definition television (HDTV) sets in particular, are among the fastest selling products in consumer electronics history. Consumer awareness of the DTV transition continues to grow. According to CEA research, 86 percent of consumers are aware of the digital transition. Eighty-one percent of consumers gave a good or excellent rating to the ease of finding a store that sold a converter box. Of those consumers who have purchased their converter box, over 75 percent have already set it up and utilized either the instruction manual (38 percent) or a family or friend (42 percent) to assist.

For more information, please contact CEA at publicpolicy@CE.org
or visit www.CE.org/hdtv.