

United States Senate

SPECIAL COMMITTEE ON AGING

WASHINGTON, DC 20510-6400

(202) 224-5364

June 15, 2007

Philip J. Schoonover
Chairman, President, and CEO
Circuit City Stores, Inc.
9950 Mayland Drive
Richmond, VA 23233

Dear Mr. Schoonover:

As Chairman of the Special Committee on Aging, I am particularly concerned about the February 17, 2009 scheduled transition from free over-the-air analog television to digital television (DTV) and its potential impacts on our nation's seniors. Accordingly, I am examining industry initiatives intended to educate the elderly and assist them with the transition. The Senate Special Committee on Aging (Committee) intends to highlight innovative and resourceful ideas retailers will use to educate the public about the DTV transition and to assist their consumers in making informed purchases when upgrading to DTV compatible equipment.

The DTV transition must occur seamlessly without any disruption in service for the millions of seniors who will be affected. Unfortunately, I am concerned that a majority of older Americans are not sufficiently aware of the upcoming transition and its implications. A recent survey of over-the-air viewers conducted by the National Association of Broadcasters (NAB) revealed that over half of the respondents had "seen, read, or heard nothing" about the transition to digital television, and only 10 percent were able to guess that the transition would occur in 2009. According to the NAB, approximately 19.6 million households rely exclusively on free over-the-air broadcasts. In over 40 percent of these households, there is at least one person over the age of 50.

Older Americans, particularly those that are homebound, disabled, live in rural areas, have limited English proficiency and/or are low-income, will be extremely vulnerable to the DTV transition and related fraudulent schemes. Certified retailers that honor the National Telecommunications and Information Administration's (NTIA) Digital-to-Analog Converter Box Coupon Program (coupon program) should provide clear and concise assistance to seniors. Many seniors that utilize free over-the-air television and cannot afford to upgrade to cable, satellite or a television with a digital tuner may need guidance and assistance to purchase and install a coupon-eligible converter box. Seniors will also need to be wary of the "up-selling" of products that do not qualify for the coupon program at the point of sale.

As the second largest consumer electronics retailer in the nation and a member of the DTV Transition Coalition, Circuit City Stores, Inc. could play a major role in educating consumers, other retailers, and its employees about the DTV transition and the coupon program. To that end, please provide the Committee with answers to the following questions:

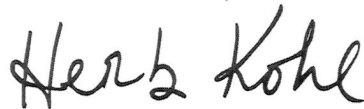
- Will Circuit City stores nationwide purchase and make available a sufficient amount of coupon-eligible converter boxes?

- Will Circuit City stores nationwide honor the NTIA issued coupons for the purchase of an eligible converter box?
- How will Circuit City indicate/identify which converter boxes are eligible for the coupon program?
- How will Circuit City assist customers, both on-line and in-store, in receiving the discount for coupon-eligible converter boxes?
- How will Circuit City assist customers with installing the converter boxes?
- How will Circuit City mitigate the “up-selling” of converter boxes to consumers seeking to purchase a coupon-eligible converter box?
- How will Circuit City mitigate the occurrence of fraudulent schemes that may target consumers once the coupon program is initiated?
- Has Circuit City considered initiating an industry-wide approach to identifying coupon-eligible converter boxes?

Older Americans represent a significant percentage of the households that will be affected by the February 17, 2009 DTV transition. As you develop guidelines and retail protocols, I hope you will consider the unique vulnerabilities of older Americans.

Thank you for your attention to this important issue facing our nation’s seniors. I would appreciate a written response by July 13, 2007. Should you have any questions, please feel free to contact Cherie Wilson of my Committee staff at (202) 224-5364.

Sincerely,

A handwritten signature in black ink that reads "Herb Kohl". The signature is written in a cursive, slightly slanted style.

Herb Kohl
Chairman