



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

June 30, 2008

Honorable John Dingell, Chairman  
Committee on Energy and Commerce  
US House of Representatives  
2125 Rayburn HOB  
Washington, DC 20515

Dear Chairman Dingell:

Thank you for this opportunity to follow-up on my letter dated March 31, 2008, responding to your request for my views on whether additional funds may be needed for the TV converter box coupon program. I continue to share your concern that no consumer should be left unprepared for the DTV transition as a result of insufficient funding of the TV converter box coupon program.

As you note in your letter, Section 3005 of the Deficit Reduction Act set aside \$1.5 billion for the TV converter box coupon program. After administrative costs, those funds will provide 33.5 million coupons. Pursuant to the rules adopted by NTIA for the program, the first 22.25 million coupons are available to any households, and the last 11.25 million coupons are available only to homes that do not subscribe to a cable or satellite service.

According to the NTIA's statistical data, as of June 25, 2008, a total of 18,230,099 coupons had been requested by US households with a resulting commitment of \$657,639,127 of the initial funding amount of \$890,000,000. Thus, there are only 4,269,901 coupons left to be redeemed from the original 22.25 million coupons that are available to any households and a total of \$232,360,873 of the \$890,000,000 left available to accommodate these requests.

NTIA's data further indicates that it is receiving coupon requests from consumers at a rate of about 104,172 per day. At this current rate of receipts, and without considering other variables that could impact program costs, such as coupon request denials, actual redemption rates, and coupon re-issuances the initial funding phase of the program could close in about 55 days.

However, more information regarding the redemption rate of the over 18 million coupons requested is needed in order to fully assess the funding needs of the coupon program. In recent testimony, NTIA stated that more robust redemption data will be available by July 1, 2008. I understand that NTIA may soon consider the feasibility of reissuing coupons that may expire due to non-redemption by consumers. The FCC is committed to working with NTIA to review and analyze the redemption rate data, and other relevant information, as they become available.

Thank you for your interest in this very important matter. As you have requested, I will update my assessment of the funding needs of the converter box coupon program on September 30, and December 31. Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin J. Martin". The signature is written in a cursive style with a large, sweeping initial "K".

Kevin J. Martin