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September 14, 2000

Press Statement of Commissioner Susan Ness Compatibility Between Cable Systems and Consumer Electronics Equipment

While I support this item as a necessary step to further the digital transition, I am concerned that our new labeling regime – which is intended to protect consumers -- will not do so.

Consumers today fully expect to have the capability to receive analog over-the-air signals when they purchase a television set. The same will be true of consumers buying integrated digital TV sets in the future. They will naturally expect a digital TV set to be *capable* of receiving a digital over-the-air signal, even if they initially intend to connect it to the cable system.

Manufacturers may be designing digital TV sets that, under the rules we adopt today, will bear the "digital cable ready" label but are unable to receive an over-the-air digital signal. In other words, what will look like a TV set actually will be incapable of ever receiving an over-the-air digital signal.

Our cable compatibility labels should not exacerbate this problem. By placing the FCC imprimatur on a device that, while cable compatible, is incapable of receiving a digital over-theair signal, we add to consumer confusion – and consternation. In my opinion, a digital television receiver that carries a label blessed by the Federal Communications Commission should be able to receive an over-the-air digital signal.

The marketplace works best when consumers can make *informed* choices. They should have the opportunity to buy a cheaper TV set if they want to; but they should be told if that set cannot perform the basic function that consumers have grown up to expect.

We can solve this problem. Any integrated, cable-compatible digital television receiver that is incapable of receiving an over-the-air signal should bear a warning to that effect. Consumers then will be alerted at the point of sale whether the costly device they are about to buy has the functionality they expect.

To do otherwise is inconsistent with our duty to the American public and inconsistent with our desire to ensure a smooth transition from analog to digital that works for the American public.

I intend to work with my colleagues, along with the consumer electronics, cable, and broadcasting industries over the next few weeks to address what I believe is a critical issue in the transition to digital broadcasting. Hopefully, we can forge an agreement to address this problem; otherwise I am prepared to take further FCC action to protect the American consumer.