

**OPENING STATEMENT OF
COMMISSIONER ROBERT M. MCDOWELL**

***En Banc* Hearing: DTV Transition
February 5, 2009**

Thank you Mr. Chairman. And congratulations to you for chairing your first open meeting. I am pleased that we have gathered together today representatives from some of the groups involved in helping American TV viewers prepare for the digital television transition. Today's panels don't represent the full range of people involved in all of the efforts, but we are doing the right thing by beginning to open the doors, and the windows, into the process so that everyone can be better informed about what all of us can do to minimize the inevitable disruption and confusion this transition will bring.

Yesterday, Congress gave us over four more months to help prepare America's over-the-air television viewers for the analog cut-off. All interested parties, including those of us in government, the private sector— especially broadcasters, and our friends in the non-profit realm, must use this gift of time wisely. Now is not the time to second guess or engage in the Washington blame game. We must close ranks and march swiftly toward our goal together. Although we do not yet have all the answers to the issues raised by the new legislation, today's discussion will allow us to spot new challenges and take the next step to grapple with them. But we still have a long way to go. Along the way, we need to remind the American people that regardless of when stations cut off their analog signals in a particular market, many people will be left behind. Our mission is to ensure that number is as small as possible.

I want to thank the Commission's fine professionals and all of our partners for working long nights and weekends on this noble endeavor. Many more long nights and

weekends now lie ahead, but I know you are up to the challenge.

Before we discuss where we are, let me provide some context regarding our journey thus far. Since last summer, I have been traveling across our great country, from Alaska to Massachusetts, to warn our fellow Americans of the need to prepare for all-digital broadcasting. I started this process with cautious optimism, but by autumn I had become concerned. Although public awareness has been high that something was going to happen on February 17, by September it became apparent to me that many people still were not sure exactly what it was they needed to do. At the same time, broadcasters in many markets have been left to fend for themselves to figure out the best way to get their over-the-air viewers prepared. Interestingly, some small markets appeared better prepared than some large markets. Many broadcasters took matters into their own hands early on by initiating soft tests, setting up market-wide call-in numbers to answer viewers' questions and working with local civic organizations to get coupons and converter boxes into the hands of the needy. Yet other markets took less initiative and are less well prepared.

Now that the DTV Delay Act is becoming a reality, it is important for everyone to understand that this transition will be messy regardless of when it happens. This is a message that I have been relaying for months now. For instance, at the end of January, Nielsen reported that 6.5 million U.S. households, or 5.7 percent of the total TV viewing population, are unprepared for the analog cut-off. While the Nielsen study revealed an improvement in readiness by 1.3 million households from its previous monthly report (when it was estimated that 6.8 percent of homes were not ready), it also implicitly tells us that not everyone will be ready regardless of when the cut-off date falls. We have no

way of knowing where the unprepared are, and we will not know until the analog signals start to shut off. The delay will incrementally help with some challenges, but it may also highlight new problems. For instance, will consumers be even more confused about the cut-off date and its meaning? If so, what can be done to clarify the truth for them? In short, what is the best way to help consumers?

I also want to uncover any hidden truths. For instance, do enough converter boxes exist to supply all who need them? Will consumers receive satisfactory answers to their questions through call centers operated by the government and industry? How many broadcasters might shut off their analog signals prior to June 12? How will such actions affect consumers? The list of questions is almost endless.

One particular focus of my concern over the past several months has been our call center effort. To be blunt, until very recently, the FCC call center had been inadequate. As my letter of January 14 to then-Chairman Martin made plain, I started to test our system myself last month – and ran into repeated busy signals and dropped calls before I ever reached a live operator. And it wasn't until after I released that letter that our call center started operating on weekends, when it seemed to me that many consumers struggling with converter box or reception problems would be most likely to call us. I'm encouraged that within the last few weeks we've expanded the FCC's own capacity to handle increasing call volumes and that we've started to ensure that live operators are available on weekends. And I note that we have made impressive strides in just a matter of days to integrate the FCC's call center with an even larger call center operation being pulled together by the National Cable and Telecommunications Association and the National Association of Broadcasters, among others. I am hopeful that the end result of

these efforts will make a new national coordinated call center easier for TV viewers to use and will provide individual callers with truly useful help. But we are not in the clear yet. Much work remains to be done.

While we focus on viewer needs, however, we must not lose sight of the significant effort that broadcasters across the country have undertaken in reliance on the old February 17 transition deadline. Broadcasters have not only invested millions of dollars into new DTV facilities and equipment, they also now face the additional burden of continuing to pay electricity costs to power two broadcast facilities, one analog and one digital all while advertising revenue plummets due to the recession. These unanticipated costs amount to many thousands of dollars per month, and could force stations into the unenviable dilemma of choosing between staff layoffs or continued analog operations. Many broadcasters also are locked into equipment or tower contracts, also amounting to many thousands of dollars, that are all based on a February 17 analog cut-off. Accordingly, per today's Public Notice, when reviewing requests for analog terminations on or before February 17, the Commission must balance individual broadcaster situations against consumers' needs to have access to critical news and information that they may only receive through their television sets.

Nonetheless, despite the obstacles ahead, I am heartened by the Chairman's leadership on this issue, and energized by the fact that our professional and hard-working staff is being given the opportunity to do its best work now.