

Implementation of a Coupon Program for Digital-to-Analog Converter Boxes: NPRM



The Garden City Group, Inc.

The Garden City Group, Inc.
November 14, 2006

Critical Elements of Coupon Program

“Limited funds for program administration dictate the need for good management – criteria such as efficiency, effective tracking and accountability, ease of customer understanding and administration, and fairness.”

- OMB, Cost Benefit Analysis

- ✓ **Timing:** Remaining on schedule to preserve “hard date.”
- ✓ **Consumer education:** Ensuring reach to consumers who most need information, assistance.
- ✓ **Preventing waste, fraud and abuse**
- ✓ **Cost effective administration**
- ✓ **Effective tracking and accountability:** Need for transparency at all levels of program administration.
- ✓ **Ease of use and fairness**

Focus: Challenges of Consumer Education

- ✓ **Lack of awareness:** Understanding of DTV transition has improved, but a need remains to reach consumers widely.
- ✓ **Reaching households with greatest need:** Low-income households, older Americans, those with special needs.
 - About 48 percent of exclusive over-the-air viewers have household incomes < \$30,000 (GAO).
- ✓ **Program accessibility for all eligible consumers,** including those with physical disabilities.
- ✓ **Language:** Must not be a barrier to participation.
 - GAO: About 28 percent of Hispanic households rely on over-the-air TV.
- ✓ **Limited resources:** Congressional mandate that education on consumer awareness be restricted to \$5 million.
- ✓ **First-come, first served:** NTIA proposal that valid coupon requests will be served on first come, first served basis until funds spent.

Way Forward: Consumer Education

- ✓ **Ecosystem of support:** Bringing together multiple stakeholders to share messaging, harmonize efforts.
 - Advisory Council approach;
 - Reliance on existing and interlocking webs of community support (i.e., local councils on aging, disability assistance organizations, public TV affiliates).
- ✓ **Broad Accessibility:** Individuals with special needs, including hearing disabilities, must have access to meaningful and timely information.
 - TTY accessibility in calling centers.
 - Ability for consumers without Web access to use hotlines for information on eligibility, installation, retailers.

Way Forward: Branding Awareness Efforts



Targeted Education: Need to “brand” DTV transition and coupon program to increase awareness.

- Bringing visibility and near “instant recognition” to certified products, retailers, information (i.e., U.K. Digital Tick Logo);
- Multiple stakeholders – one “look;”
- Scope of solutions: Town meetings, rollout of information to eliminate consumer confusion on eligibility, where and how to purchase boxes, how to install, how to apply for coupons.

Way Forward: Multilingual Access

Targeted Outreach

- ✓ Multilingual call center capabilities;
- ✓ Outreach materials targeted to Spanish-language publications, community-based support networks.
- ✓ Materials regarding coupon applications, Web portals, eligibility, installation instructions and where to shop that are geared toward multiple languages.
- ✓ Reliance on Spanish-language TV and radio broadcasters.
- ✓ Spanish-language material on NTIA, FCC Web sites.
 - <http://www.dtv.gov/espanol.html> is useful start.
- ✓ Media kits in Spanish and other languages.

Way Forward: Broad Consumer Reach

Need to reach diverse group of eligible consumers with targeted, coordinated information:

- Rural consumers: Providing means for online purchases for consumers who do not live near brick-and-mortar retailers.
- Older consumers: Ensuring assistance (i.e., hotlines) is available for installation, filling out applications, preventing fraud.
- Spanish-speaking consumers: Utilizing local businesses and programs (i.e., English as a second language).
- Consumers not online: Ensuring multimedia awareness effort targets applications, coupons, educational information by mail, phone center, community-based resources (i.e., libraries).

Conclusion: Next Steps

- Regulatory Certainty: Useful for NTIA to release rules on issues raised on NPRM (i.e., eligibility) as soon as possible to facilitate planning for DTV transition.
- Multiplier Effect: Need for multi-stakeholder approach to ensure multiplier effect for \$5 million allowed for consumer education.
- Problem solving: To extent feasible, continuation of public dialogue on key policy issues (i.e., availability of eligible boxes, etc.)

Backup Slides

GCG: Who We Are

The Garden City Group Inc. (GCG) is a leading administrator of complex matters:

- Technology-focused: gathering, organizing, analyzing, dispensing high-volume, sensitive data;
- Multi-disciplinary team (experts from IT, management, and law).
- Accountability driven;
- Experience in outreach to targeted groups, with unique user needs.

Submitted comments in NTIA docket: Relayed expertise in designing programs that involve identical capabilities needed to ensure timely, fair administration of DTA coupon program.

Other Issues: Coupon Logistics

- **Serial numbers:** Would help to minimize fraud and abuse; easy to implement.
- **Need for Transparency:** Ensuring transparency of processes for auditable program.
- **Outreach:** Assuring that program occurs on time and without disruption.
- **Paper versus plastic:** Not substantial cost differential between paper and plastic:
 - Paper would require more extensive measures for fraud control;
 - Plastic can be customized with consumer information to mitigate fraud, abuse;
 - Consumers tend to place greater value on plastic versus paper.

Structure of DTV Transition

Converter box coupon program is key to Congress, NTIA staving off concerns that TVs will “go dark” when transition takes effect.

- Deficit Reduction Act of 2005 set February 18, 2009 as the cutoff date for analog TV broadcasts and created a fund – to be administered by NTIA – of up to \$1.5 billion to provide up to two \$40 vouchers per household to buy set-top converter boxes.
 - Converter boxes expected to cost \$50-\$60 each.
 - Boxes will let viewers continue to use analog TVs for over-the-air reception *and* improve picture quality and enable viewers to receive multi-cast programming.