

Before the  
NATIONAL TELECOMMUNICATIONS AND  
INFORMATION ADMINISTRATION  
Washington, DC 20230

In the Matter of )  
 )  
Implementation and Administration of a ) Docket No. 060512129-6129-01  
Coupon Program for Digital-to-Analog )  
Converter Boxes )  
 )

**COMMENTS OF ENTRAVISION HOLDINGS, LLC**

Entravision Holdings, LLC (“Entravision”), the licensee of 50 full-service, Class-A, and low-power Spanish-language television stations in 20 of the top 50 Hispanic markets in the United States, by its attorneys, hereby responds to the above-referenced Notice of Proposed Rulemaking<sup>1</sup> issued by the National Telecommunications and Information Administration (“NTIA”).

In the *NPRM*, NTIA seeks comment on its proposed implementation and administration of a coupon program for digital-to-analog converter boxes mandated by Congress in the Digital Television Transition and Public Safety Act of 2005.<sup>2</sup> Based on its experience operating broadcast television stations for Latino viewers, Entravision wishes generally to emphasize the importance of this proceeding with respect to Hispanic television viewers, who continue to rely heavily on over-the-air analog reception. More specifically, Entravision wishes to call NTIA's attention to the unique circumstances of Spanish-speaking viewers in communities adjacent to the common border with Mexico. Securing the participation of local Hispanic viewers in the DTV transition will require a sustained, committed effort on the part of both the public and

<sup>1</sup> 71 Fed. Reg. 42067 (July 25, 2006) (“*NPRM*”).

<sup>2</sup> Title III of the Deficit Reduction Act of 2005, Pub. L. 109-171, 120 Stat. 4, 21 (Feb. 8, 2006) (the “DTV Transition Act”).

private sectors in these communities due to a confluence of factors, including the availability of analog signals from Mexican television stations, generally low per capita income levels as well as language and cultural barriers. As part of that effort, Entravision urges NTIA specifically to set aside funds for those border areas served by full or low-power Spanish-language broadcast stations. In support thereof, Entravision states as follows.

**I. HISPANIC VIEWERS AND BORDER COMMUNITIES REQUIRE TARGETED EFFORTS AND FUNDING**

In the *NPRM*, NTIA notes the myriad difficulties involved in identifying those households that rely exclusively on over-the-air analog service,<sup>3</sup> and requests comment on "ways primarily to target those specific households that only receive over-the-air television broadcast signals."<sup>4</sup> Entravision submits that Spanish-speaking households comprise a disproportionately large percentage of those households relying exclusively on over-the-air analog television service. Further, within the Hispanic population itself, viewers in communities along the US/Mexico border are particularly at risk for being left behind by the digital transition. As such, NTIA must take Hispanic viewers in border areas into special consideration as NTIA develops rules and guidelines for the converter box coupon program.

**A. Hispanic Viewers and Over-the-Air Analog Reception**

As numerous parties elsewhere have pointed out, approximately one in three Spanish-language households receive their programming exclusively over-the-air.<sup>5</sup> By way of

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<sup>3</sup> See *NPRM* at 42071 (citing United General Accounting Office, GAO-06-623T, *Digital Broadcast Television Transition: Several Challenges Could Arise in Administering a Subsidy Program for DTV Equipment* (2005) ("*GAO Subsidy Program Report*").

<sup>4</sup> *Id.*

<sup>5</sup> See, e.g., *Comments of Entravision Holdings, LLC*, Federal Communications Commission MB Docket No. 04-210 (July 12, 2004) ("*Entravision OTA Comments*") at 1-2 (noting only 72% of Hispanic homes subscribe to cable or satellite, as compared to 85% subscription rate among all households); *Comments of Univision Communications Inc.*, Federal

comparison, exclusive over-the-air reliance among the population at large falls somewhere between 15 and 20 percent.<sup>6</sup> Moreover, the number of Hispanics relying exclusively upon over-the-air service may be increasing rather than decreasing.<sup>7</sup>

Two important factors help explain the high incidence of over-the-air viewership among Hispanics. First, broadcast television historically has been the only substantive source of quality Spanish-language programming, and it remains the best source of such programming today. Second, in sharp contrast to the many other video programming providers in the market, over-the-air television is free.

Nearly 50 percent of Hispanic households exclusively watch Spanish-language programming.<sup>8</sup> While cable and satellite providers have begun to focus on the Hispanic market, until recently their Spanish-language offerings were minimal, giving Latino viewers little incentive to pay for cable or satellite when over-the-air television better served their needs. Today, broadcast networks such as Univision, Telefutera, Telemundo and Azteca continue to provide the highest quality and best variety of Spanish-language programming.

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Communications Commission MB Docket No. 04-210 (Aug. 11, 2004) ("*Univision OTA Comment*") at 8 (noting that 33% of Hispanic households nationwide receive programming solely over-the-air); *Reply Comments of Univision Communications, Inc.*, Federal Communications Commission MB Docket No. 04-210 (Sept. 7, 2004) ("*Univision OTA Reply Comment*") at 4 (noting that in addition to 33% of Hispanics who receive all their programming over-the-air, another 7%, comprised of DBS subscribers, receive their local programming exclusively over-the-air).

<sup>6</sup> See *NPRM* at 42071 (citing legislative history to the DTV Transition Act, H.R. REP. NO. 109-362, at 201 (2005) (Conf. Rep.), for 14.86% over-the-air statistic, and the *GAO Subsidy Program Report* for 19%).

<sup>7</sup> See *Univision OTA Comments* at 9; *Univision OTA Reply Comments* at 4.

<sup>8</sup> See *Entravision OTA Comments* at 4.

In addition to the superior quality of broadcast programming, it is also a bargain. While the costs of subscription services continue to rise,<sup>9</sup> over-the-air television remains free to the public. Given an increasingly expensive video marketplace, the well-documented correlation between over-the-air viewership and lower income households is hardly surprising.<sup>10</sup>

The fact that broadcast television is free together with the traditional role of broadcasters in providing Spanish-language programming go a long way in explaining why Hispanics represent a large, concentrated segment of the remaining over-the-air audience. In light of these conditions, NTIA should focus special attention on Spanish-speaking television viewers as it undertakes its consumer education campaign and begins to implement the digital-to-analog converter box coupon program.

Not only must all coupon-related materials, including informational materials and application forms, be made available in Spanish as well as English, but NTIA should direct additional resources to markets with sizeable Hispanic populations for the development of specialized outreach programs. Spanish-language broadcasters and other stakeholders have very strong incentives to bring the DTV transition to Hispanic viewers in these markets, and these private parties will do all they can to educate Hispanic audiences about the transition from analog to digital television. However, NTIA can boost the effectiveness of private sector efforts by recognizing Hispanic households as a distinct and sizeable subset of the target over-the-air audience, and by developing specific measures to reach Hispanic viewers. An official NTIA-sponsored Hispanic outreach program will help unite the separate efforts of private parties into

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<sup>9</sup> See, e.g., *Annual Assessment of the Status of Competition in the Market for Delivery of Video Programming*, 19 FCC Rcd 1606 (2004) at ¶ 10 (noting high costs of cable television).

<sup>10</sup> See, e.g., *Comments of The Association of Public Television Stations*, Federal Communications Commission MB Docket No. 04-210 (Aug. 11, 2004) ("*APTS OTA Comments*") at 9.

one common cause with a clear and distinct message concerning the transition to digital television and the converter box coupon program.

**B. Exceptional Efforts Required in Border Communities**

While Hispanic viewers will generally require heightened attention throughout the DTV transition, those Hispanic viewers residing in border communities in close proximity to Mexican television stations are a matter of even greater concern. Ensuring that Hispanic households in border communities do not become casualties of the DTV transition constitutes one of the most pressing challenges facing government agencies and private actors responsible for guiding the public through the transition from analog to digital television.

**1. Special Circumstances Presented by Border Communities**

As a matter of public policy, the DTV transition is well underway in the United States. Congress has set February 17, 2009 as the final deadline for the transition to digital television, and the Federal Communications Commission has taken numerous steps to ensure that US broadcasters are preparing to switch from analog to digital operation. The United Mexican States, on the other hand, have applied a much more relaxed timetable to the DTV transition.

Mexico only recently set 2013 as the deadline for digital operations. At this time, Entravision is not aware of any actions that the Mexican government has taken to require Mexican television stations to operate only in the digital mode. Thus, it is clear that Mexican stations will continue to operate in the analog mode long after US broadcasters have transitioned to digital operations. This disparity will have serious consequences for Spanish-language broadcasters and viewers located in border communities, as Mexican programming will remain

available in the analog mode while US programming will only be accessible via digital television sets, digital converters, cable or DBS.<sup>11</sup>

As discussed above, one of the principal reasons that over-the-air viewership remains high among Hispanics is that cable and satellite's Spanish-language offerings are relatively limited, whereas broadcasters typically offer a wide variety of Spanish-language programs. Nowhere is this more evident than in border communities, where the availability of analog signals from US and Mexican stations contributes to exceptionally high over-the-air viewership rates. DMAs covering border towns have some of the highest percentages of over-the-air reliance in the country. For example, Harlingen-Weslaco-Brownsville-McAllen, Texas ranks first at 40.4 percent, El Paso ranks fourth at 31.7 percent, Laredo ranks eleventh at 26.4 percent and Yuma-El Centro, CA ranks twenty-fifth at 22.5 percent.<sup>12</sup> Not surprisingly, many of these same areas have some of the lowest per capita income levels in the country.

Given these market conditions, Entravision fears that many Hispanic viewers in border towns will simply substitute Mexican stations for US stations in order to continue with analog service rather than migrate to digital television by purchasing new digital receivers or

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<sup>11</sup> Section 704 of H.R. 5252, the Advanced Telecommunications and Opportunity Reform-Communications Opportunity, Promotion, and Enhancement Act (as originally approved by the Senate Committee on Commerce, Science and Transportation in S. 2686), recognizing the unique conditions along the border, provides for a further two-year period for border Spanish-language stations to continue analog transmissions after the February 17, 2006 digital transition date. At the present time, the fate of the bill remains uncertain. Even if the bill passes, the efforts of the NTIA will remain indispensable to the digital transition in border communities two years further down the road.

<sup>12</sup> See *APTS OTA Comments* at Appendix A. Entravision is the licensee of a number of television stations in these areas, including Station KVYE(TV), El Centro, California, Station KBNT-CA, San Diego, California, Station KINT-TV, El Paso, Texas, Station KTFN(TV), El Paso, Texas, Station KLDO(TV), Laredo, Texas and Station KNVO(TV), McAllen, Texas.

converter.<sup>13</sup> In case the term 'border town' creates the sense that this is a limited problem, Entravision notes that nearly 14 percent of all US Hispanic households are located in markets touching the Mexican border.<sup>14</sup>

Beyond the detrimental effects of such a situation on the operations of US Spanish-language broadcasters, it also poses serious problems for border residents and local governments. Border communities face their own unique set of serious issues and concerns, including homeland security, border immigration and extreme weather conditions. In response to the specific needs of these communities, US stations on the US/Mexico border provide important news and public affairs programming as well as information on weather and other emergencies, including notices to the visually and hearing-disabled. Significantly, Mexican stations do not provide these same services. Such differences will become dire problems when emergencies arise and public safety agencies seek to mobilize residents through messages delivered by local television broadcasters.

The continuing appeal of analog service for Spanish-language television viewers in border communities directly undermines the ability of US broadcasters to insure that such viewers remain an informed part of the public. Without persistent efforts on multiple fronts to inform Spanish-speaking viewers about, and to include them in, the DTV transition, an entire segment of Spanish-language viewers will no longer have access to the news, public affairs and entertainment programming available to the rest of the American people. Such programming amounts to an essential component of our shared public culture, and the virtual foreclosure of this culture to Hispanic residents in border communities is unacceptable. The converter box

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<sup>13</sup> Other parties have expressed similar concerns. *See, e.g., Univision OTA Comments* at 11 (noting competition US border stations face from their Mexican counterparts, and that in Laredo and Harlingen markets, nearly half of all prime time viewing goes to Mexican stations).

<sup>14</sup> *See Univision OTA Comments* at 10.

coupon program represents a crucial tool available to public and private actors determined to prevent this from happening.

Given the importance and difficulty of this issue, Entravision submits that market forces or the trickle-down effect of a general ad campaign cannot be counted upon to bring digital-to-analog converter boxes to all the Hispanic households that need them. NTIA must take extra steps to ensure the success of the converter box coupon program in these areas.

## **2. Extra Promotional Efforts and Funds for Border Communities**

NTIA, along with local broadcasters and other stakeholders, must undertake extensive promotional campaigns and conduct specialized outreach programs to encourage local viewing populations to participate in the coupon program and the DTV transition. Using the successful transition to digital television in Berlin as a model, NTIA, local governments, broadcasters and other stakeholders should essentially inundate Hispanics in border communities with information on the DTV transition and the converter box coupon program through all available means, including: (1) broadcast spots, running bar information and local news and current affairs coverage; (2) letters sent to every home in target areas concerning the analog shut-off and the coupon program; (3) leaflets, brochures and newsletters distributed through local retailers; (4) publications and public meetings of local associations and organizations; (5) print, press, radio and outdoor advertising; (6) telephone hotlines; and (7) an Internet website.<sup>15</sup>

Again, while the population as a whole could no doubt benefit from these efforts, it is absolutely critical that special consideration and exclusive funds are dedicated to Hispanics in border communities. Whatever the deficit in the general public's knowledge of the DTV transition, the numerous factors discussed above guarantee that markets on the US/Mexico

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<sup>15</sup> See *APTS OTA Comments* at 27.



border viewers will prove particularly resistant to the DTV message. Many Hispanics living on or near the border may be accustomed to tuning out the official pronouncements and programs of the mainstream culture. Language differences, income differences and cultural differences will make these viewers harder to reach than average Americans. A financial commitment from the NTIA is necessary to reinforce public and private efforts to assure the full participation of border communities in the DTV transition. Accordingly, NTIA should reserve funds from (1) the general \$1,500,000,000 in coupon program funds, and (2) the limited \$5,000,000 allocated to consumer education, specifically for Hispanic viewers in border communities. In determining the amount of such funding, Entravision urges NTIA to set aside sufficient funds for coupons and specialized education and outreach programs for all border communities served by full or low-power Spanish-language broadcast stations.

## II. ELIGIBILITY REQUIREMENTS

With respect to NTIA's proposal to restrict eligible households to those that only receive over-the-air television signals using analog-only television receivers, thereby excluding households that subscribe to cable or satellite service,<sup>16</sup> Entravision urges NTIA to carve out an exception for any DBS subscribers who only obtain access to local stations through over-the-air analog service.<sup>17</sup> In markets where satellite providers do not provide local-into-local service, satellite subscribers remain as dependent upon over-the-air analog reception to view local broadcast television programming as those viewers who do not subscribe to any pay television service. Accordingly, satellite viewers who do not receive local stations from their satellite provider should be treated in the same manner and subject to the same eligibility requirements as exclusive over-the-air viewers.

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<sup>16</sup> See *NPRM* at 42068.

<sup>17</sup> See *Univision OTA Reply Comments* at 3.

With respect to establishing economic-based eligibility criteria for the program,<sup>18</sup> Entravision believes that NTIA should err on the side of over-inclusion rather than under-inclusion. A coupon for a converter box could prove indispensable for a number of households with incomes exceeding the designated poverty threshold.<sup>19</sup> For instance, a family of four with a combined income of \$40,000 would likely regard a \$100 converter box as a significant expense. For such a household, a \$40 coupon could bring an otherwise out-of-reach converter box within budget. Accordingly, Entravision believes NTIA should make the coupon available to all households certifying on the application form that they have an annual income of \$40,000 or less. NTIA's funding will be better spent on providing coupons to these additional lower-income households than on efforts strictly to enforce the poverty threshold.<sup>20</sup>

With respect to NTIA's proposal to honor valid coupon requests on a first-come, first-served basis until the money runs out,<sup>21</sup> as noted above, Entravision believes NTIA should provide specific set asides for Hispanic viewers in border communities. Public and private efforts to get the word out to Hispanic viewers, particularly in border towns, face a number of obstacles, including language and cultural differences and comparatively low income levels. Without set asides for this at-risk population, viewers with better access to information, and less actual need for the coupons, may deplete NTIA's limited resources. Accordingly, Entravision urges NTIA to set aside specific funds for Hispanic viewers in border communities. Within this special group of viewers, then, NTIA should honor requests on a first-come first-served basis.

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<sup>18</sup> See *id.*

<sup>19</sup> The 2005 poverty threshold is \$19,806 or below. See U.S. Census Bureau's Poverty Thresholds for 2005, <http://census.gov/hhes/www/poverty/threshold/thresh05.html>.

<sup>20</sup> See *GAO Subsidy Program Report* at 16-17 (noting that cost-effectiveness of fraud prevention efforts should be measured and that "systems to mitigate and prevent fraud may be costly and may not be worthwhile, especially if the value of the subsidy is low.")

<sup>21</sup> See *NPRM* at 42068.

If demand for the coupons is lower than expected,<sup>22</sup> Entravision suggests that NTIA review demand levels according to various geographic and demographic measures. In areas or among populations where demand is low, NTIA, together with local broadcasters and other stakeholders, should undertake additional educational and outreach efforts. NTIA should devote particular attention to whether predicted demand levels in Hispanic communities are being met.

### III. MISCELLANEOUS PROPOSALS

Entravision supports the use restrictions proposed by NTIA, including the suggested prohibitions on returning a converter box to a retailer for a cash refund or for credit toward the purchase of another item.<sup>23</sup>

With respect to the application process,<sup>24</sup> Entravision notes that all application materials must be available in Spanish as well as in English. Also, because Hispanics, particularly in border communities, may be accustomed to avoiding official programs involving government-related entities, additional efforts and special care must be taken to familiarize Hispanics with the details of the application process.

Entravision generally supports NTIA's proposal to set the coupon's expiration date as three months after the date the coupon is placed in the US mail,<sup>25</sup> but Entravision submits that NTIA should allow an additional 10-day grace period to cover any inconsistencies in mail delivery. NTIA also must establish a fair notice system of rights and responsibilities concerning undelivered coupons, late-delivered coupons, expired coupons, and related matters. A certain degree of program error as well as consumer confusion is to be expected, and Entravision

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<sup>22</sup> *See id.*

<sup>23</sup> *See id.* at 42069.

<sup>24</sup> *See id.*

<sup>25</sup> *See id.*

submits that limited forgiveness provisions with respect to lost and/or expired coupons, including the right to revive, are only fair and reasonable.

With respect to the identification of converter boxes,<sup>26</sup> Entravision submits that NTIA should provide materials along with the coupons listing approved converter boxes. Again, these materials must be available in Spanish as well as English. Also, multilingual displays should be set up in retail establishments and identifying stickers should be affixed to the boxes themselves.

With respect to retailers,<sup>27</sup> Entravision notes that NTIA must ensure that retailers serving the Spanish-language audience are sought out and encouraged to participate in the coupon program. Sufficient funds should be allocated to the identification and recruitment of popular retailers in target areas such as border communities.

With respect to installation, Entravision submits that the process must be as simple and self-explanatory as possible. That being said, user-friendly instructions must be provided, and they should be multilingual and come with accompanying illustrations. Further, a hotline with multilingual technicians should be available to answer consumer inquiries.

## CONCLUSION

Entravision commends NTIA's efforts to address the many difficult issues involved in planning and implementing the digital-to-analog converter box coupon program. Entravision generally supports NTIA's proposals, but wishes to emphasize that the success of the program will turn largely on NTIA's success in identifying and reaching those viewers most at risk for getting left behind by the DTV transition. In these comments, Entravision has identified Hispanic households as a significant set of such viewers, particularly those residing in border communities. Entravision urges NTIA to recognize and address the unique set of factors

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<sup>26</sup> See *id.* at 42070.


<sup>27</sup> See *id.*

complicating the transition from analog to digital television in these border markets by undertaking specialized coupon distribution, education and outreach efforts and setting aside specific funds for these purposes. It is only through such targeted efforts on the part of NTIA, local broadcasters and other stakeholders that the participation of Hispanic viewers in the coupon program and the DTV transition will be assured.

Respectfully submitted,

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By:



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