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September 25, 2006

### ELECTRONICALLY FILED

Milton Brown  
Office of the Chief Counsel  
National Telecommunications and Information Administration  
1401 Constitution Avenue, Room 4713  
Washington, D.C. 20230

Re: Request for Comment and Notice of Proposed Rules to Implement  
and Administer a Coupon Program for Digital-to-Analog Converter Boxes,  
NTIA Docket No. 060512129-6129-01.

Dear Sir:

On behalf of HDTV Magazine, Affinity Marketing, and The HDTV Expo, we respectfully submit comments to the above proceeding. The aforementioned companies can provide a total end-to-end solution for the digital-to-analog converter box and coupon program.

We will continue to work with interested parties to ensure a smooth and manageable transition to all digital signals and new services for households across the United States.

Respectfully submitted,

Dale Cripps, HDTV Magazine

Ron Bruce, Affinity Marketing

Chris Walczak, The HDTV Expo

Before the  
United States Department of Commerce  
National Telecommunications and Information Administration  
Washington, D.C.

In the Matter of )

The Digital Television Transition )  
And Public Safety Act of 2005: )  
Digital to Analog Converter Program )

Docket No. 060512129-6129-01

**COMMENTS OF**  
  
**HDTV MAGAZINE**  
  
**AFFINITY MARKETING**  
  
**THE HDTV EXPO**

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Digital to Analog Converter Program )

## Background

### **HDTV *Magazine*, AFFINITY MARKETING and The *HDTV Expo*, Offer an End-to End Solution for the Digital-to-Analog Converter Box Coupon Plan**

Dale Cripps, founder and publisher of *HDTV Magazine* and Ron Bruce, CEO and President of AFFINITY MARKETING have teamed-up to launch a continuing Nationwide series of *HDTV Expo*'s designed to educate consumers about the analog to digital transition and showcase new HDTV and DTV technologies, content and accessories. These events would support the goals of the NTIA and serve as a grass roots platform to simply and effectively implement a digital to analog converter box coupon program.

#### **The HDTV Expo can “smooth the path” to the transition from analog to digital TV.**

- Television manufacturers will display their digital products for consumer examination. The overall picture quality, sharpness and brightness will be apparent to anyone.
- Digital to Analog Converter Box options will be demonstrated to consumers. The digital TV quality will be compared side-by-side with an analog TV signal. Consumers need to see the improvement in picture quality and understand the benefits of digitally delivered content.
- Rotating briefings about the digital transition will continue throughout each three day Expo in each selected DMA around the U.S. These briefings will also address general consumer confusion about HDTV and digital television.
- Content and Program Providers will explain the HDTV and Digital content that is available today and discuss their roll-out plans for additional digital channels and more content.

- Accessory products will be displayed and explained, so consumers can maximize their digital and HDTV experience in their homes.
- Both the local publicity along with national publicity will snowball and increase consumer awareness exponentially as these grass roots “road show events” travel from city to city over the next two years, making consumers ever more aware of the digital transition.

We believe that more consumer education, through these focused, grass roots events (held in cities all across the United States), along with the aforementioned major publicity campaigns launched by The HDTV Expo and its sponsors and participants, will cause significantly more digital TV's to be purchased prior to the digital transition date in February 2009. Better informed consumer will be ultimately be more satisfied with their purchase of both digital TV's and HDTV's and viral marketing will take root.

Both Mr. Cripps and Mr. Bruce have the experience, contacts and infrastructure to not only help smooth the path to an all digital television world, but also accomplish the goals of the NTIA leading up to the analog to digital transition date and beyond by helping to create and execute a workable digital-to-analog converter box coupon program.

**The credentials of the principals, along with a brief history follow:**

**HDTV Magazine** ([www.HDTVMagazine.com](http://www.HDTVMagazine.com)) is “**the**” website for everyone who loves HDTV. In 1984, Dale Cripps founded The HDTV Newsletter, a professional publication distributed into 24 countries to those developing HDTV. In 1998, The HDTV Newsletter evolved into the first online publication dedicated to HDTV -- **HDTV Magazine**. The mission of this publication is: *To educate the public on what HDTV is and give voice to the culture that arises from its engagement.* For more than twenty years Dale Cripps, a leading pioneer in the HDTV movement, has consulted with leaders around the world about the forthcoming HDTV revolution. He was editor-in-chief for HDTV World Review and he continues to serve as the technical editor for Widescreen Review. Mr. Cripps was also technical editor of the popular book HDTV for Dummies. He has written more than 80 published magazine articles on HDTV. He produced and programmed 4 International HDTV conferences (New York, London, Washington, D.C. and Los Angeles) and has been a speaker or moderator at many more. He is the winner of the coveted Best Press Leadership Award from the Academy of Digital Television Pioneers and is a charter member of the Academy. He is the founder of the High-definition Television Association. For these reasons and more, Dale Cripps and HDTV Magazine can be considered **the** global authority on HDTV. Mr. Cripps can be reached at: (800) LOV-HDTV. E-mail can be sent to: [Dale@HDTVMagazine.com](mailto:Dale@HDTVMagazine.com).

**Affinity Marketing** (a Bruce Group Company) was founded in 2003 by Ron Bruce. Mr. Bruce is one of the pioneers in the Satellite Television Industry. Today, Affinity Marketing ([www.affinitymarketing.biz](http://www.affinitymarketing.biz)) consults for and coaches a host of diverse consumer electronic and satellite TV clients, helping them find creative ways to increase sales, improve profits, and operate more efficiently. Mr. Bruce introduced dealer training to the Satellite TV Industry in the early 1980's. Since then, he has conducted hundreds of Dealer Training Seminars all around the U.S. He was the General Contractor on the downlink portion of the SUNYSAT (State University of New York Satellite System Project). He was also elected to the Board of Directors of S.P.A.C.E. (the first satellite TV trade association). Mr. Bruce simultaneously sat on the Advisory Boards of two Multi-National Consumer Electronic Companies. He was nominated to the steering committee that formed the Satellite Broadcasting & Communications Association (S.B.C.A) in

1985. Mr. Bruce held Sr. Management positions for over 20 years at two leading Satellite TV and Consumer Electronic Equipment Distributors. He has had several articles published along the way and in 2006 completed a 312 page book titled, The Marketing Bible for Satellite TV and HDTV Dealers. This book is considered by many to be **the** definitive “how to” manual for marketing advanced consumer electronic products. Mr. Bruce is also a veteran of over sixty (60) industry trade shows. Mr. Bruce can be contacted at: 260-760-7352. E-mail can be sent to: [ron@theHDTVexpo.com](mailto:ron@theHDTVexpo.com).

These two Industry leaders, their companies and the market penetration and public awareness created by The HDTV Expo (more to be discussed on these consumer awareness events later) can collectively complete the tasks required by the NTIA and the U. S. Department of Commerce.

Each of the aforementioned companies is a privately owned business. They are controlled by Mr. Cripps and Mr. Bruce respectively. HDTV Magazine; Affinity Marketing; and, The HDTV Expo are veteran owned companies. The HDTV Expo is a separate entity wholly owned by Mr. Dale Cripps, Mr. Ron Bruce, Mr. Chris Walczak and their respective designees.

# Executive Summary

HDTV Magazine, Affinity Marketing and The HDTV Expo have the ability to work in consort to provide an end-to-end solution and act as a “Clearing House” for the Digital-to-Analog Converter Box Coupon Program.

## General Information:

- **HDTV Magazine can operate as the communications arm in implementing a Coupon Redemption Program** -- Consumers will need to have the ability to acquire qualification applications by mail, by phone and over the Internet. After consumers are in possession of an Official Coupon Application, they need the ability to call-in to a simple, toll free phone number in order to process a Telephone Coupon Order. At the same time, trained operators will need to properly qualify and certify Coupon suitability over the phone. Consumers will also need the ability to provide their qualification data in a secure Internet environment that is administered by an entity that can be trusted. All Coupons will be mailed via first class mail to consumers. Retailers will also need to be able to access a secure screen, via the web, in order to validate a Coupon or identify any fraud or any potential duplication of a Coupon or redemption attempt. Retailers would activate the Coupon Redemption process and input accurate data according to rules mutually set by the NTIA and The HDTV Magazine “Coupon Clearing House”. Beyond this, the secure databases that are created would be able to be accessed in real time by the NTIA. The analysis of such data by various stakeholders will enable quick identification of redemption trends or any anomalies that might surface. Trained retailers would validate the Coupon. By entering the proper, required data the retailer reimbursement process would begin. (More will be discussed regarding valid consumer qualification criteria later in this submission).
- **Affinity Marketing can operate as one of the leads in stimulating maximum consumer awareness of the digital-to-analog converter box Coupon Program** – Affinity Marketing has been the low-cost supplier of customized marketing literature to dealers of all sizes since its inception. Retailers have saved as much as 200% to 300% over standard market pricing for professional marketing materials. The procurement and distribution of these materials could likely be leveraged through cooperative advertising support from the various stakeholders. Affinity Marketing also has the PR skills and Agency contacts to create PSA’s and other effective consumer education and awareness marketing tactics. Affinity Marketing and its principal Ron Bruce has, over the past 2 ½ years, conducted over 100 Dealer Training Seminars for DIRECTV Dealers all around the U.S. The last 30 Seminars dealt with the “HDTV Opportunity”, especially within the context of the shutdown of analog signals on February 18, 2009. Similar training skills and tactics can be applied and even expanded in order to train-the-trainer at regional training classes to certify retailers and staff who choose to participate in the Coupon Program.
- **The HDTV Expo can operate as the “grass roots” consumer education vehicle in approx. Thirty (30) different DMA’s over the next 2 years leading up to the analog shutdown** – There are several dynamics that will be set in motion as these consumer education and technology expos march across the U.S. Several of the major stakeholders in the analog to digital transition will be a part of this “road show” initiative. Briefings, intended to remove consumer confusion about the digital transition, DTV and HDTV options, available HDTV content and future plans of program providers, along with live demonstrations and participant exhibits are foundational to creating an Advertising and PR “buzz” in each specific market. National advertising and PR will continue the momentum established in each selected DMA as these

events grow and climax as the digital transition date approaches. Manufacturers of DTV and HDTV products and accessories; HD program providers; local network affiliates; and local retailers will be invited, and selected for suitability, to participate in The *HDTV* Expo. Each participant will be expected to do their own part in generating enhanced public awareness of the analog to digital transition and the Coupon Program. These combined efforts will help to smooth the path to February 18, 2009. We have estimated that the budget required to effectively execute The *HDTV* Expo in all 30 selected DMA's is \$4,995,000 or \$166,500 each. The budget will cover the hard costs of doing these events as well as the required National Advertising and PR along with local advertising and PR in the form of television PSA's, print ads, radio ads and interviews "bag stuffer" literature for participating "certified" retailers and billboards. We have noticed that \$5,000,000 has been set aside for these "public awareness activities" as a part of the total \$990 million to \$1.5 billion budgeted for the entire Coupon Program.

- **Costs for Administering the Program** – It is the goal of HDTV Magazine, Affinity Marketing and especially The *HDTV* Expo to drive the maximum number of consumers to procure new DTV's and HDTV's in the time leading up to the digital transition date. By doing so, less coupons will be required by qualified consumers from the NTIA within the context of the Coupon Program. Since no one truly knows the correct number of households that will ultimately need/require digital-to-analog boxes to watch TV on their existing analog TV sets, and this fact has been illustrated in testimony before Congress, it is clear that many agree that it would be difficult to project accurate needs of either digital-to-analog boxes or a Coupon Program to subsidize these converter boxes. We totally agree. However, after careful consideration and experience, we are convinced that the amount that Congress has allocated to the NTIA (\$160,000,000) is substantially more than would be required. It is our contention that the combined effort and experience of the staff of HDTV Magazine, Affinity Marketing and The *HDTV* Expo trainers and participants can work effectively and efficiently to cut costs significantly in the administration of the Coupon Program. We view this as a scaleable project that has different needs as we progress towards the analog shutoff date. We believe that the best approach would be to view this as a "cost plus" project. In order to give all of our participants' proper incentive and motivation to effectively execute the program, we propose a cost plus 15% mark-up on each element of the project (with the exception of postage, which would be billed at actual postage rates). NTIA would be granted audit access to the books and records of the project to validate all the elements of "cost" and that proper billing takes place.

## **Comments on Project Requirements: Meeting Objectives of the Coupon Project**

**Consumer Education for households relying upon OTA and needing a \$40 subsidy purchase a DTA converter box** -- The staff of Affinity Marketing is uniquely qualified to handle consumer education both through Marketing Materials, PSA's, conventional advertising and other PR that will stem from The HDTV Expo as it moves around the U.S. We are immediately available to start the process to educate consumers about the following:

- That analog TV's can remain operational after the transition using the DTA converter box;
- That the U.S. government will help defray the cost of the box;
- That will teach consumers how to request this financial assistance;
- That will identify which DTA boxes can be purchased with the subsidy;
- That will identify where the boxes can be purchased; and,
- How to redeem the coupons.

**Coupon Availability and Fulfillment** -- We see no problem in having coupons available that will comply with minimum levels of waste, fraud and abuse by January 1, 2008 and within the Coupon Program ensure that:

- Consumer requests for coupons are received, qualified and fulfilled in a timely manner,
- Consumer requests for coupons are verified for household eligibility; and
- That coupons and information on eligible boxes are sent timely through the U.S. mail.

**Eligible Converter Boxes** -- When a list of eligible converter boxes is established a list of these boxes, along with model numbers and serial number parameters need to be provided to our IT department, so they can be entered into a database and cross checked for validity when a coupon redemption request is made.

**Retailer Education** -- We are prepared to train retailers Nationwide, both in Regional "train the trainer" meetings and at The HDTV Expo all around the U.S. Efficiency and timing is a critical element when planning and executing upon a massive, timely Retailer Training Program. We agree that Retailers need to not only be aware of the Coupon Program but other things, such as:

- The DTV converter boxes that are eligible for the subsidy;
- How to accept coupons;
- How to redeem coupons; and,
- The audit requirements for the Coupon Program.

Retailers, (including store management and sales staff and cashiers) will be put through a standard certification program that documents their knowledge and ability to execute details surrounding the Coupon Program.

**Coupon Operations** -- The objective of having minimum levels of waste, fraud and abuse based upon a reasonable investment in security. The following objectives can be met.

- The coupon design will have both serial numbers and promo codes on the face of the coupon. Both numbers must be validated as being true and accurate and tied to each specific certified Retailer. This will service to minimize/eliminate the occurrence of WTA;
- The household verification method will be incorporated in the Application for a Coupon as well as in the script used by a trained, competent call center. These will minimize/eliminate WTA;



- By conducting retailer certification training, WTA will be minimized/eliminated.
- Our existing and created management information systems will provide for the daily tracking of coupon requests, distribution and redemption; and,
- The audit functions that we incorporate will provide timely tracking and alerts to threats of WTA.

Senior Management at Affinity Marketing and HDTV Magazine has over 50 years of combined experience in “the distribution business”. Hundreds of millions of boxes and dollars have passed through the warehouses under the control and management of our Senior Staff. In addition, the accounting departments and IT departments that were built worked successfully and efficiently in the processing of thousands of varied payments to thousands of retailers across the U.S. every week. Working in a “deadline environment” and dealing with critical issues that require action and resolution in a timely manner, are things with which we are very experienced and qualified. Therefore, there would be no adverse effects (either actual or perceived) to DOC/NTIA or the digital transition due to problems in coupon operations.

**End-to-end execution of the Coupon Program --** HDTV Magazine, Affinity Marketing and The HDTV Expo has the necessary resources and support personnel to meet the task requirements of the Statement of Work (to be provided by NTIA). We also have the ability and experience to support urgent, unforeseen project assignments directly related to the program. We are used to responding quickly and mobilizing an adequate, well-trained work force to initiate performance of new assignments. Our staff has, or has access to, multi-disciplined professional expertise such that a multitude of tasks can be simultaneously performed without sacrifice to technical quality. We also have the ability to draw upon multi-lingual talent to facilitate execution of the Coupon Program. We can adhere to early planning activities, programming, project management, budget formulation, budget execution, performance reporting and analysis, and program closeout. And, we can comply with the operating methods required by legislation. We see no problem in complying with the list of time limits and deadlines required in the Act. We will comply with the issues that are a part of the Final Coupon Program Rulemaking including the final definition of eligible households, the information necessary to prepare educational materials for consumer education, retailer certification and other communication media. We believe that our “cost plus” approach to bidding this unique project is the most fair and reliable way to proceed. We welcome any reviews by any independent verification and validation contractor.

**Qualifications to perform Coupon Program activities –** We have previously provided the qualifications and capabilities of the principals and their respective companies. We know how to create and conduct public information campaigns and fully expect that The HDTV Expo and its participants will bring much light to bear on the analog-to-digital transition (both locally and nationwide). We believe these series of 30 Expo’s offer the NTIA a “best practices” tactic that no one else appears to have in motion. As previously stated, these Expo’s will create massive PR and consumer awareness all across the U.S. We can effectively and efficiently develop and operate a coupon distribution and redemption system to mirror the same “best practices” in managing the tracking and flow of tens of millions of varied pieces of inventory worth hundreds of millions of dollars; weekly payments made to thousands of Retailers and the tracking and record keeping necessary for accurate performance that can be audited and validated. As stated previously, Mr. Bruce and Mr. Walczak have over 45 years of combined experience in distribution and in various redemption and payment programs that have impacted weekly payments made to over 10,000 retailers. In addition, Mr. Bruce has personally developed and completed over 200 day long retailer-training seminars. A long list of exceptionally positive performance evaluations from attendees evidence the “best practices” Mr. Bruce employs in creating and delivering the course material. Mr. Walczak has developed, conducted and participated in over 100 retailer-training seminars and certification programs throughout his career.

**Waste, Fraud and Abuse (WFA)** -- Our prior experience in handling products, paperwork, installation and service payments, activation commissions and quarterly residual payments and co-op advertising programs as a member of the distributor teams that handled DIRECTV, DISH Network, and PrimeStar retailers, taught us how to minimize (even eliminate) WFA. Systems and people were trained and put in place that could catch duplication errors, overpayment errors, and manage the details necessary to track the flow of millions of pieces of UPC coded boxes and serial numbered electronics to over 10,000 retailers nationwide. Beyond that, audit trails were established that (in the instance of both Dish Network and PrimeStar) could track inventory and activations right to the consumer subscriber level. We know how to set-up backroom operations to accomplish such tasks and have current partners who have existing staff and backroom operations that would be prepared to support and begin the required operations in a timely manner.

**The list of activities associated with the Digital to Analog Converter Box Program** – HDTV Magazine, Affinity Marketing and The HDTV Expo are prepared to handle all the items contained in the list of activities (Coupon Distribution; Coupon Redemption; Retailer Certification; and, Consumer Education) described in greater detail on page 5 of 8 in the NTIA Statement of Requirements. We would like to make a few suggestions related to this list:

- **Coupon Design & Distribution** – We suggest a paper coupon (for cost reasons) wherein each coupon has its own unique serial number and a series of coupled promo codes that would change after each 500,000 Coupons are printed it may be possible that special watermarked paper or ink could be used to minimize fraud and abuse. Multiple systems can be established to facilitate the intake of consumer requests for coupons such as mail requests, Internet requests, phone requests and requests through certified retailers. Avoidance of duplicate requests could be tied to the collection of mailing addresses of analog TV households. Coupons would be able to be tracked whether they would be sent directly to consumers or sent to retailers in specified requested quantities.
- **Retailer Certification and Consumer Education** – We think the best approach to this is to hold regional “train the trainer” retailer training and certification programs. These events could take place and be scheduled in all of 2007 and at The HDTV Expo events that take place in 2007 (prior to the January 1, 2008 date when the first coupons would be distributed). The HDTV Expo plus our previous experience and contacts in PR and in producing coherent messages (like PSA’s) and our independent posture is the right vehicle to pull together participation of interested stakeholders and partners into the consumer awareness campaign. This includes the actual production of materials in a wide variety of media.

**Response Content** -- We have substantiated our capability to provide solutions and services necessary to implement and administer the Coupon Program previously in this document. We have also indicated that we believe that we can assist in creating industry dynamics through PR, consumer awareness and The HDTV Expo events whereby the amount of coupons required by consumers would be substantially less than anticipated. We also believe that the \$160 million budgeted for Administration of the program due to lower demand is also too high. Therefore we propose a “cost plus” approach to the project. We do think that the \$5,000,000 provided for Consumer Awareness is (under normal circumstances) too little. However, we strongly believe we have the capability to pull together the various stakeholders in order to increase this budget. Everyone’s combined activities along with the approx. \$5,000,000 we are requesting to fund both The HDTV Expo costs and other consumer awareness initiatives can more than accomplish the Coupon Program consumer awareness goals.

**Section 1 -- Comments on Project Objectives and Time Frame** – We have commented on our abilities in other sections of this document. Based upon our experience, at this time, we can see no

apparent risks in implementing such a program, especially if responsible efforts are made to minimize or possibly eliminate the likelihood of WFA. Mitigation techniques would, in our opinion, have to be identified, addressed and executed upon if and when the need arises. When dealing with consumers and retailers there is no crystal ball other than experience that more effectively deals with WPA.

**Section 2 -- Corporate Capability and Approach** – We have commented on our ability to offer an end-to-end provider for this program and why we believe that the NTIA should select us to accomplish it's goals in the Coupon Program.

**Section 3 -- Proposed COTS Products and Solutions** – We would use our established relations with commercial printers, mail houses, call centers and back room operation as previously described in this response document to efficiently and effectively execute an end-to-end solution to the Coupon Program.

**Section 4 -- Past Performance** – We have provided information about our approach and experience for implementing projects comparable in nature, size, scope and complexity in other portions of this response.

**Section 5 -- Rough Order of Magnitude and Cost Estimates** – We are experienced in positioning ourselves as “the low-cost provider” with no sacrifice to quality or performance. Again we believe that (with the exception of the consumer awareness budget) the already allocated \$160,000,000 for Program Administration is too high. We also believe that the entire project needs to be viewed in a scalable fashion.

Since this is a preliminary contractor qualification request by NOAA/NTIA, we reserve the right to revise and/or extend our remarks in order to be more responsive to specific questions posed by the U.S. Government.

We thank you for the opportunity to participate in the process and welcome your questions and comments.

Sincerely,

**HDTV Magazine**

Dale Cripps

**Affinity Marketing**

Ron Bruce

**The HDTV Expo**

Chris Walczak