

Consumer Advisory Committee
Recommendation Regarding Consumer Interest Obligations of Digital Television Broadcasters

Since the mid-1980s, Congress and the Federal Communications Commission have been working on a transition from today's analog television technology to digital broadcasting. As consumers become more aware of the transition and its costs for both them and television stations, they are asking what is in it for them.

A primary policy rationale for the transition to digital television is high-definition television, or HDTV. This transmission standard contains up to six times more data than conventional television signals and at least twice the picture resolution, making HDTV images substantially more vivid and engaging, and enhanced by five discrete channels of CD-quality audio that offer greater media access choices via audio description for people who are blind or have low vision. So digital television offers higher-quality pictures, significantly better sound, and increased access to more Americans.

The move to DTV technology can also significantly expand the number of channels stations can simultaneously broadcast. Instead of sending an HDTV signal, a broadcast station can send as many as six digital "standard-definition television" (SDTV) signals. Although SDTV images are not as sharp as HDTV, they are superior to existing television images. This "multicasting" capacity could allow broadcasters to compete with other multi-channel media such as cable and direct broadcast satellite systems. For over-the-air television consumers, this means broadcast TV will be more like cable, offering more choices.

Digital TV also enables interactive services through additional data streams that can be delivered to the consumer. Digital television signals can be picked up by both digital televisions and computers and can make broadcasters into "datacasters." The data capacity of DTV makes possible services such as subscription television programming, computer software distribution, teletext, and interactive services, including revenue-producing offerings such as stock prices, sports scores, classified advertising, paging services, "zoned" news reports, advertising targeted to specific television sets, "time-shifted" video programming, and closed-circuit television.

But DTV can offer more than better pictures, more channels, and niche services. Consumers deserve to know how broadcasters will serve their day-to-day television needs – healthy programming for children, healthy programming for our democracy, healthy programming for our communities, and as much information about the TV that comes into our living rooms as the food that comes into our kitchens.

The transition to digital television offers profound opportunity to improve television broadcasters' service to the public by enhancing the diversity of viewpoints, promoting civic participation, expanding local and community programming, and increasing children's programming.

The Communications Act of 1934 requires the Federal Communications Commission (FCC) license use of radio spectrum in the public interest. As public trustees, over-the-air television broadcast licensees have been granted the unique privilege of using this valuable public asset¹ for free in exchange for their obligation to serve the public interest, convenience and necessity.

In 1969, the Supreme Court declared that “it is the purpose of the First Amendment to preserve an uninhibited marketplace of ideas in which truth will ultimately prevail, rather than to countenance monopolization of the market,” and thus, it is “the right of the viewers and listeners, not the right of the broadcasters, which is paramount”.

In 1997, the FCC decided to grant existing, full-power television stations additional spectrum to facilitate the transition from analog to digital television. The Balanced Budget Act of 1997 set the deadline for such transition by stating that “a broadcast license that authorizes analog television service may not be renewed to authorize such service for a period that extends beyond December 31, 2006.”

In 2004, Congress passed the Intelligence Reform and Terrorism Prevention Act of 2004, which included the sense of Congress that “Congress must act to pass legislation in the first session of the 109th Congress that establishes a comprehensive approach to the timely return of analog broadcast spectrum as early as December 31, 2006” and that any delay will “delay the ability of public safety entities to begin planning to use this needed spectrum.” Congress is currently considering legislative efforts to address the December 31, 2006 deadline for reclaiming the analog spectrum.

As of September 12, 2005, there were 1,525 commercial and public stations broadcasting digital signals in 211 markets, representing about 95 percent of the nation’s approximately 1,600 television stations. The 211 markets currently receiving digital transmissions cover over 99 percent of U.S. television households.

In 1998 a blue ribbon commission, made up of broadcasters and public interest groups, made recommendations for how digital television licensees should serve the public interest for their licenses. The Committee submitted a set of ten recommendations to the FCC, Congress and the Administration and the broadcast industry.

On December 15, 1999, the FCC opened a Notice of Inquiry proceeding to solicit public comment on the public interest obligations of digital television broadcasters (MM Docket No. 99–360). In September 2000, the FCC issued a Notice of Proposed Rulemaking in the Matter of Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations (MM 20 Docket No. 00–168) which sought to require television broadcasters (both digital and analog) to disclose on a quarterly standardized form how they are serving the public interest.

¹ The broadcast airwaves are an extremely valuable public resource. Spectrum currently reserved for broadcast television is valued at an estimated \$750 billion.

After more than four years, the FCC has not yet issued any decisions in those proceedings. Consumers need to know how the conversion will serve their interests. That is, will:

- 1) Their investment in digital television technology be worth it?
- 2) They be able to find the television programming that is central to their lives in a digital television world with, potentially, six times the amount of broadcast signals currently available in their market?
- 3) The investment Americans make in keeping broadcasting a free, over-the-air service prove to be an efficient use of spectrum in the digital age?

CAC believes that it would be in the best interest of consumers for the Commission to act quickly to answer these questions. In addition, CAC asks the Commission to issue reports and orders in the following matters within six months of the receipt of this recommendation:

- Public Interest Obligations of TV broadcast Licensees (MM Docket No. 99–360);
- Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations (MM 20 Docket No. 00–168))

As the Commission considers consumer interest obligations, the CAC urges it to focus on:

- Access services – continuity and reliability of closed captioning and video description for all programming but especially for emergency warnings and emergency information
- Diversity of DTV programming sources, outlets, and employment

Additionally, CAC recommends that the Commission consider other important consumer-related concerns including:

- The future of low-power and translator stations during the transition to digital technology.
- The availability of DTV signals throughout the country, including tribal lands.

Answering these questions in a timely manner will be of great benefit to consumers.

Adopted: November 18, 2005 with one member voting in the negative.

The following CAC members recorded an abstaining vote on this recommendation:
AT&T, Call For Action, National Cable Telecommunications Association, and Verizon
Communications.

Respectfully submitted:
Shirley L. Rooker, Chair
FCC Consumer Advisory Committee