



Nonprofit Publisher
of Consumer Reports

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DTV TRANSITION – PROBLEMS AND RECOMMENDED SOLUTIONS

For the past two years Consumers Union has devoted significant resources into educating consumers on how best to navigate the transition and into advocating on their behalf in Washington.

President Obama's administration will be handed the reins on the DTV transition in the first 19 days of taking power. We believe the most effective immediate action for the new administration to take will be to empower one single federal agency and individual with the resources necessary to implement and execute local outreach plans to help consumers make the transition both before and after February 17th. We believe the two largest problems consumers currently face are: (1) purchasing and connecting digital converter boxes, and (2) digital reception problems that result in losing channels. Below we focus on some of the reasons behind these problems and suggest solutions.

Getting Converter Boxes to Consumers

Many of the households that rely on over-the-air broadcasts are low-income, rural, elderly, Spanish-speaking households. For many, the most cost-efficient way to deal with the transition is to purchase an analog-to-digital converter box. The federal government has set up a \$40 coupon program through the Commerce Department to help offset the cost of these boxes.¹

- *Trouble connecting boxes – the federal government should administer one-on-one assistance.* Many consumers have written to us for guidance in hooking up their boxes. While groups like Consumers Union and government agencies can provide general advice for consumers, no one can troubleshoot every consumer experience. In Wilmington, the FCC worked with the Fire Department to visit elderly households and connect converter boxes. The federal government should seek similar solutions with civic organizations and the FCC should be coordinating efforts in media markets with large proportions of over-the-air only households. Broadcasters, wireless carriers and retailers – the industry groups that benefit from the transition – should be pressed upon to help provide local assistance.
- *The least expensive boxes are not widely available – Congress and the FCC should put pressure on the large national chains to carry the least expensive boxes.* When *Consumer Reports*, tested 35 converter boxes, we found that price is not necessarily an indication of quality or convenience.² If 25 million or more homes need converter boxes, and quality is not a major factor, the least expensive options should be widely available.
- *The coupon program could run out of money – NTIA needs more money to administrate and finance the program.*³ As more requests flood the NTIA, we believe the program will need more money for administrative costs to deliver coupons in a timely manner and more money to fund the spike in coupon requests.
- *Early coupons have expired while consumers waited for boxes to hit the shelves – NTIA should allow consumers with expired coupons reapply for more.* Although the legislation authorizing the coupon

¹ The National Telecommunications and Information Administration (NTIA) runs the government coupon program which gives out two \$40 coupons, to be used on two boxes, to each household on a first-come, first-served basis. Boxes range from \$40-80.

² Results available at www.consumerreports.org/dtv

³ The 2005 Deficit Reduction Act set aside \$1.5 billion for the coupon program, providing for 33.5 million coupons. As of November 2008, 10.5 million coupons remain available. According to Consumer Reports polling data, awareness of the coupon program has drastically increased (76% of Americans are aware), but fewer than half of consumers with one TV affected have yet to request a coupon. Our survey, a letter from FCC Chairman Martin and the DTV test market in Wilmington all indicate we should expect a large spike in coupon requests in the next few months.



program requires a three month expiration period, it does not say consumers can not reapply for additional coupons after original coupons have expired. Early adopters should not be punished because of marketplace failures.

New Digital Signal Reception

Problems with antennae were the top problem in the Wilmington test.⁴ Consumers are writing CU because they notice a reduction in the number of channels available to them. This could be due to a number of factors, but consumers seem to be receiving one message: buy a new antenna. Advice on how to navigate reception troubles demands immediate attention and deserves the full attention of the federal government, so that consumers do not spend money on equipment they do not need or want.

- *Digital signal gaps.* In 2001, the FCC allowed broadcasters to decrease the contours of their digital signals, which means their signal doesn't travel as far. In some cases, consumers will pick up alternative signals from other stations. However, in some "digital gaps", consumers will lose their channel altogether.⁵ The agency should identify gaps in digital signals across the country and help citizens to both identify those gaps and plan ways to fix the problem, such as requiring broadcasters to install repeaters in order to restore free over-the-air signals to their former broadcast area. Congress should work on establishing life-line services, through satellite or cable programming, for citizens that will be left in the dark with fewer channels.
- *Digital cliff effect – the federal government should help consumers purchase an antenna.* The nature of digital signals is different than the nature of analog signals. Pictures from analog broadcasts degrade gradually as the signal gets weaker, getting snowy. In contrast, digital pictures remain clear until the signal falls below a certain level when the picture disappears. In some cases, consumers may need to purchase a higher quality antenna. These antennas should be discounted. We encourage the federal government to work with retailers and manufacturers to make sure any consumer that needs an antenna can afford the cost of the equipment and installation.

⁴ John Dunbar, "Old Antennas Cause Complaints in Digital TV Test." Associated Press (September 10, 2008)

⁵ The Chairman recognized this problem when testifying before the Senate and the House Commerce Committees in September 2008. http://commerce.senate.gov/public/_files/MartinTestimony.pdf