

**REQUEST FOR INFORMATION: MARKET RESEARCH FOR IMPLEMENTATION  
OF THE DIGITAL TO ANALOG CONVERTER BOX COUPON PROGRAM**  
**Question and Answers**

Acquisition Process and Pre-award Activities

**Question:** The "Request for Information - Market Research for Implementation of Digital to Analog Converter Box Coupon Program" was issued by the Acquisition and Grants Office of NOAA. Are we correct in assuming that NOAA will be conducting the Coupon Program procurement on behalf of the NTIA? Is it contemplated that NOAA will also administer any contract(s) resulting from the procurement?

**Answer:** NOAA will be administering the procurement on behalf of NTIA. In addition, NOAA will handle Contract Officer responsibilities for any contracts resulting from the procurement, while NTIA will have contract officer technical representative responsibilities for contracts.

**Question:** Please explain what action NTIA will take on this RFI.

**Answer:** NTIA plans to use the information submitted in response to this RFI to develop a request for proposals (RFP) from vendors interested in assisting DoC with the implementation and administration of the Digital to Analog Converter Box Coupon Program. The RFI gives industry an opportunity to comment on the proposed procurement, identify potential problem areas, and suggest alternative recommendations on how best to administer the program.

**Question:** Where can one find a listing of the attendees of the meeting?

**Answer:** DoC has emailed these Q&As and a participant's list to all the attendees.

**Question:** Will all questions and answers related to the RFI be made available to the public and where can they be found?

**Answer:** All Q&As related to the RFI will be posted as an attachment to the FedBizOpps announcement for this RFI as well as on the NTIA web site.

**Question:** Will all RFI responses be made public? What if the responder wishes to provide proprietary solutions in order to help the NTIA?

**Answer:** DoC will use the responses from the RFI to craft the RFP. Although DoC does not plan to publicly post responses to the RFI, any information submitted is not considered proprietary and is subject to FOIA (Freedom of Information Act) inquiries.

**Question:** When does NTIA anticipate issuing the RFP(s) that will award work related to this program?

**Answer:** The Department of Commerce (DoC) anticipates issuing the RFP in early 2007, and

plans to award to contract(s) by July 2007.

**Question:** When should the vendor expect to begin project planning and preparation activity?

**Answer:** The issuance of an award by July 2007 will provide the winning vendor(s) with six months to establish systems necessary to accept coupon applications from the public in January 2008 as required by the legislation.

**Question:** Can any contractor bid for this contract or do potential bidders have to be pre-approved government contractors? What are the requirements, if any, to bid on this contract? Must a contractor satisfy all Commerce Department government contractor requirements in order to bid on the NTIA project?

**Answer:** DoC has not defined the requirements for this acquisition. The intent of this RFI is to seek information from the vendor community that will shape our acquisition strategy and the request for proposals. We encourage input from interested vendors. In order to be awarded a contract under this procurement, any potential vendor must register their company with the Federal Government's Central Contractor Registration website ([www.ccr.gov](http://www.ccr.gov)).

**Question:** Do NOAA and the NTIA contemplate conducting the anticipated Coupon Program procurement as a "full-and-open" competition, or do NOAA and the NTIA expect to create a "short list" of potential service providers, from respondents to the RFI, to be used in a subsequent limited competition for the Coupon Program services?

**Answer:** As mentioned in our response to a previous question, DoC has not defined the requirements for this acquisition. DoC, however, has not planned for a down-select process to pre-qualify vendors. The intent of this RFI is to seek information from the vendor community that will shape our acquisition strategy and the request for proposals. We encourage input from interested vendors.

**Question:** Could this be a single source RFI without an RFP?

**Answer:** The RFI does not constitute a request for proposals. If DoC goes forward with this procurement effort, an RFP will be issued.

**Question:** Will DoC award the full \$100 million authorized in the Act for contracts to administer the Coupon Program?

**Answer:** DoC will not award the full \$100 million as contracts. DoC will use a portion of this figure to administer the contract(s) and conduct other inherently governmental functions related to this program.

**Question:** To the extent NTIA chooses not to award a contract for end to end execution of the Coupon Program, will it award a contract for overall program management to one firm that will manage and coordinate the activities of multiple Contractors?

**Answer:** To the extent feasible as determined by feedback from the RFI, DoC will award one contract for program management and all or most major functions under the program. DoC will encourage vendors to partner and provide us with one solution. DoC, however, is amenable to awarding a separate contract for major functions such as the public education campaign.

**Question:** Will the NTIA require, as part of proposal evaluation, past performance references which demonstrate the offeror's ability to deliver the services outlined by the draft SOW and NPRM, or is the NTIA limiting their consideration to the successful integration of COTS solutions?

**Answer:** As mentioned in our response to a previous question, DoC has not defined the requirements for this acquisition. The "Draft Statement of Requirements" is intended to provide vendors with an understanding of the program that will assist in responding to the RFI. The RFI seeks information from the vendor community that will shape our acquisition strategy and the request for proposals. We encourage input from interested vendors.

#### Coupon Program Management and Contractor Role

**Question:** Who will perform the general contractor role, coordinating efforts of the manufacturer(s), the retailer(s) and the vendor for the RFP? The NTIA? Another vendor? The vendor for the RFP?

**Answer:** DoC plans to seek assistance through one or more contracts to implement and administer the Coupon Program. DoC will generate task assignments and monitor performance pursuant to the contract. As stated in the RFI, we would prefer an end to end integrator who can coordinate all aspects of the program: coupon distribution, coupon redemption, retailer certification, and consumer education. We realize that these are very different tasks, so it may be necessary for organizations to form teams to bid on the project. As stated in the RFI, a company may respond by providing information on only one or more elements of the program if they believe that they can make a contribution in that area.

**Question:** In preparing the draft Statement of Work (SOW) and the Notice of Proposed Rulemaking (NPRM) for the Coupon Program, did the NTIA pattern their proposed approach after one or more existing "coupon models" currently in operation in the retail industry? For example, does the NTIA contemplate that a Converter Box Coupon will be processed and function in a manner similar to grocery store style coupons published in magazines and newspaper inserts? Please note that the model selected may have considerable implications on waste, fraud, and abuse concerns expressed throughout both documents.

**Answer:** DoC has not proposed an approach to administering the Coupon Program. Through the RFI and the NPRM we are seeking input from the public on how best to implement this program within the framework established by Digital Television Transition and Public Safety Act of 2005. The Act stipulates many aspects of the coupon program's operation. For example, consumers must request coupon, and the coupons must be delivered to consumers via the U.S. mail.

NTIA is aware that the model selected will have significant implications on the extent of waste, fraud, and abuse. We are using both the rulemaking process and the RFI process to explore different models and their costs versus the level of protection they offer.

**Question:** Based on the response to the previous question, how does the NTIA plan to validate or test the model contemplated for the Coupon Program?

**Answer:** Based on the input we receive from responses to the NPRM and RFI as well as the program's funding limits, DoC will award contract(s) that provide the best solution in meeting the legislative objectives and complying with program rules. We anticipate trials and tests of the coupon program before full rollout. Such validation and testing should be included in proposals.

**Question:** Refer to the following from the "Draft Statement of Requirements":

Coupon Distribution

\* Design the coupon and related materials such as instructions for redeeming coupons and description of eligible boxes for mailing to eligible households.

Does the NTIA contemplate that the successful contractor will be able to control the design of the coupon - so as to ensure that the distributed instrument can be effectively processed through the implemented solution?

**Answer:** DOC has not defined the requirements for this acquisition. The intent of this RFI is to seek information from the vendor community on many aspects of the coupon program.

**Question:** The NPRM proposes that manufacturers self-certify that set top boxes meet proposed NTIA standards. The RFI does not address any activities relating to manufacturer certification of set top boxes. Is that outside the scope of the anticipated RFPs? Will the program audit function include audits of manufacturer certification process and/or results?

**Answer:** Manufacturer certification is outside the scope of the RFI. DoC is seeking comments on this issue through the July 25 NPRM. DoC anticipates NTIA staff will handle the review and audit function related to this area of the program.

**Question:** Would the contractor be expected to identify and address the special needs/disabled community as it pertains to distribution of the converter boxes?

**Answer:** The contractor will be expected to meet accessibility requirements with respect to the disabled community's ability to apply for and receive coupons. This program, however, will not "distribute boxes" to participants. Consumer participants will apply coupons toward the purchase of boxes from participating retailers.

**Question:** Can an electronics retailer also administer the Coupon Program?

**Answer:** Contract law does not prohibit this scenario, but the vendor would need to ensure that this scenario does result in a conflict of interest or disadvantage to other participating retailers.

**Question:** Does all of the work performed under this contract need to be performed on U.S. soil?

**Answer:** Contract law does not restrict the performance of service contracts to U.S. workers and companies. If a vendor is considering the performance of activities under this program through foreign workers or companies, we encourage them to respond to this RFI with an explanation of the advantages of foreign sourcing certain tasks.

**Question:** Is end of FY2009 (September 30, 2009?) a hard date for cessation of all program activities to be managed by Contract, including complaint processes for retailers denied reimbursement or program close-out activities?

**Answer:** The Act authorizes NTIA to make payments only through the end FY 2009, and DoC will expect all contract activities and program closeout to be completed by September 30, 2009.

#### Coupon Program Rules and Authority

**Question:** When does NTIA anticipate adopting program rules pursuant to the Notice of Proposed Rulemaking (NPRM)?

**Answer:** NTIA anticipates adopting program rules in early 2007 to coincide with the issuance of the RFP.

**Question:** Will the number of retailers charged with distribution of the converter boxes be limited? If so, how many retailers will be selected? Will any be small - local or regional retailers?

**Answer:** The Act does not direct NTIA to "charge" any retailers with distribution of the boxes. The NPRM addresses retailer participation in the program. The NPRM proposes to make retailer participation voluntary, and does not propose to require any retailer to carry these boxes. The NPRM also does not propose to limit the number or size of retailers who can participate.

Once the Department publishes the program's final rules, retailers may need to meet certain eligibility requirements in order for the Federal Government to provide reimbursement for coupons redeemed by the public.

For the program to succeed it must be easy for consumers to purchase the boxes. So, it is desirable that the boxes be widely available. For the boxes to be widely available, the coupon process should not unduly burden retailers or otherwise discourage them from participating.

As you will note, the language in the Act does not mention retailers. The accompanying report language, however, expresses an expectation that NTIA provide for the certification, education and auditing of retailers involved in the program. We expect the NPRM to generate a great deal of comment from retailers and their representative organizations on the best way to certify, educate, and audit participating retailers. NTIA will consider these comments in creating

guidelines for retailer participation and also to develop ways to discourage fraudulent retail practices.

**Question:** Has the manufacturer(s) of the converter box been selected? If so, what company is it?

**Answer:** DoC has not been directed to select a manufacturer of the converter box. No company will be required to produce the boxes. We will not be selecting manufacturers or brands. Several consumer electronics companies have proto-type boxes. Through the rulemaking, DoC will determine certain standards for a minimum-capabilities converter box that will be eligible for purchase with a coupon. The DoC is seeking public comments on the standards through the July 25 NPRM.

The rulemaking will define the legislative language which says "...the term 'digital-to-analog converter box' means a stand-alone device that does not contain features or functions except those necessary to enable a consumer to convert any channel broadcast in the digital television service into a format that the consumer can display on television receivers designed to receive and display signals only in the analog television service, but may also include a remote control device."

Manufacturers will not be required to produce boxes that meet standards established by NTIA. However, the NPRM proposes that the coupons can only be used to purchase eligible boxes that meet defined standards. Once the standards are defined and the rules finalized, consumers, manufacturers, and retailers will be advised on the converter boxes that meet the standards and are eligible for the coupon program.

**Question:** Is there information available on the likely number, demographic make up, and geographic distribution of the converter box program participants.

**Answer:** The GAO Reports referenced as attachments to the Request for Information provide a great deal of background information that assisted in the development of the legislation and the NPRM. Please refer to the February 17, 2005 report on the profile of potential participants.

**Question:** How many households are you anticipating supporting?

**Answer:** The legislation authorizes DoC to issue up to 22 million coupons, and possibly 37 million coupons with additional approval from Congress. The number of household will depend on whether consumers request one or two coupons.

**Question:** Do you envision that the \$40 coupon will cover the full cost of the converter box?

**Answer:** Based on the information we received from industry and earlier GAO Reports, the converter box will likely exceed the \$40 value of the coupon. We expect consumers will have to contribute toward the cost of a converter box. Industry estimates range from \$50 to \$100 per box.

**Question:** What are specific transactional roles of the retailers in the process? (assumption is they will collect the coupons and then bill back the government based on the number of units they redeem).

**Answer:** DoC is seeking comments through the July 25 NPRM on the participation of retailers in the process. The NPRM proposes that participating retailers will be reimbursed for valid coupons that are tendered by consumers.

**Question:** Will retailers be expected to buy the devices wholesale from suppliers and hold in inventory as they would any of their regular products, or would they merely distribute the devices on behalf of the government with some straight transactional fee? (noting that shifting of stock based on demand geographically or between retailers may be necessary)

**Answer:** We expect that retailers will handle the converter boxes in same manner they handle their inventory for any other product. The Federal Government will not play a role in the supply or distribution of the converter box.

**Question:** We understand the requirement to apply for and receive the coupon via U.S. mail. Are there any restrictions on the redemption of coupons and delivery of converter boxes (i.e., Can one redeem by mail?/Can converter boxes be shipped?)

**Answer:** The legislation restricts only the receipt of the coupon via U.S. mail. We envision that the contractor will develop several methods—mail, electronic, and call center—for consumers to apply for coupons. The Federal Government will not play a role in the distribution and selling of the converter boxes.

**Question:** Is there a limit on the number of retailers (chains and individual outlets) that can be certified?

**Answer:** DoC does not plan to limit retailer participation in this program.

**Question:** MSTV announced last year that LG and Thomson will supply the STB (set top box) to MSTV. Does MSTV as well as LG and Thomson have some priority in supplying STB or one of vendor?

**Answer:** As stated previously, the Federal Government will not play a role in the supply of converter boxes.

**Question:** What manufacturers are currently working on a converter box or have any in production?

**Answer:** Several companies such as LG and Zoran have developed prototypes of a converter box. We are not aware of any converter boxes currently in production.

**Question:** NPRM proposes that manufacturers self-certify that STB meet proposed NTIA standard. NTIA standard has almost basic features that receive DTV signal and convert to Analog signal. If our company make STB with extra features like HDD integrated DTV STB, can consumer buy this high level STB with the coupon distributed?

**Answer:** The Act stipulates restrictions on the capabilities of converter boxes eligible for coupon redemption. DoC is seeking comments on converter box standards through the NPRM process.

**Question:** Will a converter box work for more than one television set?

**Answer:** A set-top box only will convert digital signals to analog for a single television set.

### Consumer Education Campaign

**Question:** What level of involvement is anticipated for facilitating participation of interested stakeholders in the consumer-education process? Provide examples of activities.

**Answer:** Consumer education is one of the biggest challenges in this program and one that we are especially looking for solutions based on the public affairs and promotion expertise of a potential vendor. As noted in the RFI, the legislation limits spending on consumer education to \$5 million, a relatively modest amount for a national campaign. Of course, we also expect that as the date approaches the broadcasters, the consumer electronics industry, consumer groups, and others with an interest in the transition will be more active in promoting the transition. In the NPRM, we are also seeking public comment on what roles the various stakeholders will play in educating consumers about the digital to analog converter box program as well as the most effective means to provide consumer education.

**Question:** Can part of the \$100 million administration budget be used for creating public/consumer awareness of coupon availability other than would be deemed consumer education under the \$5 million cap for such effort, providing there will be excess funds in the administration budget?

**Answer:** The legislation clearly places a \$5 million limit on consumer education related to the "digital television transition and the availability of the digital-to-analog converter box program."