

Commissioner Jonathan S. Adelstein
CEA's Entertainment Technology Policy Summit
Keynote: National DTV Consumer Education

“I Want My DTV: Building a National DTV Consumer Education Campaign”

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Thanks, Gary, for that kind introduction. We've been through a lot together with the consumer electronics industry over the years, but nothing as big as nailing down a hard date for the DTV transition. Your leadership on many important issues has made a big difference at the FCC and on Capitol Hill. And now you are rising to the challenge once again. So thanks for making me a part of this.

I'm pleased to join this small group of Americans who actually know and understand the subtleties of the DTV transition.

Earlier, Sean's presentation on the state of the market showed that American consumers are purchasing digital TV sets more and more every year. By 2009, DTV shipment revenues should top \$30 billion, making it the biggest selling consumer electronic product line. That's great news.

My focus today is on the state of the American consumer's awareness of the DTV transition. We have an urgent need to transform our inside-the-beltway discussion into a coordinated national consumer education campaign.

While the DTV transition affects the lives of nearly every person in the U.S., few Americans really understand it. They don't pretend, for example, to know the difference between DTV and HDTV, or rear projection TV, LCD or Plasma screens.

Even fewer Americans – especially those who rely exclusively on over-the-air television – are aware that in less than 3 years the more than 80 million analog sets out there will go dark...unless they are connected to a digital converter box, satellite or cable. If we don't get this right, we could face a tsunami of public outrage.

In light of this reality, today I'm making a “Call to Action” to both public and private industry leaders.

Now is the time for us – as government officials obligated to serve the public interest and as business leaders in the field – to get serious about reaching out and educating every American about the DTV transition.

Average Americans need to know the answers to questions like: what's DTV? How will the transition affect my life? What steps do I need to take in order to keep up with the technological change? Essentially, people need to know, “How do I get my DTV?” And, “what's in it for me?”

We would all agree that the details of the DTV transition – mixed with technical jargon – are complicated. And, it is even more difficult to communicate many of the details in laymen’s terms. But in spite of these challenges, it is incumbent upon us to develop a simple, coherent message that lets everyone know why they should say: “Yeah, I’m excited about it, and I want my DTV.”

In fact, it’s precisely because of the transition’s complexity and the difficulty of formulating a sound bite message that we need to develop a coordinated, comprehensive public/private campaign to educate the viewers.

So today, I’m calling upon the industry and my colleagues in federal government to develop a national education campaign. We need to generate enthusiasm about improving our national television experience. We need to avoid generating national confusion and hysteria that’s based on a lack of information, focus and effective communication.

Few Americans know that last month, President Bush signed legislation setting a hard date to complete the transition on February 17, 2009. The establishment of this hard deadline marked the completion of many years of hard work, negotiations and, ultimately, compromise.

But while the establishment of the hard date represents the end of one stage of this effort, it also marks the beginning of an even more important mission to educate consumers.

We know that the effort to inform consumers has been underway for years, but now that a firm deadline has been signed into law, the need to refine and get the message out has never been more critical.

Over the years, the FCC, the consumer electronics industry, broadcasters, and sports and cable programmers have made an effort to inform the public about the transition and its benefits.

In October of 2004, the FCC launched a national Web portal, www.dtv.gov. There, consumers who have access to the Internet can obtain information on the transition, new digital products and services. Since its launch, the website has had over 2.5 million hits, averaging about 100,000 hits per month. That’s impressive.

Also, collaborating with electronic manufacturers and retailers, the FCC produced a DTV Tip Sheet and a pocket-sized Shoppers’ Guide that have been reasonably effective in disseminating factual information.

The hard-working staff of the FCC’s Consumer and Governmental Affairs Bureau, on a shoe-string budget, has reached out to state, local and tribal governments, educational institutions, and consumer, civil rights, elderly and disability organizations. CGB staff frequently participate in CEA conferences. In fact, today you all should have received literature from the staff.

One of the biggest obstacles in carrying out the transition is the fact that consumers continue to purchase analog televisions at bargain bin prices. These consumers revel in

purchasing what they deem to be high-end, big screen televisions at discount rates, not understanding that those televisions are soon to be obsolete.

I am pleased that the consumer electronics industry has been doing its part to comply, in good faith, with the Commission's accelerated timetable to install DTV tuners in new TV sets.

As of March 1 of this year, all TVs with screens 25 inches or larger are required to have digital tuners. To advance the transition and improve the quality of consumer choice, the FCC also required manufacturers to install digital tuners in smaller TV sets by this time next year – March 1, 2007. This was a compromise the FCC worked out with CEA.

I congratulate CEA and its Video Board on approving a consumer advisory label that will be placed on both the screen and the outside of the retail packaging of analog TV sets. I have been advocating this initiative for some time, so I'm thrilled to see it become a reality. I'm sure we all agree that this advisory label is an important and significant step towards educating consumers.

I applaud the many steps that manufacturers and retailers are taking to ease the transition – ensuring that televisions without digital tuners are properly labeled; working with non-traditional electronics retailers like Wal-Mart and Costco; providing consumers information at the point of sale; reaching out to agencies, interest groups, and print and broadcast media to get the message out to the broadest audience possible. These are all positive developments.

I also applaud the efforts of broadcasters and cable programmers in upgrading their studios and delivering quality, high definition programming to viewers. HD programming, particularly sports programming, is one of the primary drivers of early consumer adoption of HDTV and it will continue to play a major role in fueling consumer interest in DTV generally.

While I applaud all of these efforts, we know that there is much more work to do. I believe it is in our national interest to inform and educate all Americans about this digital transformation. As a strong supporter of universal service, I believe in bringing everyone along for the DTV transition.

According to the study conducted in December of 2005 by two research firms, only 23 percent of consumers realize that analog-only TV sets won't receive over-the-air signals without a converter box when the transition occurs.

The same study found only 13 percent of consumers realize that the switch to digital is slated to happen in three years.

And, 41 percent of consumers believe the real reason for the transition is to force them to buy new TV sets or subscribe to cable, while another 16 percent believe that's at least part of the motivation.

Even among the early adopters of HDTV, studies have found that nearly one-half of current HDTV set owners don't receive high-resolution signals because they're either misinformed or

confused about how to acquire an HD signal.

My friends, there's plenty of work to do, in order to avoid a national state of panic and confusion in 2009. While we have done plenty of work over the past few years, we only have the next two and a half years to finish the job.

This national educational campaign reminds me of Pareto's Principle - the 80-20 Rule. It might take 20 percent of our resources, time and energy to educate 80 percent of consumers, and 80 percent of our resources to educate the remaining 20 percent of consumers. But we cannot leave anyone behind. Everyone should be demanding their DTV.

As we have experienced recently, whenever disaster strikes, the first set of questions we ask is "Who's in charge? Who's responsible?" And, "what was the chain of command?" When we try to answer these questions in the context of the DTV transition, the answers aren't so clear.

In the Digital Television Transition and Public Safety Act, the National Telecommunications and Information Administration (NTIA) is charged with administering the digital-to-analog converter box program. It received funding authorization to use no more than five million dollars for "consumer education concerning the digital television transition and the availability of the digital-to-analog converter box program."

It is unclear whether NTIA intends to use the \$5 million to promote the converter box program or to do general consumer education. It is even more unclear whether \$5 million will be enough to do both.

I'm not sure whether Congress specifically determined that NTIA is the best suited federal agency to spearhead a national DTV consumer education campaign. In light of the fact that the FCC's Consumer and Governmental Affairs Bureau has developed in-house expertise in DTV education, there's a strong argument to support the FCC as the principal agency in charge of educating the American public about the transition.

That's why I am pleased that earlier this month, Chairman Martin requested an additional \$500,000 to fund an outreach campaign to educate consumers about the transition for Fiscal Year 2007. It's just a start, but a step in the right direction.

So, it is clear that there's a critical need for the Commission and NTIA to work collaboratively, develop a unified federal message about the DTV transition and prepare consumers for what's coming in 2009.

I encourage the two agencies to consider creating an interagency Federal DTV Task Force to develop a unified federal message and approach to inform consumers about the transition deadline and the options consumers have to continue receiving broadcast programming, after Feb. 17th 2009.

The Federal Task Force could also reach out to state, local and tribal governments to further refine our message and approach. For example, while the DTV website has been a huge success, that may not be the best practice in communities with relatively low broadband subscribership rates,

such low income, elderly, minority and tribal communities. Local officials and organizations may be able to offer the best approach for their television market.

While the FCC and NTIA develop a unified federal message, we desperately need the strong support and active participation of the consumer electronics and entertainment industry to develop and broadcast a coherent national message.

Given the FCC's technical and consumer outreach expertise, we are especially well-suited to spearhead a national consumer education plan and to coordinate the ongoing efforts of television broadcasters, cable operators and programmers, consumer electronics manufacturers and retailers, consumer and public interest groups.

A national plan could include model public service announcements for broadcasters and cable operators, toll-free information hotlines, direct mail, billboards, print media advertisement, and well-publicized community events.

Some leaders in Congress had this comprehensive approach in mind, but for various procedural reasons (such as the Byrd rule, which restricts legislating on reconciliation budget bills) those provisions did not make it in the final bill. But the FCC already has the authority to spearhead this national DTV consumer education plan.

A comprehensive, national consumer outreach is necessary for the transition to go smoothly. We will likely experience a healthy level of anxiety and misinformation in the months and weeks leading to February 17, 2009. But we simply cannot afford to wait until then, to let people know how to prepare for the transition. Consumers need to know what's going on *right away*.

With less than three years until analog signals are turned off, it is imperative that everyone is made aware of what this transition entails, and how it will affect all of our lives. What once seemed to be so far off is now at our doorstep.

Everyone here is well aware of the many benefits this transition facilitates. But we need to make consumers fully aware of how it impacts their lives, and the steps they need to take both now and in the future to prepare.

For this to happen, every player in this industry must work together. We cannot afford for politics to impede our progress. It will take everyone in this room to work collectively, putting politics or any differences aside to move forward in a uniform effort to get the message out to consumers.

Remember, well before February 2009, every American should be saying, with apologies to Dire Straits, "I want my DTV."

Thank you and I look forward to working with you in the month and weeks ahead to make that happen.