

# House Energy & Commerce Committee

*Joe Barton*  
Ranking Member

*Republicans*



## **DAILY NEWS SUMMARY** **Thursday, January 29, 2009**

Joe Barton



## House defeats bill to delay digital TV transition

By JOELLE TESSLER – 2 hours ago

WASHINGTON (AP) — Bucking the Obama administration, House Republicans on Wednesday defeated a bill to postpone the upcoming transition from analog to digital television broadcasting to June 12 — leaving an estimated 6.5 million U.S. households unprepared for the currently scheduled Feb. 17 switchover.

But the battle over a delay may not be over, with some predicting the House will take up the measure again next week.

Wednesday's 258-168 House vote failed to clear the two-thirds threshold needed for passage in a victory for GOP members, who warn that postponing the transition by four months would confuse consumers.

House Republicans say a delay also would burden wireless companies and public safety agencies waiting for the spectrum that will be freed up by the switch, and create added costs for television stations that would have to continue broadcasting both analog and digital signals for four more months.

The defeat is a setback for President Barack Obama and Democrats on Capitol Hill, who maintain that the Bush administration bungled efforts to ensure that all consumers — particularly poor, rural and low-income Americans — will be ready for next month's analog shut-off. The Obama administration had no immediate comment on the House vote.

Despite Wednesday's setback, House Democrats are not out of options.

Gene Kimmelman, vice president for federal policy at the Consumers Union, which has been lobbying for a delay, said he hopes the House will bring the bill up again for a regular floor vote, which would only require majority support to pass. Wednesday's vote took place under a special procedure that required two-thirds support for passage.

House Commerce Committee Chairman Henry Waxman, D-Calif., said he is working with the Obama administration and congressional leaders to explore all available options.

"A clear majority in Congress supports postponing the transition and providing assistance to the millions of households that are unprepared," Waxman said in a statement.

Wednesday's House vote came two days after the Senate unanimously passed the bill, sponsored by Senate Commerce Committee Chairman John D. Rockefeller, D-W.Va. The Senate is expected to vote on the bill again — possibly as early as Wednesday night — to incorporate minor changes in the House version so that it can go directly to the White House for President Obama's signature if it clears the House next week.

Congress in 2005 required broadcasters to switch from analog to digital signals, which are more efficient, to free up valuable chunks of wireless spectrum to be used for commercial services and interoperable emergency-response networks.

The Nielsen Co. estimates more than 6.5 million U.S. households that rely on analog television sets to pick up over-the-air broadcast signals still are not prepared for the planned transition.

Still, Jonathan Collegio, vice president for the digital television transition at the National Association of Broadcasters, argues the Nielsen estimate may overstate the number of viewers who are not ready. He noted that the numbers exclude consumers who have already purchased a converter box but not yet installed it, as well as those who have requested coupons but not yet received them.

What's more, consumers who subscribe to cable or satellite TV service or who own a TV with a digital tuner will not lose reception.

Speaking on the House floor late Tuesday, Joe Barton of Texas, the top Republican on the House Commerce Committee, insisted a postponement is not necessary.

"We could do nothing worse than to delay this transition date," Barton said in a statement

Wednesday. "The bill is a solution looking for a problem that exists mostly in the mind of the Obama administration."

Barton led the push to scuttle the bill, which passed the Senate on Monday night after lawmakers in that chamber struck a bipartisan compromise. Senate Democrats won over Republican support by allowing broadcast stations to make the switch from analog to digital signals sooner than the June deadline if they choose and permitting public safety agencies to take over vacant spectrum promised to them as soon as it becomes available.

But those concessions did not placate most Republicans in the House. Only 22 Republicans voted for the bill, while 155 voted against it. Among House Democrats, 236 voted for the bill and just 13 voted against it.

The Obama administration called for the transition date to be postponed after the Commerce Department early this month hit a \$1.34 billion funding limit for coupons to subsidize digital TV converter boxes for consumers. The coupon program allows consumers to request up to two \$40 vouchers per household to help pay for the boxes, which translate digital signals back into analog ones for older TVs. The boxes generally cost between \$40 and \$80 each and can be purchased without a coupon.

The National Telecommunications and Information Administration, the arm of the Commerce Department administering the program, is now sending out new coupons only as older, unredeemed ones reach a 90-day expiration date and free up more money. The NTIA had more than 3.2 million coupon requests on a waiting list as of Wednesday and those people will not receive their coupons before Feb. 17.

Barton, for one, is pushing legislation to fix the coupon program without delaying next month's transition.

Yet Rockefeller said a delay is the only way to ensure that millions of Americans don't see their television screens go dark next month.

"The outgoing Bush administration grossly mismanaged the digital television transition and consumers are confused, households are not prepared, and the coupon program for converter boxes is broken," Rockefeller said in a statement after the House vote.

The National Association of Broadcasters, which threw its support behind Rockefeller's bill this week, declined to comment on Wednesday's vote.

Among the big broadcast networks, The Walt Disney Co.'s ABC said it supports a delay, while CBS Corp. said it is "open to any plan that makes the digital transition easier for our viewers." News Corp.'s Fox Network had no comment Wednesday, although it has previously said it "supports any efforts to ensure that the transition to digital television is a success."

*Business Writer Ryan Nakashima in Los Angeles contributed to this report.*



## Delay for Digital TV Falls Short in U.S. House Vote (Update2)

[Email](#) | [Print](#) | [A A A](#)

By Todd Shields

Jan. 28 (Bloomberg) -- House Republicans blocked legislation backed by President **Barack Obama** that would delay next month's transition to digital television until June 12.

The 258-168 vote was short of the two-thirds margin needed to pass the measure under procedures usually used for noncontroversial items.

House Democrats, who control the agenda, may bring the legislation up again. Representative **Henry Waxman**, the Democratic chairman of the Energy and Commerce Committee, said in a statement that he would "explore all available options."

The Obama administration supports moving back the planned Feb. 17 date, in part because a program to subsidize equipment that some people need to view digital programming ran low on funds and left more than 3 million requests on a waiting list.

Republicans said a delay would cause confusion and put off when airwaves are available for emergency workers' radios and advanced wireless devices.

"We could do nothing worse than to delay this date," said Representative **Joe Barton**, of Texas, who was one of 155 Republicans opposing the measure. In debate on the bill yesterday he said the number of U.S. households vulnerable to losing TV service with the switch "is less than 1 million. We think it's about 800,000."

"I guarantee you no matter when you set the date, February 17, June 12, July the 4th, Valentine's Day, there are going to be some people that aren't ready," Barton said.

### 'Necessary Step'

Major TV stations are to stop sending traditional analog signals when the change occurs. More than 6.5 million homes aren't able to receive digital TV programming, the Nielsen Co. said last week.

The Senate approved delaying the date in voting Jan. 26. Senator **Jay Rockefeller**, a West Virginia Democrat who sponsored the measure, said he was "deeply disappointed that Republicans blocked" the House bill.

"They have made certain that far too many consumers across the country will wake up on February the 18th and find that their television sets have gone dark," Rockefeller said.

Today's vote doesn't necessarily defeat the measure, said **Paul Gallant**, a Washington-based analyst for Stanford Washington Research Group.

"House leadership still could bring the bill back for a vote next week and pass it using procedures that require only a simple majority," Gallant said in an interview.

Congress should allocate \$250 million to help consumers buy digital equipment rather than postpone the date, Barton, the top Republican on the Commerce Committee, said in a letter to House Speaker **Nancy Pelosi** after today's vote.

A delay is "a highly regrettable, but necessary, step," said Representative **Rick Boucher**, a Virginia Democrat.

### Avoiding Disruption

"With this delay, and the additional funding for the program which the stimulus measure will provide, we can

assure a smooth transition and avoid the disruption and the loss of television service by millions of American homes," Boucher said yesterday. Democrats have proposed adding \$650 million to the subsidy program.

The waiting list at the government program that offers \$40 coupons to help with the purchase of digital converter boxes has grown to 3.2 million requests, the government said today.

Most TV viewers needn't take action when the switch happens because they subscribe to cable or satellite services that will make sure they still get pictures. Analog TV sets connected to antennas will need the converter boxes, which cost \$40 to \$70 at retail.

#### Obama's Support

Obama's transition team called on Jan. 8 for postponing the date. It said poor, elderly and rural Americans face difficulties from the analog cutoff, and pointed to the waiting list at the subsidy program.

The government mandated the change to digital service to raise money by auctioning airwaves used by TV's analog broadcasts, to free spectrum for use by emergency workers and to provide more channels and crisper pictures.

Most major TV stations already are sending digital signals alongside their analog stream. Digital signals may be more prone to interference than analog for some viewers.

**Verizon Communications Inc.** and **AT&T Inc.**, which together spent \$16 billion for access to the airwaves that will become available after analog TV transmissions cease, have told Congress they could accept a brief delay. The companies plan to offer advanced wireless services including Internet access over the spectrum.

To contact the reporter on this story: **Todd Shields** in Washington at [tshields3@bloomberg.net](mailto:tshields3@bloomberg.net)

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washingtonpost.com

## House Kills Bill to Delay Switch to Digital TV

By Kim Hart  
Washington Post Staff Writer  
Thursday, January 29, 2009; D01

The switch to digital television will go on as scheduled after the House yesterday blocked a bill to delay the date, saying postponing the action would only cause confusion for consumers and increase costs for broadcasters.

The action, coming less than two days after the Senate unanimously voted to move the Feb. 17 switch date to June 12, was a setback for the Obama administration and Democrats on Capitol Hill, who had pushed for a delay. They have argued that too many Americans are not prepared to tune in to digital broadcasts.

But Rep. [Joe L. Barton](#) (R-Tex.), who led the push to block the bill delaying the transition, said in a letter to House Speaker Nancy Pelosi (D-Calif.) that "the DTV transition is neither stuck nor broke," and that the problems can be overcome.

By law, all television broadcasters must shut off analog signals Feb. 17 and air only digital programming in order to free up airwaves for public safety networks and new wireless services.

As a result, viewers who rely on older analog TV sets and antennas to receive broadcasts will need to upgrade to a digital TV set or install a converter box to get signals.

The Nielsen Co. estimates that more than 6.5 million U.S. households that rely on over-the-air broadcast signals, or 5.7 percent of the population, are unprepared for the transition and may see their TV sets go dark next month.

The Obama administration had urged Congress to postpone the transition to give consumers more time to get ready and to address budget shortfalls.

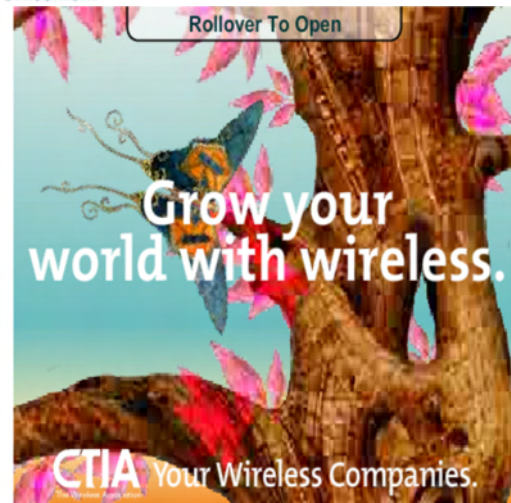
This month the Commerce Department hit a \$1.34 billion funding limit for \$40 coupons that help consumers pay for digital TV converter boxes, which cost between \$50 and \$80. Consumers who need coupons are now being placed on a waiting list until already-issued coupons reach their 90-day expiration date, making money available for additional coupons. About 3 million consumers are on the waiting list.

While the clock is ticking toward the Feb. 17 deadline, there is time for lawmakers to make final attempts to push back the date.

The bill was considered in the House yesterday under suspension of the rules, a procedure generally used for noncontroversial items. As a result, the bill saw only a short debate and no amendments were allowed. The vote was 258-168, with most Republicans voting against it. The bill needed a two-thirds majority to pass.

Rep. Rick Boucher (D-Va.), chairman of the House subcommittee that oversees telecommunications issues, said he wants to bring the same bill back to the floor next week under regular order, meaning that it would

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need only a simple majority to pass.

Ranking members Barton and Rep. [Cliff Stearns](#) (R-Fla.) introduced a bill that would authorize an additional \$250 million for the coupon program without delaying the transition.

Barton said going forward with the transition will ensure that public safety agencies get access to the frequencies promised to them, he said.

But Boucher said a delay is needed to make use of \$650 million in the stimulus package to fund the coupon program and call centers to assist consumers during the transition.

Senate Commerce Committee Chairman John D. Rockefeller IV (D-W.Va.) said he was disappointed "the House chose to stand in the way of a workable solution."

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**THE WALL STREET JOURNAL**

WSJ.com

JANUARY 28, 2009, 7:01 P.M. ET

## House GOP Blocks Bill to Delay Digital TV Transition

By [AMY SCHATZ](#)

WASHINGTON -- House Republicans blocked legislation to postpone the U.S. transition to digital-only television until June, handing the Obama administration its first legislative defeat and increasing uncertainty over the timing for the switch.

"The DTV-transition program is neither stuck nor broke," Rep. [Joe Barton](#) (R., Tex.), said in a letter to House Speaker Nancy Pelosi after the legislation failed to win enough votes for passage Wednesday. House Republicans have argued that postponing the transition would confuse consumers and that concerns that many viewers aren't ready are overblown.

The Senate unanimously approved a delay in the digital-TV switch Monday. TV stations are currently scheduled to shut off their analog signals on Feb. 17. That could leave without service millions of Americans who haven't upgraded older, analog TV sets with set-top digital converter boxes.

House Democrats could try to pass the bill again early next week, but with just 20 days until the transition, time is running out. House Energy and Commerce Chairman Henry Waxman said in a statement that House Republicans have "wasted valuable time and will cause needless confusion for consumers. He said he was "working with the Obama administration and congressional leadership to explore all available options."

Last week, the Nielsen Co. estimated that about 6.5 million homes remain unable to receive digital-TV programming, down about 19% from December. It said that Hispanic and African-American viewers are less prepared than other demographics, and that the Albuquerque-Santa Fe television market is the least-prepared market, followed by Dallas-Fort Worth and Houston in Texas.

Democratic lawmakers and Obama advisers proposed delaying the digital-TV switch after the Commerce Department last month said it was running out of money for a government coupon program that helps consumers offset the cost of purchasing set-top converter boxes. The waiting list for coupons has more than three millions requests.

Shortly after the vote, House Republican leaders said they would support legislation that would change accounting rules to allow the government to send out more coupons sooner. That legislation would require Senate action, and it is not clear that the changes, if approved, would allow the government to send out that many more coupons before the transition.

Sticking with the original transition schedule means that consumers who rely on free, over-the-air TV could have to pay for the whole cost of converter boxes, which generally retail from \$50 to \$80.

"It's disappointing to us to see a bipartisan compromise in the Senate and the administration snatched from the jaws of victory by partisan members in the House," said Joel Kelsey of Consumers Union, a public-interest group which

advocated a delay.

Lawmakers have also proposed adding \$625 million in funding to the coupon program through the economic-stimulus legislation now making its way through Congress. Even if Congress were to postpone the transition and add the extra money, it isn't clear there would be enough set-top boxes to cover the expected increase in demand.

Consumer-electronics makers estimate there are between six million and 12 million boxes available for sale, with no immediate plans to make more boxes to cover any extra demand.

"Based on converter-box supply chains, it takes upwards of six months from the time converter box orders are first placed to the time they are on retail store shelves, making it unlikely that an extension of the DTV transition date by four months would result in more boxes on retail shelves beyond existing stock," said Jason Oxman, a Consumer Electronics Association spokesman.

Sticking to the Feb. 17 deadline could benefit broadcasters, which would have to pay out millions of dollars in additional costs to broadcast analog signals for an additional four months. Many wireless companies also prefer the original deadline, having paid a combined \$20 billion or so for airwaves that will be left vacant when the switch to digital is made.

Qualcomm Inc. said a delay would result in "tens of millions" in extra expenses for the wireless company, and would slow down the rollout of its MediaFLO wireless video service into four markets, including San Francisco and Miami.

**Write to** Amy Schatz at [Amy.Schatz@wsj.com](mailto:Amy.Schatz@wsj.com)

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JANUARY 28, 2009, 1:02 P.M. ET

# House GOP Blocks Bill To Delay US Digital TV Transition

By Fawn Johnson

OF DOW JONES NEWSWIRES

WASHINGTON (Dow Jones)--House Republicans on Wednesday derailed an effort to delay until June the date when television stations must broadcast in all-digital format.

House Democratic leaders brought the bill to the floor under a procedure intended for noncontroversial bills, requiring a two-thirds majority to pass. With Republican opposition, the 258-168 vote didn't meet that threshold.

Democratic leaders could bring the bill back to the floor under normal voting rules requiring a simple majority, which would ensure passage. The Senate passed the same measure on a unanimous vote Monday evening. It would delay the digital transition until June 12.

Without the bill, all TV stations must stop broadcasting their programs in analog format on Feb. 17.

Once TV stations turn off their analog broadcasts, people who rely on over-the-air TV won't receive signals unless they buy a digital television, a converter box, or subscribe to a cable or satellite TV service.

House Republican leaders sent their members a policy statement Tuesday evening saying they oppose postponing the digital TV transition. "It will create confusion among millions of consumers who have been told for the last two years that February 17th is the date for the change," the statement said.

Reps. [Joe Barton](#), R-Texas, and [Cliff Stearns](#), R-Fla., on Tuesday sent a letter to House Speaker Nancy Pelosi, D-Calif., asking her to reconsider the vote. "This is panic on the way to becoming law," the letter said.

The digital TV transition hit a snag at the beginning of the year when the U.S. Commerce Department was forced to set up a waiting list for people applying for \$40 coupons to offset the cost of converter boxes.

An economic stimulus bill moving swiftly through Congress includes \$650 million in additional money for the converter box coupon program, which will allow the Commerce Department to immediately issue coupons to all who apply.

Republicans say the extra money isn't necessary because the Commerce Department has only spent half of the \$1.5 billion allotted for coupon program. They say the waiting list could be eliminated more easily by waiving an accounting rule barring Commerce from sending new coupons before older, unused ones have expired.



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# House rejects delay in digital TV switch

The Boston Globe

## Vote is a setback for new president

By Hiawatha Bray, Globe Staff | January 29, 2009

In an early congressional setback for President Obama, the House of Representatives yesterday refused to extend the Feb. 17 deadline for shifting the nation to all-digital television broadcasts.

A bill that would have moved the deadline to June 12 unanimously passed the Senate Monday. But due to strong opposition from Republicans, a similar measure fell short of the two-thirds majority that was needed for it to pass the House.

Under existing law, major TV stations are supposed to move all broadcasting to digital channels and halt analog broadcasts by Feb. 17. That would render millions of analog TV sets useless, unless they are connected to a cable or satellite TV system, or to converter boxes, which consumers can buy for about \$60.

But Nielsen Co. estimates up to 6.5 million viewers aren't ready for the change and could lose the ability to watch television if the analog broadcasts are halted.

In addition, a \$1.34 billion federal program to provide \$40 coupons to consumers to help them pay for converter boxes has run out of money. Hundreds of thousands of households are on a waiting list for coupons and are unlikely to get them before the February deadline.

Obama and many other Democrats backed a delay, to give unprepared Americans more time to get converter boxes or replace their TV sets.

Republicans said a delay would sow more confusion among consumers, while preventing emergency management agencies from using the analog frequencies that will be freed up when TV stations stop using them.

In addition, Republicans criticized a plan to provide \$650 million for the converter box coupon program, saying the amount was too high.

Voting for the delay were 258 House members, 236 Democrats and 22 Republicans. There were 168 no votes, including 155 Republicans and 13 Democrats. Under normal House rules, the bill would have passed. But it was brought up under a special procedure that bypassed the usual committees. In such cases, a bill must win approval from two-thirds of the House.

"The elderly, immigrant, and minority groups will be needlessly left vulnerable as a result of this vote," said Democratic US Representative Ed Markey of Malden. "Today's vote may leave millions of Americans staring at dark TV screens after the analog TV signal shut-off."

But Republican US Representative [Joe Barton](#) of Texas said sticking with the February deadline "will finally give public safety officials the broadcast frequencies we promised them 10 years ago so they can save lives." Barton called for quick passage of a \$250 million appropriation to pay for additional coupons as a way to help TV viewers get ready for the changeover.

The bill could be resurrected, but it's unclear when that could happen. The House is in recess today and tomorrow as the Republicans go on retreat, and a similar retreat by Democrats will shut down the chamber Wednesday through Friday of next week.

*Hiawatha Bray can be reached at [bray@globe.com](mailto:bray@globe.com). ■*

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## Los Angeles Times

<http://www.latimes.com/business/la-fi-dtv29-2009jan29,0,1220811.story>  
From the Los Angeles Times

### Delay in switch to digital TV is delayed

A House vote to expedite the extension lacks the needed two-thirds majority, but proponents expect it to pass soon.  
By Jim Puzanghera

January 29, 2009

Reporting from Washington — The move to delay next month's nationwide transition to all-digital broadcast television stalled Wednesday in the House, but supporters expected the measure to pass as soon as next week.

A fast-tracked bill to delay the switch until June 12 failed to get the two-thirds majority required for an expedited vote after it passed the Senate on a unanimous voice vote Monday.

Despite strong Republican opposition, the House voted 258 to 168 in favor of a delay -- plenty of support to pass under normal rules that require only a simple majority.

"The likelihood is we'll come back next week" and pass it, said Rep. [Rick Boucher](#) (D-Va.), chairman of the House telecommunications subcommittee. But Democratic and Republican policy retreats could complicate the attempts to get another vote next week.

A spokesman for House Speaker Nancy Pelosi (D-San Francisco) said she was looking for a way to hold another vote soon.

President Obama requested a delay in the changeover because of concerns that millions of Americans who use antennas would lose over-the-air signals when the government-mandated switch from analog to digital broadcasts takes place Feb. 17. Those viewers' sets could go dark because a government program to help pay for converter boxes for analog TV sets temporarily ran out of money Jan. 5.

Cable, satellite and phone company TV customers are largely unaffected because those systems convert the digital signal so it can be viewed on analog sets. But people who rely on rabbit ears or rooftop antennas to watch TV must have either a newer digital set or a converter box.

As part of the government-mandated transition, Congress allocated \$1.5 billion for up to two \$40 coupons per household to buy no-frills converter boxes. Those boxes cost \$40 to \$70. But as the Feb. 17 date approached, demand overwhelmed the program, run by the National Telecommunications and Information Administration.

As of Jan. 21, the agency had a waiting list of 2.6 million people and was processing requests as existing coupons -- good for only 90 days -- expired. The Nielsen Co. estimated last week that more than 6.5 million households were not prepared to receive digital signals, about 433,000 in the Los Angeles area.

"They will lose all television service if the transition occurs on Feb. 17," Boucher said. "We simply cannot allow that dislocation to occur."

But Republicans said a delay wasn't needed and worried about the consequences for police and fire departments and other public safety agencies, which will get a portion of the television analog airwaves to improve their communications. Still, several public safety organizations did not oppose the four-month delay.

"I guarantee you, no matter when you set the date -- Feb. 17, June 12, July the Fourth, Valentine's Day -- there are going to be some people that aren't ready," said Rep. [Joe L. Barton](#) (R-Texas), who led the opposition. Of the 178 House Republicans, 155 voted against the delay Wednesday. They were joined by 13 Democrats.

The opposition was enough to kill the bill under the expedited procedure, which required 284 votes to pass. Overall, 236 Democrats and 22 Republicans voted for the delay.

Rep. [Henry A. Waxman](#) (D-Beverly Hills), who pushed for the delay, chastised Republicans, saying their opposition wasted time and confused consumers.

"A clear majority in Congress supports postponing the transition and providing assistance to the millions of households that are unprepared," he said. The House economic stimulus legislation includes \$650 million to help replenish the converter box coupon program.

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JANUARY 28, 2009, 5:49 PM

## Analog TV Shutoff Still Likely to Be Delayed

By SAUL HANSELL

If you plan to put a new antenna on your roof to receive digital TV signals, you may not need to get out your parka and safety lines yet.

The House of Representatives Wednesday voted down a bill to push back the date analog television signals will end from Feb. 17 to June 12. The vote in favor of the bill was 258-168, less than the two-thirds needed under a special procedure meant to speed consideration of the measure, which passed the Senate unanimously on Wednesday.

Representative [Joe Barton](#) of Texas, the top Republican on the [House Commerce Committee](#), had opposed the delay as expensive and unneeded. But that is hardly the end of the story.

“More likely than not, next week we will go through the regular process and put the bill on the floor under circumstances where it can be passed with a simple majority,” said Representative [Rick Boucher](#) of Virginia who chairs the Communications Technology and the Internet of the House Energy and Commerce committee.

The issue, he said, is that the House schedule next week is already packed, and the democratic leadership will need to postpone another issue to make room for the digital television bill.

“We would need to do it next week if the delay is going to be effective, otherwise the momentum toward the transition will be difficult to stop,” he said.

The Obama transition team asked for the delay because money had run out for the government program that offers \$40 coupons to help people who use over-the-air broadcasts buy the converter boxes they need to continue watching television. There is now a waiting list of about 2 million people for the coupons and by some counts about 6 million homes that haven't prepared for the analog cutoff. (The House Republicans argue many of those people already have coupons and will not be forced to watch static on their TVs next month.)

There aren't huge interest groups on either side of this question. Delaying the shutoff will cost TV broadcasters some money to pay for maintaining two transmitters for another four months. Some public safety agencies will have to wait before using some new radios. The loudest complaints are coming from Qualcomm, which purchased what has been Channel 55 and has 100 transmitters ready to switch on for its MediaFlo service that

offers television on cellphones. And there is the question raised by Mr. Barton about whether the \$650 million of additional spending for coupons and more public education is needed.

But it seems that so far if the Obama administration continues to press for the delay, the House is likely to pass it next week.

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## UPDATE 2-US House fails to pass digital TV delay bill

Wed Jan 28, 2009 3:23pm EST

(Adds Republican opposition, Nielsen data, in paragraphs 8-13)

By Kim Dixon

WASHINGTON, Jan 28 (Reuters) - An effort to delay the Feb. 17 deadline for a nationwide switch to digital television failed in the U.S. House of Representatives on Wednesday after Republicans blocked the move.

The legislation is backed by President Barack Obama and already passed the U.S. Senate. However, it failed to gain the required two-thirds support in the House under special rules adopted for the vote.

Consumer groups have been pushing the effort to delay the the transition date to June 12 from Feb. 17, worried that 20 million mostly poor, elderly and rural households are not ready for the congressionally mandated switch.

"It's really unfortunate," said Joel Kelsey, an analyst at Consumers Union. "Consumers are staring at a big, fat, unfunded mandate in the midst of an economic crisis."

More than one million people are on a waiting list for \$40 government coupons to subsidize the cost of converter boxes needed by those with older televisions. The agency that runs the program ran out of coupons earlier this month.

Democrats may try again next week, but this time in a way that would possibly permit amendments and require a simple majority to pass.

If the House approves any changes, the bill would have to return to the Senate for final passage.

Only those who watch television on older sets that receive analog signals, and do not get cable, must act to prevent their screens from going black.

About 6.5 million households are not ready for the transition, according to the latest data from Nielsen Ratings.

### BLAMING OBAMA


The vote went largely along party lines, with Republicans blocking the effort. In a statement to House speaker Nancy Pelosi, top Republicans said now is a time to negotiate.

Most Republicans believe boosting the funding of the government coupon program will alleviate most of the problems and that a delay will create more confusion.

[Joe Barton](#), the most senior Republican on the [House Energy and Commerce Committee](#), with jurisdiction over the issue, blamed the Administration of President Barack Obama for throttling a bipartisan effort to fix the problems.

"Had that work not been interrupted by the transition team's intervention, it seems likely that a bipartisan bill could have been through the House and the Senate already," he said in a letter to Pelosi on Wednesday.

Under the version that passed the Senate, licenses for \$16 billion worth of spectrum freed up by the switch, and purchased by AT&T Inc (T.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)) and Verizon Communications (VZ.N: [Quote](#), [Profile](#), [Research](#), [Stock Buzz](#)), would be extended by about four months.

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DIGITAL TV

# House Republicans scuttle delay of digital TV switch

## Obama wanted a four-month delay.

By David Ho  
NEW YORK BUREAU  
Thursday, January 29, 2009

The nation's digital TV transition remains set for Feb. 17 after U.S. House Republicans defeated a bill Wednesday that sought to delay the switch from analog broadcasts.

The vote was a setback to the Obama administration and other supporters of a proposed four-month delay, who say millions of households could be left with dark TV sets when analog signals cease.

A chief Democratic backer of the bill said the fight to delay the transition might not be over.

"I am working with the Obama administration and congressional leadership to explore all available options," said Rep. [Henry Waxman](#), D-Calif, chairman of the [House Committee on Energy and Commerce](#). "A clear majority in Congress supports postponing the transition and providing assistance to the millions of households that are unprepared."

Broadcasters have spent heavily to create digital channels and to promote the switch.

"I don't think putting it off is going to help the situation," said Amy Villarreal, general manager of Austin CBS affiliate KEYE Channel 42. "We've done such a concerted effort for DTV education, and we're making progress. The questions we get now have gone from 'How do we get coupons?' to 'How do we install a box correctly?'"

"Until you pull the switch, there's a percentage of people out there who still don't realize they'll lose the signal," she said.

Villarreal also said Austin stations probably have spent a combined total of at least \$1 million on advertising and outreach in anticipation of the Feb. 17 deadline.

She said that until the Federal Communications Commission says otherwise, KEYE will continue to run the deadline messages and will shut off its analog signal Feb. 17.

In the House, the vote on the bill was 258 for and 168 against the delay.

Supporters needed a two-thirds majority to approve the delay under a special procedure. Nearly all the Democrats supported the bill; a large majority of Republicans opposed it.

Democrats have the option of moving a bill through the regular committee process that would require only a simple majority for passage, but that would likely take at least until next week.

House Republicans say changing the transition deadline would confuse consumers, who have been told for months that it is coming in February. They also say pushing the date to June 12, as proposed, would create added costs and technical challenges for broadcasters across the country.

"We could do nothing worse than to delay this transition date," said Rep. [Joe Barton](#), R-Ennis, the commerce committee's top Republican, who led the effort to defeat the delay.

Barton called the bill, which passed the Senate unanimously Monday, "a solution looking for a problem that exists mostly in the mind of the Obama administration."

The goal of the TV transition is to offer new digital channels with improved picture and sound quality while freeing up radio airwaves for uses such as wireless broadband and public safety communications.

The change affects over-the-air programming, not cable or satellite TV service. Newer TVs with digital tuners also are unaffected.

However, to watch digital programming on older analog sets, consumers need converter boxes, which cost \$40 to \$80.

After a government program offering \$40 coupons to help pay for the boxes hit its \$1.3 billion limit earlier this month, Obama's transition team called for pushing back the digital TV deadline.

The Nielsen Co. estimates that more than 6.5 million households are not ready for the changeover.

"The outgoing Bush administration grossly mismanaged the digital television transition, and consumers are confused, households are not prepared, and the coupon program for converter boxes is broken," said Senate commerce committee Chairman John D. Rockefeller, D-W.Va., who authored the delay bill.

After the House vote, opponents of a delay called for passage of a bill that would provide \$250 million for more converter box coupons.

"The DTV transition program is neither stuck nor broke," Barton and Rep. [Cliff Stearns](#), R-Fla., wrote in a letter to House Speaker Nancy Pelosi, D-Calif.

"There are problems, but they can be overcome with your help and a dollop of real bipartisanship."

# The Washington Times

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Thursday, January 29, 2009

## GOP stalls digital TV bill

Kara Rowland THE WASHINGTON TIMES

House Republicans derailed a vote on postponing the digital television transition Wednesday, though the chamber likely will approve a DTV delay bill next week.

The Senate on Monday voted unanimously to push back the government-mandated switch to all-digital TV from Feb. 17 to June 12.

Sponsored by Sen. John D. Rockefeller IV, West Virginia Democrat, the Senate bill gained bipartisan support after Mr. Rockefeller worked out a compromise with Sen. Kay Bailey Hutchison, Texas Republican, that would allow broadcasters that are ready to shut off their analog signals before this summer.

Led by Reps. [Joe L. Barton](#) of Texas and [Cliff Stearns](#) of Florida, House Republicans blocked a Democratic effort to fast-track the bill. House Democrats needed a two-thirds majority to vote on the legislation "under suspension" - a procedure that curbs debate and bars amendments - but were a few dozen short at 258-168.

Mr. Rockefeller and other lawmakers, as well as President Obama, have been calling for the delay since a \$1.3 billion federal coupon program to help people upgrade their existing TV sets ran out of money earlier this month. Wednesday's vote drew a harsh rebuke from Mr. Rockefeller.

"While the Senate paved the way with a bipartisan bill to repair this unfortunate situation, our Republican counterparts in the House chose to stand in the way of a workable solution," he said.

Democrats are now required to take the bill to the House Rules Committee in order to consider the measure by a simple majority vote, which is likely to happen next week because the House is not in session for the remainder of the week.

Mr. Barton and Mr. Stearns oppose the delay because they say it will confuse consumers.

"The DTV transition program is neither stuck or broke," they wrote in a letter Wednesday to House Speaker Nancy Pelosi. "There are problems, but

they can be overcome with your help and a dollop of real bipartisanship."

Proposals to push back the transition have also sparked criticism from former Federal Communications Commission Chairman Kevin J. Martin as well as electronics manufacturers and public safety agencies that are waiting to take control of the wireless spectrum being freed up for interoperable communications.

Government and private entities alike have spent millions over the past year alerting consumers to the federally mandated switch from analog to digital signals, which provide a better-quality picture and take up less wireless spectrum.

The transition affects only those households that rely on over-the-air, analog broadcasts. To continue receiving TV signals after the switch, affected viewers must take one of three actions: purchase a digital-to-analog converter box, subscribe to cable or satellite services, or buy a TV set that already has a digital tuner.

Households opting for a converter box, which costs between \$50 and \$70, have been eligible for up to two \$40 vouchers under a federal coupon program. But those funds dried up earlier this month, raising concerns from the Obama administration and some lawmakers that many households could find themselves unprepared. The pending economic recovery bill includes \$650 million for additional converter-box coupons.



# Communications Daily

The Authoritative News Service of Electronic Communications

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## Today's News

**GOP FOILS DTV DELAY VOTE** in House, throwing Democrats plans into turmoil. Barton pushes converter-box program fix. Broadcasters face problems. (P. 1)

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**FCC BUREAU MOVES MADE:** Copps names acting Homeland Security Bureau head, liaison to Wireless Bureau. More bureau liaisons called likely. (P. 4)

**COX NET MANAGEMENT TRIAL** prioritizes 'time-sensitive' traffic, slows P2P, Usenet, uploads. Effect on real-time P2P streaming may depend on customer response. (P. 4)

**McDOWELL WARNS FAIRNESS DOCTRINE** may return with new name. Entire FCC needs 'due diligence' review, he says. (P. 5)

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**TELECOM NOTES:** Senate Commerce votes for broadband tax credits... New Google service lets researchers test broadband connections... NeuStar revamps number portability pricing. (P. 8)

## House Republicans Block DTV Delay Bill

A DTV delay bill (S-328) hit a stumbling block Wednesday when Republicans defeated an effort to pass the measure by unanimous consent. The House could take the bill up again through committee or bring it to the floor with a rule setting terms of debate. The Senate planned to hotline the bill Wednesday evening, giving it a chance to approve some technical changes the House made. If it passes, the measure would be sent back to the House for a vote next Tuesday or Wednesday, a Rockefeller aide said.

Democrats backing the delay were flummoxed by the Republican revolt. It was spearheaded by House Minority Leader John Boehner, R-Ohio, and Commerce Committee ranking member Joe Barton of Texas, who urged their colleagues Tuesday night to defeat the bill. Boehner criticized Democrats' plans to spend \$650 million on the converter box program, included in economic stimulus legislation. "This looks like a slush fund to me," he said.

"I am very disappointed the House Republicans blocked the DTV extension today in the House," said House Commerce Committee Chairman Henry Waxman, D-Calif. "A clear majority in Congress supports postponing the transition and providing assistance to the millions of households that are unprepared. I am working with the Obama Administration and congressional leadership to explore all available options."

"I am deeply disappointed that Republicans blocked the digital television transition (DTV) delay bill today in the House," said a written statement from Senate Commerce Committee Chairman Jay Rockefeller, D-W.Va., who pushed for the delay measure in the Senate. Rockefeller blamed the Bush administration for "grossly" mismanaging transition planning and said House Republicans added to the problem by blocking a "workable solution."

Barton said he believes he has a workable solution. He sent a letter Wednesday to House Speaker Nancy Pelosi, D-Calif.,

suggesting that the problem could be solved with her help "and a dollop of real bipartisanship." Barton stumped for his bill (HR-661), which keeps the Feb. 17 analog cutoff date and would add \$250 million for the converter-box coupon program. Pelosi's office had no comment on the Barton request at our deadline.

The delay push comes as Congress is consumed with work on economic-stimulus legislation, which was on the House floor most of Wednesday. Barton blamed President Barack Obama's transition team for "throwing a monkey wrench" into bipartisan legislative efforts that the committee was pursuing before the new administration signaled its intent to seek a delay. "Had that work not been interrupted ... it seems likely that a bipartisan bill could have been through the House and the Senate already. We don't have much time left to pick up the pieces, but that's what we need to do."

### Most Stations Ready

Most stations are prepared to switch Feb. 17, and moving the date would present operational and engineering challenges, said Sterling Davis, vice president of engineering at Cox Broadcasting, which supports delaying the date. "You have tower crews lined up, manufacturers to do installations of new transmitters," all geared toward Feb. 17, he said: "It's an elaborate choreography."

Some stations have let lapse their leases for tower space for their analog antennas, some have agreed to sell analog equipment to foreign broadcasters and some plan to disassemble their analog equipment for parts to use with digital gear, Davis said. "It's going to be difficult in some cases to try to put Humpty Dumpty back to together again," he said. "Parts are going to come loose and unraveled." Ultimately, the industry will be able to put it back together by June, if the date is moved, he said.

Despite the challenges associated with delay, most stations probably won't turn off analog facilities Feb. 17 if they don't have to, Davis said. "I don't think the 17th is going to be a big thing." But not all of those stations will wait until June to make the switch, he said. "I think by June, there will be a lot of stations that have already transferred over in a haphazard way."

The CEA predicted Congress would keep trying for delay legislation. It asked lawmakers to consider the effect on viewers. "Not only does a delay go to Americans' ability to believe in a promise by government, but manufacturers and retailers of converter boxes made and bought boxes based on the February 17 date and no one knows how a delay will affect the supply of boxes," said President Gary Shapiro. "A delay is costly, affects broadcasters and affects emergency responders." Still, the CEA said it would support whatever Congress decides.

Public safety groups have lobbied strongly against a delay in the cutoff. Rep. Roy Blunt, R-Mo., said that's why he voted against considering S-328. "Every day that goes by without this transition is another day that our firefighters, policemen and EMTs cannot effectively communicate." But longtime public safety advocate Rep. Jane Harman, D-Calif., said she supports a one-time delay. "My hope is that this modest, one-time delay will help our most vulnerable citizens without jeopardizing the nationwide public safety network that is our ultimate goal."

Broadcasters still are planning for a Feb. 17 analog cutoff, and educating their viewers accordingly, said FCC and industry officials. Participants in a Tuesday meeting of the steering committee of the DTV Transition Coalition concluded that they have to hew to previous plans unless the date is officially switched, said an industry official. FCC Commissioner Robert McDowell told an industry lunch audience that many stations, and some markets, already have gone digital and should be allowed to continue to transition early should the analog cutoff be delayed. "Many viewers will be left behind no matter when the cutoff is," he said. "The transition will be messy."

If the date is moved back, stations that want to go through with the Feb. 17 switch shouldn't need prior approval from the FCC, said Thomas Van Wazer, a broadcast lawyer. "We have notified the public for over a year

that the 17th is going to be the day when analog goes away," and there's no FCC rule or policy that would require stations switching on the 17th to seek a waiver, he said.

Having some, but not all, stations switch raises potential interference issues as well, Van Wazer said. To avoid problems, stations remaining on their pre-transition DTV channels that discontinue analog operations on Feb. 17 should remain at their pre-transition power levels unless they can show the FCC that their post-transition power levels won't cause excess interference, he said. Stations moving back to their analog channels are already required to make such a showing before they discontinue analog and begin digital operations on their analog channel.

Switching Feb. 17 when other stations in a market decide to wait until June may have competitive consequences, but some stations are willing to run that risk, Van Wazer said. "Many stations are facing difficult economic circumstances that have forced layoffs and squeezed operating budgets down to the last paper clip," he said. "They don't have any money set aside for operating an analog facility after the 17th." -- *Anne Veigle, Josh Wein, Paul Gluckman, Jonathan Make*

## House of Mirrors

### **Filling Open Slots at FCC Could Prove Complicated**

Getting Julius Genachowski's nomination through the Senate could take several months after he's formally nominated by President Barack Obama, a step still expected in the near future. Senators may seek to pair his nomination with a still-to-be-designated Republican nominee, sources said.

The names of a number of potential Republican nominees have surfaced. Among them is Meredith Baker, former acting NTIA administrator, Paul Hudson, former chairman of the Texas Public Utility Commission, and David Gross, coordinator for international communications and information policy at the State Department.

Former Chairman Kevin Martin's "abrupt" resignation from the FCC meant the White House had to find a Republican candidate to pair with Genachowski, said a former Capitol Hill official. Martin had by some accounts been expected to stay through the DTV transition. Senate Republican Leader Mitch McConnell, R-Ky., has yet to work out an agreement on nominations with Obama, sources said. Typically, it takes the White House several weeks to vet a candidate and then at least eight weeks for an FBI background check, said those who have been through the process.

"If they just announce Julius and say he's the guy for our chair, and they don't announce the Republican seat, they can't expect anything to happen," said an industry official. "This could drag on for months, who knows. I've seen this movie too many times before. ... There are so many factors that have nothing to do with telecom policy at all." Cabinet nominees generally are approved quickly while lower-level nominations take much longer.

A second industry official noted that Genachowski's nomination could be paired with a Republican nominee for a position elsewhere in the government. "They could pair him with someone who is not FCC," the official said. "Going through a nomination and confirmation process is like entering a carnival house of mirrors."

Meanwhile, officials said Wednesday, the White House wants Commissioner Jonathan Adelstein to accept Gross's position at the State Department. The job carries an ambassador's title and a higher salary than that of an FCC commissioner. Plus, Adelstein would be in charge of a much larger staff. But it also requires substantial travel. Adelstein's FCC term has expired. The White House is under some Hill pressure to appoint a minority candidate to the FCC. The candidate most mentioned in Mignon Clyburn, a South Carolina regulator and the daughter of Majority Whip James Clyburn, also of South Carolina. -- *Howard Buskirk*



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## House vote keeps digital TV deadline, for now

Ryan Kim, Chronicle Staff Writer

Wednesday, January 28, 2009



**(01-28) 17:02 PST** -- Despite a unanimous vote by the U.S. Senate to delay the Feb. 17 deadline to transition to digital television, the changeover will proceed as planned after a vote today by the House.

The House voted 258-168 in favor of a four-month delay, but the measure fell 26 votes short of the necessary two-thirds margin for passage. The Senate voted Monday to delay the transition to June 12, fearing that an estimated 6.5 million TV households would be unprepared for the shift from analog TV.

Proponents of the delay, however, are hopeful that the House can take up the issue again next week and vote a second time with a simple majority decision. The two-thirds vote was required because the bill was fast-tracked on the House's suspension calendar.

"This is a process that's melted down and has been riddled with problems from the beginning," said Joel Kelsey, a policy analyst with Consumers Union, a consumer advocacy group. "The responsible thing is to wait on it and do it right."

If a delay is not approved, TV viewers who have not made provisions to watch digital television are under the gun as broadcasters prepare to end their analog broadcasts. Viewers who use sets with antenna to pull in the old analog signal will need to buy a TV with a digital tuner, purchase a converter box or upgrade to a pay TV service.

A federal converter box coupon program created to provide \$40 credits toward the purchase of a \$40 to \$80 converter box ran out of its \$1.34 billion in funds on Jan. 5. The program, which now has 2.5 million requested coupons on its wait list, won't issue coupons until previously distributed vouchers expire. So far, 20.8 million coupons have been redeemed out of 49.8 million requested. Democrats have set aside \$650 million in the pending stimulus package to fund the coupon program.

President Obama urged a delay earlier this month. Republicans were largely opposed to the delay,

saying it would further confuse consumers and would cost broadcasters millions to keep broadcasting in analog. They also worried about public safety agencies who were set to take over parts of the spectrum freed up by moving to more efficient digital airwaves.

"The bill is a solution looking for a problem," said [Joe Barton](#) of Texas before the vote. He is the top Republican on the [House Commerce Committee](#).

Congress allocated more spectrum to broadcasters in 1996 so they could create digital broadcast channels. In 2005, legislators chose the deadline of Feb. 17 to free up spectrum for emergency services and advanced wireless communications. The transition also allows broadcasters to create multiple digital channels, including high-definition feeds.

Anni Chung, president and chief executive officer of Self Help for the Elderly in San Francisco, which recently opened a DTV transition center, said the point now isn't delaying the transition but making sure there are enough coupons and resources available for consumers.

"Whatever day Congress decides, we'll work around that, but the most important thing is to get actual help in the community," she said.

E-mail Ryan Kim at [rkim@sfgate.com](mailto:rkim@sfgate.com).

<http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/01/28/BUTP15I0IH.DTL>

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## DIGITAL VIDEO REPORT

Wednesday, January 28, 2009

### **DTV Coupon Waiting List: 3.2 Million**

By Ted Hearn

Washington -- A federal program that subsidizes the purchase of digital TV converter boxes has a waiting list for 3.2 million coupons worth \$40 each, the Commerce Department's National Telecommunications and Information Administration (NTIA) reported Wednesday.

NTIA, which runs the \$1.34 billion coupon program, released the information just a few hours after the House rejected a bill that called for postponing the digital TV transition until June 12, or 115 days.

One reason cited for scrapping the Feb. 17 transition date in current law was the size of NTIA's waiting list. Under a federal budget law, NTIA is now required to wait for old coupons to expire before it can mail out new ones.

A week ago, 2.5 million coupon requests were pending. Over the one-year life of NTIA's program, about 50% of coupons have gone unused before expiring within 90 days. The program ends on March 31 under current law.

On Monday, the Senate voted unanimously for legislation (S.328) to adopt the June 12 date. Senate Commerce Committee chairman Jay Rockefeller (D-W.Va.), acting on behalf of the Obama administration, sponsored the bill.

"I am deeply disappointed that Republicans blocked the DTV delay bill today in the House. One thing is clear, the outgoing Bush Administration grossly mismanaged the digital television transition and consumers are confused, households are not prepared, and the coupon program for converter boxes is broken," Rockefeller said in a statement Wednesday.

About 6.5 million households have failed to prepare at least one analog TV set to display digital TV signals. The Obama White House and Capitol Hill Democrats, claiming that's too many people to put in harm's way, have been calling for delay for the past three weeks.

House Speaker Nancy Pelosi (D-Calif.) had the House vote on a modified version of Rockefeller's bill under an expedited process that bypassed the House Energy and Commerce Committee, where House Republicans planned to offer many amendments.

To pass the bill, Pelosi's strategy needed two-thirds of those voting. But the bill got only 258 votes -- including 236 Democrats and 22 Republicans -- about 24 votes shy of two-thirds. Voting against were 155 Republicans and 13 Democrats.

**House Energy and Commerce Committee chairman Henry Waxman** (D-Calif.) lashed out at Republicans after Pelosi's tactic backfired.

"I am very disappointed the House Republicans blocked the DTV extension today in the House," Waxman said. "Their vote has wasted valuable time and will cause needless confusion for consumers. A clear majority in Congress supports postponing the transition and providing assistance to the millions of households that are unprepared. I am working with the Obama Administration and congressional leadership to explore all available options."

Meanwhile, House Energy and Commerce Committee ranking Republican Rep. **Joe Barton** (Texas) wrote Pelosi Wednesday afternoon to urge passage of his bill (HR 661), which would provide NTIA with \$250 million in funding to clear out the waiting list in two week.

"We don't have much time to pick up the pieces, but that's what we need to do, and your direct involvement and support right now can make all the difference," Barton said.

A Senate source said the Senate is reviewing under expedited rules the House bill that failed.

"If the Senate will clear it again, the House will have another shot at passing it again on Tuesday or Wednesday of next week," the source said.

Posted by Ted Hearn at 5:02 PM



# The Huntsville Times

## Congress grabs for control of clicker

Thursday, January 29, 2009

By CHRIS WELCH

Times Entertainment Writer [chris.welch@htimes.com](mailto:chris.welch@htimes.com)

Switch to digital on June 12, says Senate; no way, says House

With less than three weeks until the Feb. 17 deadline and a somewhat surprising vote in Congress Wednesday, local television stations are anxiously awaiting a decision from Washington on the switch from analog TV signals to the clearer, high-tech digital signals.

The Senate unanimously approved a bill Monday to postpone the digital transition until June 12, but the House on Wednesday failed to pass it. The vote was 258 to 168 to change the date, but a two-thirds majority is required for approval.

President Barack Obama had pushed Congress to move the date, saying there are still more than 6 million Americans not ready for the switch and problems remain with the distribution of the \$40 converter box coupons, many of them already expired. The Department of Commerce's National Telecommunications and Information Administration, which issued the coupons, has run out of money for more coupons.

"Right now, we're just approaching this day to day," WHNT-TV Channel 19 president/general manager Stan Pylant said. "A lot of us still feel the delay will happen and the DTV transition moved to June 12.

"Obviously, we want to make sure as many people as possible in the Tennessee Valley are ready for the digital transition. But we have planned for a long time to make the switch on Feb. 17 and committed a lot of air time and publicity to this date."

Rep. Parker Griffith of Huntsville, a Democrat representing Alabama's 5th Congressional District, voted "yes" with the Democratic majority to pass the bill.

He said he met with Alabama's Director of Senior Services, Irene Collins, and others interested in the switch date.

"I understand the need to make absolutely sure that North Alabama residents, especially our seniors, receive no interruption in weather or news coverage," Griffith said in a statement. "This is more than an entertainment issue. This is about safety, and we want to make sure our citizens are protected."

So, what happens now? Pylant said he's hearing the [House Commerce Committee](#) will hold a meeting on the Senate bill and could accept enough changes to peel back some of the 168 "no" votes. The revised bill would be brought up again for a vote. If it passes, the bill will be sent to the Senate for approval. Since the Senate has already approved the extension, the expectation is that the modified bill will pass quickly.

Pylant said the House could also take procedural steps to bring the Senate DTV bill to the floor for a vote, where only a simple majority is needed. Also, Republican Rep. [Joe Barton](#) of Texas apparently has a bill that would pump more money into the coupon box program without moving the date.

If the bill fails, it would be a defeat for the Obama administration. In mid-January, Obama started urging Congress to delay the transition, even before he was sworn in.

But Pylant and other local TV station officials said they are ready to flip the switch. The stations have been promoting the digital change for more than a year with infomercials, tests and other means. Pylant said the latest statistics show 95 percent of the local television viewing area is somewhat ready for the digital transition, meaning at least one TV per household is ready.

A delay would cause some problems, Pylant said.

"Our budgets don't reflect the cost it will take to keep the analog transmitter going until June," he said. "So, we'll have to weigh a lot of things between now and the switch.

"This isn't something you just decide to do one day, and then make the switch the next. It is very involved technically. And of course there will be the FCC requirements for notification to be fulfilled as well. But we're now less than three weeks from Feb. 17 so time is of the essence to get this solved."

Keith Lowhorne, WAAY-TV news director, said the station is ready for the changeover now and "we are proceeding with plans for a smooth transition. Our cable and satellite partners are being contacted on a daily basis to see if there are any issues and we will work out any problems."

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## **Obama's DTV delay dies in the House, thanks to Republicans**

Posted by Neil Stevens

Wednesday, January 28th at 4:18PM EST

President Obama wants to delay the long-announced, long-planned, long-desired-by-first-responders transition from analog to digital television broadcasts. By replacing the old, large-bandwidth-consuming NTSC standard with the new, sharper, narrow-bandwidth ATSC, we create lots of room in the radio spectrum for other broadcasts, including those by firefighters, police, and other public safety workers.

However Obama wants to delay it for a few months, claiming that people aren't ready. This despite the fact that anyone with cable or satellite is unaffected, vouchers for free set-top boxes have been around for months, and every broadcast station has been warning about the transition. The President thinks we're idiots, it seems.

No matter, the Senate agreed and passed a bill implementing his wishes unanimously. On it went to the House for another easy pass? Not so fast. Democrats got confident and tried to do a quick-and-easy passage according to the suspension of the rules procedure. That procedure bypasses the normal process but requires a supermajority vote.

The Obama delay bill did not get that supermajority vote. It got a majority, but to pass notwithstanding the rules it needed significant Republican support. 258-168 was the final vote, but 290 were needed for passage.

Let's cheer the House Republican Caucus for a job well done. He won. He doesn't need us, remember?

### **32 Comments**

#### **The defeat is a setback for the administration of President Barack Obama and Democrats on Capitol Hill,**

Do I see a glimmer of hope?

Barton led the push to scuttle the bill,

“In my opinion, we could do nothing worse than to delay this transition date,” said **Joe Barton** of Texas, the top Republican on the House Commerce Committee. “The bill is a solution looking for a problem that exists mostly in the mind of the Obama administration.”

gekster Wednesday, January 28th at 4:35PM EST

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## **DTV-Delay Bill Fails To Pass In House**

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### **House falls short of 2/3 majority required to approve moving date of DTV transition**

*By John Eggerton -- Broadcasting & Cable, January 28, 2009*

Related:

[The DTV Countdown - Complete Coverage of the DTV Transition](#)

[Barton, Stearns Ask Pelosi To Delay DTV Vote](#)

The House Wednesday failed to follow the Senate's lead and pass a DTV date-change bill, putting the move of the DTV transition date in doubt after all the momentum seemed to be moving toward the four-month delay to June 12.

It was also something of a defeat for the Obama administration, which had pushed Congress to move the date, citing the problems in distributing DTV-to-analog converter box coupons and a lack of funding for DTV education. Republicans pushed back hard, saying it was a solution in search of a problem.

The vote was 258 to 168 in favor of changing the date, but under House expedited rules, a 2/3 majority was required for approval.

A spokesperson for [Energy & Commerce Committee Chairman Henry Waxman](#) (D-CA) had no immediate comment on what the next move will be, but ranking Republican [Joe Barton](#) (R-TX) has a bill that would pump more money into the coupon box program without moving the date.

Senator Jay Rockefeller (D-WVA), who pushed the Senate bill and struck the compromise that assured its passage, sounded as though he were conceding the date would now not be changing.

"I am deeply disappointed that Republicans blocked the digital television transition (DTV) delay bill today in the House," he said in a statement. "Instead of delaying the transition to ensure that the most vulnerable among us have the ability to prepare for the transition, they have made certain that far too many consumers across the country will wake up on February the 18th and find that their television sets have gone dark and access to news, information, and vital emergency alerts will be unavailable. It did not have to be this way - this situation was unnecessary and avoidable."

The Senate had passed a compromise bill Monday by unanimous consent, and Waxman had cancelled a markup on his DTV date change bill to get behind the Senate version.

But while no Republican senator opposed the bill, and Kay Bailey Hutchison, the ranking member of the Senate Commerce Committee, actively supported the compromise bill, the House was an entirely different story.

The House had debated the bill Tuesday night, with a parade of Republicans in opposition and only House Telecommunications & Internet Subcommittee Chairman Rick Boucher holding down the fort for the bill's proponents.

The Energy & Commerce Committee's ranking member, Joe Barton, was dead set against moving the date, calling it a potential disaster and saying the \$650 million being set aside for reissued coupons for millions of people was a pot of money in search of a problem.

It didn't help that Republican leadership put out a policy statement Tuesday saying "House Republicans oppose any further delay in the deadline."

The momentum had appeared to be clearly in favor of the bill's passage.



Certainly the industry seemed to think the die had been cast. The National Association of Broadcasters, the major networks, wireless companies waiting for reclaimed analog TV spectrum, and the principal ad agency and advertiser lobby groups had gotten behind the change, at least publicly. Barton said many in the media still, privately, were arguing against the move.

After debate on the bill Tuesday night, one Washington TV station was already warning viewers on its Tuesday night newscast that the DTV transition it had been telling them was coming Feb. 17 might be delayed by four months.

House leadership had scheduled a Wednesday vote on the bill on suspension, which is the House's version of an expedited vote with limited debate, no amendments, and a 2/3 majority required for approval. The idea was to get the bill passed as fast as possible given that the DTV date is only three weeks away.

Missouri Republican Rep. Roy Blunt said his vote against the DTV bill was primarily about public safety. "Every day that goes by without this transition is another day that our firefighters, policemen and EMTs cannot effectively communicate," he said.

Blunt said he supported the bill, proposed by Rep. [Joe Barton](#) (D-TX), to correct the DTV converter box coupon accounting problem, saying that it would clear up the current backlog.

He specifically cited the Fraternal Order of Police objection to moving the date.

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## **NTIA: Wait List For DTV Coupons Keeps Growing**

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### **3.27 million requests now on the list**

*By John Eggerton -- Broadcasting & Cable, January 29, 2009*

With the DTV transition date looking more like it may stick at Feb. 17, and no government action yet on clearing up the DTV-to-analog converter-box coupon problems, the wait list for coupon applications continues to grow.

According to National Telecommunications & Information Administration figures to be released Friday, there are now 3.27 million such requests on the list.

NTIA has reached its funding limit, which means it can't send out coupons until others expire and free up more money. But more requests are coming in each day than coupons are expiring, which created the waiting list that has been growing since the agency met its \$1.34B funding cap at the beginning of this month.

It still has the money to fund and distribute the coupons, but due to accounting rules it can only access that money as expired coupons free it up.

The economic stimulus bill passed in the House Wednesday, which provides \$650 million for the coupons and other DTV education, but that bill hasn't passed the Senate yet and probably won't until mid-February.

If the hard date holds, Congress will have to do something before that. Rep. [Joe Barton](#) (R-TX) has introduced a bill to fix the accounting problem and free up the funds.

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The House of Representatives voted down a bill to delay the DTV transition deadline, The Associated Press [reports](#). The bill to move the deadline from Feb. 17 to June 12 was expected to pass in the House today, but it didn't have enough Republican support. Reps. [Joe Barton](#) (R-Texas) and [Cliff Stearns](#) (R-Fla.) had implored House Speaker Nancy Pelosi (D-Calif.) to stick to the February deadline and hand over the transition spectrum to new owners and first responders. The two were said to invoke 9/11 as a reason to complete the transition. Interpretations of the 9/11 Report suggest that the use of TV spectrum for emergency communications would have saved the lives of several rescuers.

The Senate on Monday night passed a delay bill that would have allowed broadcasters to shut down analog signals between the current dates of Feb. 17 and the extension date of June 12. One the motivation for stretching it out is that the federal government ran out of money to help people prepare their TV sets. Its \$1.5 billion converter-box coupon program ground to a halt Jan. 5. As many as 2.5 million people are on a waiting list for the \$40 coupons.

The Obama Administration transition team urged lawmakers to delay the transition soon after the coupon money ran dry. Broadcasters themselves aren't as keen on a delay, having planned for it for years. PBS chief Paula Kerger told Congress yesterday it would cost public stations upwards of \$22 million to delay the transition.

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## DTV delay... delayed? House votes down DTV postponement

The DTV transition may go ahead as scheduled on February 17 after the House unexpectedly rejected a Senate bill to delay it until June 12.

By [Eric Bangeman](#) | Last updated January 28, 2009 12:18

Broadcasters and viewers have had February 17, 2009 circled on their calendars for some time. That's the day analog television broadcasts are supposed to become a thing of the past in the US. Earlier this week, the [Senate approved a delay of the DTV transition](#) to June, but what's going to happen now is anyone's guess after the House rejected the delay Wednesday.

On a 258-168 vote, the House decided to stick with the current February 17 date, with a large handful of Democrats joining with Republican House members to defeat the measure.

Proponents of [postponing](#) the transition to all-digital broadcasts have pointed to the empty coffers of the government's program offering free digital-to-analog converters for those with old analog sets who rely on over-the-air signals. Led by Sen. Jay Rockefeller (D-WV), they raised concerns about unprepared Americans suddenly unable to get their boob tube fix come midnight February 17.

To many, the delay seemed a *fait accompli*: The Senate's version of the postponement bill, after all, had sailed through unanimously. Verizon, probably the most vocal private-sector opponent of changing the date, made its peace with a single short delay, despite earlier worries that a string of postponements might interfere with its plans to deploy its LTE network on 700 MHz spectrum currently occupied by analog broadcasters. (Less sanguine was [Qualcomm](#), which is ready to roll out mobile TV service on its own newly-acquired 700 MHz spectrum as soon as the current tenants vacate.)

Opposition to the delay in the House was led by Rep [Joe Barton](#) (R-TX), the ranking GOP member on the House Energy and Commerce Committee who authored the original transition bill. In a [letter](#) to House Speaker Nancy Pelosi (D-CA), Barton described the delay proposal as wholly lacking in merit and, invoking the emergency services also waiting for new spectrum to be freed up, argued that "Osama bin Laden isn't fictional, and he isn't waiting." House Republicans, a Democratic Hill staffer familiar with the debate told Ars, mostly lined up behind Barton, while "the companies affected did not lift a finger to explain the need for delay to members."

Unless the House has a change of heart about the legislation, the DTV transition will move ahead as originally scheduled. Rep. Joe Barton (R-TX) is pushing alternative legislation that would keep the deadline intact while offering emergency funding for the converter program.

## HILL BRIEFS

## House GOP Blocks Bid To Fast-Track DTV Delay Measure

Telecommunications. House Republicans today defeated a Democratic bid to pass legislation on suspension that would delay the nation's transition to digital television signals from Feb. 17 to June 12. The measure, a bill by Senate Commerce Chairman **John (Jay) Rockefeller** that sailed through the upper chamber Monday, received a 258 -168 vote that fell shy of the two-thirds majority needed for passage. At

presstime, Democratic proponents were weighing their next move, though floor action under regular rules appeared the likeliest option. [Energy and Commerce ranking member Joe Barton](#) and Communications, Technology and the Internet Subcommittee ranking member [Cliff Stearns](#), R-Fla., had urged **House Speaker Pelosi** Tuesday to call off the vote, saying the bill would create more consumer confusion and prevent first responders from immediately accessing vacated analog spectrum to be used for emergency communications. Rockefeller said today he was deeply disappointed by the House vote. "One thing is clear, the outgoing Bush administration grossly mismanaged the digital television transition and consumers are confused, households are not prepared, and the coupon program for converter boxes is broken," he said. "While the Senate paved the way with a bipartisan bill to repair this unfortunate situation, our Republican counterparts in the House chose to stand in the way of a workable solution."

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**TELECOMMUNICATIONS****House Leaders Weighing Options for Digital TV Bill****By: Josh Loewenstein**

CongressNow Staff

Jan 28, 2009 2:38 PM

The House today failed to pass legislation that would delay the looming transition from analog to digital television from Feb. 17 to June 12. The House voted 258-168 in favor of the measure, but that fell short of the two-thirds margin needed for passage under suspension of the rules.

As of now, Democratic leadership said they are reviewing their options for further action on the legislation, according to a spokesman for House Majority Leader Steny Hoyer (D-Md.).

However, a spokesman for Rep. Baron Hill (D-Ind.) said this afternoon that Hill's office had been notified by House leadership that the bill would be voted on under "regular order." That would set a lower threshold for passage — 50 percent plus one — but would require leaders to go to the Rules Committee in advance of a floor vote.

Doing so would not be possible until next week, as Congress is out of session Thursday and Friday because of a Republican retreat.

The measure that failed the House already passed Monday night in the Senate as an amendment sponsored by Senate Commerce, Science and Transportation Chairman Jay Rockefeller (D-W.Va.) and ranking member Kay Bailey Hutchison (R-Texas).

Rockefeller, in a statement released this afternoon, said he is "deeply disappointed" at the outcome of the House vote.

"While the Senate paved the way with a bipartisan bill to repair this unfortunate situation, our Republican counterparts in the House chose to stand in the way of a workable solution," Rockefeller charged, adding, "It did not have to be this way — this situation was unnecessary and avoidable."

In addition to pushing the digital transition date back to June 12, the Senate-approved legislation would extend the Federal Communications Commission's auction authority to pay for the costs of the delay, reaffirm a Broadcaster's right to make the transition prior to June 12, permit the FCC to award vacant spectrum space to public-safety officials and allow consumers with expired government coupons for digital-to-analog converter boxes to apply for replacements.

But passage became tougher when two senior Republicans came out against the measure in a letter to Speaker Nancy Pelosi (D-Calif.).

[House Energy and Commerce ranking member Joe Barton](#) (Texas) and fellow committee member [Cliff Stearns](#) (Fla.) said that a delay in the switchover would cause confusion among consumers, cost broadcasters additional money for preparation and jeopardize public safety by not allowing first responders access to the freed-up broadcast spectrum they need for emergency situations.

Barton and Stearns criticized the delay and the \$650 million authorized to the converter-box coupon program in the House's stimulus package as unnecessary, saying that neither would help clear the backlog.

Instead, the two Republicans recommended that Congress pass H.R. 661, a bill sponsored by Barton that would provide the program additional coupons and expedite their delivery.

"Last week, we introduced a bill, H.R. 661, which would clear the coupon backlog without busting the budget or delaying the transition," Barton and Stearns wrote. "We stand ready to work with you to quickly pass H.R. 661 or something similar so that those consumers who have requested a DTV converter box coupon can get one before the Feb. 17 deadline."

Key Democrats, as well as President Barack Obama, began calling for a delay of the Feb. 17 switch earlier this month after the National Telecommunications and Information Administration announced it had used all its funding for a coupon program that subsidizes the costs of analog-to-digital converter boxes.

Acting NTIA Administrator Meredith Baker said on Jan. 4 that the agency's \$1.34 billion in appropriations for the coupon program was exhausted after 7.2 million coupons < many more than expected were requested in December. Such large requests for coupons have contributed to a backlog in fulfilling coupon requests that has forced the NTIA to put at least 2 million applicants on a waiting list.

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Committee Report to Accompany the American Recovery and Reinvestment Act, S. 336 (PDF 428 KB)

Legislative Text of the DTV Delay Act (S. 328)

Government IT

## Digital TV Delay Fails in House Vote

By [Roy Mark](#)

2009-01-28

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House Republicans block an effort to move the digital television transition date from Feb. 17 to June 12, insisting that the digital converter box subsidy program is not out of money and the switch from analog to digital broadcasting can be achieved by Feb. 17. The vote comes after Senate approval for the deadline delay and President Barack Obama's call to dump the original transition date.

House Republicans Jan. 28 managed to stave off another attempt to delay the digital television transition from the looming Feb. 17 deadline to June 12. Taking a brief break from their daylong debate over the stimulus package, lawmakers voted 258-168 to move the digital TV deadline by four months, but a two-thirds majority was required under the House rules.

Responding to President Barack Obama's call for Congress to delay the digital TV transition, the [Senate voted unanimously](#) Jan. 26 to move the deadline to June 12, to extend to Sept. 15 the expiration of all outstanding or yet-to-be issued digital converter box coupons and to appropriate \$650 million for additional coupons. The NTIA (National Telecommunications and Information Administration) announced Jan. 5 that [funds for the coupon subsidy program had been exhausted](#).

After twice failing in the last week to get a DTV delay bill out of the [House Committee on Energy and Commerce](#), House officials agreed Jan. 26 to put the Senate version up for a vote. That vote was scratched Jan. 27 but it was put back up for vote Jan. 28, subject to the two-thirds rule.

House Republicans have insisted that the digital transition can be achieved by Feb. 17 and that the coupon program is not out of funds.

"The DTV converter coupon program is not out of money; only half of the \$1.5 billion in the coupon program has been spent," Rep. [Joe Barton](#) (R-Texas), the ranking member of the Committee on Energy and Commerce, wrote to House Speaker Nancy Pelosi Jan. 27, urging her to call off the vote. "For the past three weeks, we have known exactly what we need to do in order to get rid of the backlog in requests for DTV converter coupons."

Barton insisted, "This delay is not necessary; nor is the \$650 million in the stimulus needed." Barton introduced Jan. 23 a bill to provide additional coupons for the converter box program and to expedite delivery of the coupons.

Sen. Jay Rockefeller (D-W.Va.), who crafted and shepherded the Senate digital TV delay legislation after compromising with Senate Republicans to allow television stations to make the switch to digital signals if they elect to before the June 12 deadline, said he was "deeply disappointed" by the House vote.

"While the Senate paved the way with a bipartisan bill to repair this unfortunate situation, our Republican counterparts in the House chose to stand in the way of a workable solution," Rockefeller said in a statement. "Instead of delaying

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the transition to ensure that the most vulnerable among us have the ability to prepare for the transition, they have made certain that far too many consumers across the country will wake up on Feb. 18 and find that their television sets have gone dark."

If the House ultimately fails to act on a digital TV extension, consumers who solely depend on over-the-air signals for television reception must buy a digital television set or a digital converter box for their analog sets. Consumers who use cable or satellite service are not affected by the change.

According to a Nielsen survey conducted a year ago, 14.3 million U.S. households rely solely on over-the-air broadcasts. The NTIA said, based on consumer self-reporting, 12.6 million households that rely on over-the-air television have requested coupons. As of Jan. 4, though, more than 24 million households have requested approximately 46 million coupons, with about 18 million coupons actually having been redeemed.

To date, 52.5 percent of coupons requested have been redeemed and more than 13 million coupons have expired. The program allows for two \$40 coupons per household to help offset the cost of digital converter boxes for nondigital television sets.

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## DTV Delay Bill Torpedoed By Congress

House Republicans marshaled sufficient opposition to legislation to postpone the switch to digital TV to June.

By W. David Gardner, [InformationWeek](#)

Jan. 28, 2009

URL: <http://www.informationweek.com/story/showArticle.jhtml?articleID=212903331>

The effort to delay the switch from [analog](#) to digital TV broadcasting was torpedoed -- at least temporarily -- Wednesday by House Republicans who marshaled opposition to legislation to postpone the switch from Feb. 17 to June. The delay was supported by President Obama and by a unanimous vote in the Senate earlier this week.

The transition to [DTV](#) has been planned for many months, but the effort has been plagued by a series of problems. Many consumers who receive over-the-air broadcasts complain they haven't been able to get coupons for the converter boxes which would enable them to receive digital signals on their old TVs. Many \$40 coupons issued by the federal government expired before consumers used them and at least one million citizens with analog sets are still waiting for coupons and converters.

Many Republicans have opposed delaying the transition date and [Rep. Joe Barton](#), minority chairman of the [House Energy and Commerce Committee](#), led the drive against delay in the House. The switch actually received a majority of votes in its favor, but it didn't garner the two-thirds majority it needed.

"In my opinion, we could do nothing worse than to delay this transition date," said Barton, according to media reports. "The bill is a solution looking for a problem that exists mostly in the mid of the Obama administration."

The measure has been the subject of partisan bickering for weeks. Former Federal [Communications](#) Commission chairman Kevin Martin, a Republican, had urged that the Feb. 17 date be kept, but Democrats complained the FCC hadn't made proper plans for the switchover. Senator Amy Klobucher, who said 21% of her Minnesota constituents must switch to digital, said: "Unfortunately, after guarantees that the Bush Administration would adequately prepare and protect consumers, only recently did they reveal that funding has run out -- just weeks before the plug is pulled on analog TV."

The debate over the switch is a distraction as official Washington grapples with a severe economic meltdown that continues to grow.

The House could revisit the issue next week and pass amendments that would make the switch more palpable to Republican members. Then it would have to go back to the Senate where Senator Klobucher and Senator Jay Rockefeller of West Virginia have spearheaded the effort to delay the switch.

In addition to a shortage of converter coupons, staffing for help centers has not been adequately funded so consumers seeking help may not be able to get it. In some test regions -- in Hawaii and Wilmington, N.C., in

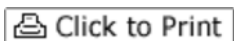
particular -- some [consumers have complained](#) they can't get any broadcast reception at all, particularly in rural areas. The confusion has caused some consumers to purchase [cable](#) and satellite reception, but that is not an option for many low-income and elderly consumers.

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## DTV Delay Bill Fails to Pass House

Jan 28, 2009

[-By Katy Bachman, Mediaweek](#)

**NEW YORK** The bill to delay the digital TV transition from Feb. 17 to June 12 failed to pass in the House today. The vote, 258 to 168, needed a two-thirds majority to pass.

On Jan. 26, the Senate passed the DTV delay bill by unanimous consent. Expectations were that the House would follow suit and the bill would be signed into law by President Obama, who supports a delay.

But the Republicans blocked a delay, backing legislation introduced by Rep. [Joe Barton](#), R-Texas., that would authorize \$250 million to allow the National Telecommunications and Information Administration to immediately begin distributing coupons for discounts on signal conversion boxes. The NTIA ran out of funds in early January, which forced it to put more than 2 million consumers on a waiting list.

Following the failure of the bill to pass the House, Barton urged Democrats to work on a bipartisan plan to get the transition program back on track.

"The DTV transition program is neither stuck nor broke," Barton wrote in a Jan. 28 letter to House Speaker Nancy Pelosi. "A solution recommended by the Commerce Department currently exists in the form of H.R. 661. That bill or similar legislation will help television viewers without jeopardizing public safety, and it constitutes the most realistic chance for a real broadband stimulus without spending an extra \$650 million."

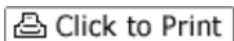
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# House blocks DTV delay



28 January, 2009 03:56:00

Applying a new 6/12/09 deadline to the DTV transition on the fast track in the House of Representatives required that it pass by a two-thirds vote. Enough House Republicans banded together this afternoon to see that the necessary margin wasn't there. The tally was 258-168, about six percentage points short of passage.

The next step is unclear. [Energy and Commerce Committee Ranking Member Joe Barton \(R-TX\)](#) says that no matter when the transition is held,

some people will be left behind, and is further worried about damaging both the television stations stuck in limbo between analog and digital, and the businesses and public safety organizations which are planning to move onto the spectrum once its abandoned by digital television stations. He has legislation introduced which would get the stalled coupon program back in gear.

The Committee Chair, [Henry Waxman \(D-CA\)](#) weighed in late yesterday, saying "I am very disappointed the House Republicans blocked the DTV extension today in the House. Their vote has wasted valuable time and will cause needless confusion for consumers. A clear majority in Congress supports postponing the transition and providing assistance to the millions of households that are unprepared. I am working with the Obama Administration and congressional leadership to explore all available options."

Jay Rockefeller (D-WV), who successfully steered the DTV delay bill to unanimous Senate approval, had the quickest trigger finger on his PR machinery, and he was not a happy camper. "I am deeply disappointed that Republicans blocked the digital television transition (DTV) delay bill today in the House," he said. "One thing is clear, the outgoing Bush Administration grossly mismanaged the digital television transition and consumers are confused, households are not prepared, and the coupon program for converter boxes is broken. While the Senate paved the way with a bipartisan bill to repair this unfortunate situation, our Republican counterparts in the House chose to stand in the way of a workable solution."

**RBR/TVBR observation:** So what's going to happen? We think the date will still be 6/12/09. Barton may have engineered a stall, but he still has only 168 votes – a good 50 shy of a win if every MOC casts

one. Further, three solid weeks have passed since the coupon bottleneck clogged, and only three weeks are left. It'll be less than that in the unlikely event of a win for Barton in the House, followed by the unlikely event that the Senate applies its rubber stamp, and the additional unlikely event that President Obama signs it. So what seems inevitable is that it will just take House Democrats a little longer to ratify the Senate change to June. But it'll change.

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# The Salt Lake Tribune

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## House defeats bill to delay digital TV transition

Staff And Wire Reports

Salt Lake Tribune

Updated:01/28/2009 04:33:16 PM MST

# The Salt Lake Tribune

<http://www.sltrib.com>

The date of the nation's digital TV transition remains Feb. 17 for now, after House Republicans on Wednesday defeated a bill that sought to delay the switch from analog broadcasts.

The vote in Washington was a setback to the Obama administration and other supporters of a four-month delay -- to June 12 -- who say millions of U.S. households could be left with dark TV sets when analog signals cease. Utah's GOP Reps. Rob Bishop and Jason Chaffetz voted against the proposal, while Democratic Rep. Jim Matheson supported the switch delay.

A chief Democratic backer of the bill said the fight to delay the transition may not be over.

"I am working with the Obama administration and congressional leadership to explore all available options," said Commerce Committee Chairman [Henry Waxman](#), D-Calif. "A clear majority in Congress supports postponing the transition and providing assistance to the millions of households that are unprepared."

Meanwhile, Utah's television broadcasters discussed Wednesday the possibility of setting their own deadline earlier than June to offset the monthly cost of broadcasting both analog and digital signals.

But there is a question as to how soon that can be. The Utah Broadcasters Association has asked all local TV stations to check with their lawyers to help determine a new date should it no longer be Feb. 17. They were expected to meet again Thursday.

Whatever deadline Utah stations come up with, UBA President Dale Zabriskie said most of the affiliates here will agree to the same date to help avoid confusion.

That is except for the state's two public stations, KUED Channel 7 and KBYU Channel 11, which may stick with whatever new date the government sets to give consumers more time.

"We all have financial dilemmas, but I'm concerned about the public end of it," said KUED general manager Larry Smith. "We would likely go to what the new law says."

Bill supporters in the House failed to muster the two-thirds majority needed for passage under a special procedure. The vote in Washington was 258-168 in favor of the bill. Nearly all the chamber's Democrats supported the bill, but a large majority of Republicans opposed it.

Democrats have the option of moving a bill through the regular committee process that would require only a simple majority for passage, but that would likely take at least until next week.

House Republicans say changing the digital transition deadline would confuse consumers, who have been told for months that it is coming in February. They also say pushing the date to June 12 as proposed would create added expenses and technical challenges for broadcasters around the country.

"We could do nothing worse than to delay this transition date," said Rep. [Joe Barton](#) of Texas, the House Commerce Committee's top Republican, who led the effort to defeat the delay.

Barton called the bill, which passed the Senate unanimously on Monday, "a solution looking for a problem that exists mostly in the mind of the Obama administration."

The goal of the TV transition is to offer new digital channels with improved picture and sound quality while freeing up radio airwaves for uses such as wireless broadband and public safety communications.

The change affects over-the-air programming, not cable or satellite TV service. Newer TVs with digital tuners also are unaffected.

However, to watch digital programming on older analog sets, consumers need converter boxes, which cost \$40 to \$80.

After a government program offering \$40 coupons to help pay for the boxes hit its \$1.34 billion limit earlier this month, Obama's transition team called for pushing back the digital TV deadline.

The Nielsen Co. estimates more than 6.5 million households are not ready for the digital changeover.

"The outgoing Bush administration grossly mismanaged the digital television transition and consumers are confused, households are not prepared and the coupon program for converter boxes is broken," said Senate Commerce Committee Chairman John D. Rockefeller, D-W.Va., who authored the delay bill.

After the House vote, opponents of a transition delay called for passage of a bill that would provide \$250 million for more converter box coupons.

"The DTV transition program is neither stuck nor broke," Barton and Rep. Cliff Stearns, R-Fla., wrote in a letter to House Speaker Nancy Pelosi, D-Calif. "There are problems, but they can be overcome with your help and a dollop of real bipartisanship."

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Jan 28, 2009 02:42 PM

## House shoots down digital TV delay

[Larry Greenemeier](#)

In a surprising defeat, House Republicans today beat back legislation pushed by President Barack Obama that would have delayed the [transition from analog to digital television broadcasting](#) by four months.

The move comes just a day after the Democratic-controlled [Senate unanimously passed](#) a measure to delay the switchover from February 17 to June 12 to give the 6.5 million U.S. households (according to The Nielsen Company) that don't have digital TV sets time to buy converter boxes.

Broadcasters had opposed the delay, complaining it would cost an estimated \$22 million to continue airing shows in both analogue and digital for an additional four months. To assuage them, the bill would have allowed stations to make the change before the new deadline if they permitted public safety agencies to use the vacant airwaves as soon as it became available. (Congress in 2005 voted to switch broadcast signals from analog to more efficient digital to free up so-called "[white spaces](#)," areas of unused wireless spectrum, for [commercial wireless services](#) and interoperable emergency-response networks.)

The National Telecommunications and Information Administration (NTIA), which is tasked with giving out \$40 coupons to subsidize the \$50 to \$70 cost of TV converter boxes, had pushed for the delay, because it ran out of the vouchers and nearly 2.6 million viewers were put on a waiting list for them. People with digital TVs, who subscribe to digital cable service or have satellite dishes, don't have to worry about getting a converter or taking any other steps when the change takes effect.

The delay was expected to free up funds from coupons that expired because they were not redeemed within the 90-day period allotted. Lawmakers said that only about half of the \$1.5 billion allocated for coupons has been paid out for redeemed coupons – and that some 300,000 coupons are re-issued weekly, because recipients didn't cash them in.

But Rep. **Joe Barton**, R-Texas, who spearheaded opposition to the measure, said House GOPers would prefer to come up with the necessary funds (an estimated \$250 million) for the coupons now instead of stalling the transition.



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Thursday, Jan 29, 2009  
Posted on Thu, Jan. 29, 2009

## Tarrant-area lawmakers unite with other House Republicans in opposition to stimulus bill

By MARIA RECIO  
[mrecio@mcclatchydc.com](mailto:mrecio@mcclatchydc.com)

WASHINGTON — All House Republicans voted against the stimulus bill, including the four who represent parts of Tarrant County — [Joe Barton](#) of Arlington, Kay Granger of Fort Worth, [Michael Burgess](#) of Lewisville and Kenny Marchant of Coppell.

"The Democrats' pork-filled government spending spree typifies what is wrong with Washington," Barton said. "Calling this an 'economic stimulus' does not make it an economic stimulus. Democrats are filling a long-awaited wish list of higher government spending on their favorite social programs that will lay an enormous debt on the backs of our children and grandchildren.

"Meanwhile, dire economic problems are going unsolved."

But Rep. Chet Edwards, D-Waco, one of the Texas delegation's most prominent Democrats, described the American Recovery and Reinvestment Plan as a much-needed program to combat the recession.

"At a time when our nation faces the most severe economic crisis since the Great Depression, we must act now to pass a bold economic recovery plan that protects American jobs, stabilizes our economy and prevents this crisis from deepening," he said.

Edwards cited an analysis by economist Mark Zandi of Moody's Economy.com that estimates that the House stimulus bill will save or create 301,450 jobs in Texas by 2010.

Sen. John Cornyn, R-Texas, a new member of the Finance Committee, expressed disappointment over the House vote.

"I was hopeful that my colleagues and I could work together in a bipartisan fashion to institute and promote real solutions to revive the economy, but sadly that is not the case," he said. "With a deficit projected to hit \$1.2 trillion, this is not the time to throw another trillion dollars into the air and hope for the best."

Henry Waxman

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## House, Senate, Could Take Second Stab At Date Delay

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### Waxman says he is working with Obama Administration to explore available options

*By John Eggerton -- Broadcasting & Cable, January 28, 2009*

The DTV date-move bill is down, but apparently not quite out.

"I am working with the Obama Administration and congressional leadership to explore all available options," said House [Energy & Commerce Committee Chairman Henry Waxman](#) late Wednesday, commenting on the defeat earlier in the day of a fast-tracked Senate bill to delay the DTV transition date to June 12.

"I am very disappointed the House Republicans blocked the DTV extension today in the House," said Chairman Waxman. "Their vote has wasted valuable time and will cause needless confusion for consumers. A clear majority in Congress supports postponing the transition and providing assistance to the millions of households that are unprepared," he said

The Senate passed the date-delay bill unanimously Monday, and a majority of House members did, too (258 to 168). But to prevent amendments and other delays, the House vote was "on suspension," which is a way of getting quick action by limiting debate and barring amendments. But the quid pro quo is that it has to pass by a two-thirds, rather than a simple, majority. It didn't, despite broadcasters, advertisers, ad agencies, wireless companies, and some first responder groups either supporting the move or saying they could live with it.

One of the options for reviving the bill would be to hold another vote on the bill under regular rules.

Bill opponents could try to delay it by loading it up with amendments, but Democrats could veto them. Lobbyists following the issue suggested that is what the Democratic leadership would try to do, and at least one still thought the date would ultimately be delayed despite Wednesday's obvious setback.

According to a Senate source, the current plan is to hotline the House version of the Senate bill Wednesday night. That means a vote on unanimous consent. And that means that no Senator may object, a more problematic call now that the House Republican Leadership is on the record against the bill.

But if the new version clears again, the House would get a shot at it on regular order next Tuesday or Wednesday. The House is out until then due to previously scheduled party retreats.

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# News

January 28, 2009 3:26 PM

## Effort to Delay DTV Switch Moves Ahead Despite House Vote

By **Ira Teinowitz**

Hours after the House failure to delay the digital TV transition, the outlines of a plan for a new House vote next week started emerging.

The first step: A new vote in the U.S. Senate on a slightly revised DTV bill.

***Where do you stand on delaying the DTV switch? Make your voice heard in TVWeek's online poll. [Click here to take the survey.](#)***

The Senate on Monday unanimously, without debate, approved legislation moving the analog switch-off date to June 12 from Feb. 17.

The House made some technical amendments and today unsuccessfully tried to suspend its rules to immediately pass that bill, but on a 258-to-168 vote failed to get the two-thirds majority needed.

The failure was more of a problem than usual for Democrats because a House Republican Conference starting tomorrow has the House out of session for the rest of this week. Democrats can put the bill back on the House calendar without requiring a two-thirds vote, but not until next week.

When the House does vote, the technical amendments mean the Senate still needs to approve the changes, potentially further delaying passage.

Tonight Senate Commerce Committee Chairman Jay Rockefeller, D-W.Va., decided to short-circuit one of the extra steps.

The Senate will consider as a new bill the House's amended version, allowing the House to come back next week and its vote to be on sending a delay of the DTV date to President Barack Obama.

The outline emerged as [House Energy & Commerce Committee chairman Henry Waxman](#), D-Calif., promised to work with the Obama administration on a variety of alternatives to delay the transition.

He also chastised Republicans, saying, "I am very disappointed the House Republicans blocked the DTV extension today. Their vote has wasted valuable time and will cause needless confusion for consumers.

"A clear majority in Congress supports postponing the transition and providing assistance to the millions of households that are unprepared. I am working with the Obama administration and congressional leadership to explore all available options," he added.

Republicans have opposed the DTV date shift as unnecessary and offered an alternative that would instead fix the problem with government coupons for converter boxes. Money for converter-box coupons has temporarily run out, leaving requests for 2.6 million coupons on a waiting list.

The request to delay the national changeover comes as a number of the nation's 1,800 stations are quietly making the switch to digital. The Federal Communications Commission said tonight that 133 TV stations have already switched to digital-only signals, with another 67 set to switch before Feb. 17 and 93 to switch at midnight Feb. 17, whatever happens with the delay legislation.

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CQ TODAY ONLINE NEWS – ENVIRONMENT

Jan. 28, 2009 – 2:43 p.m.

## Gore Calls for Quick Action on Greenhouse Gas Emission Limits

By Avery Palmer, CQ Staff

Former Vice President Al Gore told senators Wednesday he was skeptical of the roles nuclear power or advanced coal technology could play in addressing global warming.

Gore's remarks may put him at odds with lawmakers in both parties who want to provide incentives for traditional sources of energy, such as coal and nuclear, in future climate-change legislation.

Coal-fired power plants are now a leading source of carbon dioxide emissions, but the industry wants to develop technology to capture and sequester the gas. Funding for this research is considered essential for lawmakers in Appalachian and Western states who want to maintain a viable coal industry.

But Gore, who testified before the Senate Foreign Relations Committee, was pessimistic that this technology would be available anytime soon. "We must avoid becoming vulnerable to the illusion that this is near at hand. It is not," he said.

Instead, he said, Congress should consider ways to provide full employment to coal industry workers whose jobs are displaced. "We must not have any more conventional, dirty coal plants that do not capture and sequester [carbon dioxide]," he said.

Republicans [Bob Corker](#) of Tennessee and [Johnny Isakson](#) of Georgia pressed Gore on the role of nuclear power plants, which emit no greenhouse gases. But Gore said he expected the nuclear power industry would play a limited role.

"I have grown skeptical about the degree to which it will expand," Gore said. "I'm not opposed to it, but there is now in the industry absolutely zero ability to predict with any consequence what the cost of construction is."

He said the most promising future sources of energy would be renewable technologies such as wind turbines, or concentrated solar plants that use mirrors to reflect sunlight in the desert.

Gore urged Congress to act swiftly to pass legislation to curb emissions that drive global warming. He said passing "cap and trade" legislation this year would place the United States in a good negotiating position for international climate talks scheduled for December in Copenhagen.

Such a bill would set a nationwide limit on greenhouse gas emissions and create a market-based trading program for companies to meet the cap. Parties are meeting in Copenhagen to work out a global climate change agreement.

But first, Gore said Congress should pass economic recovery legislation that includes incentives for energy efficiency, renewable energy and the construction of a more robust transmission grid. He said he preferred the House version of this bill (HR 1) which would condition energy grants to states on the adoption of certain regulatory changes to promote energy efficiency.

"Our home — Earth — is in grave danger," Gore said. "What is at risk of being destroyed is not the planet itself, of course, but the conditions that have made it hospitable for human beings."

At the same time, he sought to dispel claims that it was too hard to deal with global warming and the economy at the same time. "In fact, the solutions to the climate crisis are the very same solutions that will address our economic and national security crises as well."

The hearing will open a busy year for Congress in addressing global climate change. Curbing greenhouse gas emissions and making the transition to cleaner energy sources are top priorities for President Obama and the Democratic Congress.

But it may be a tall order for Congress to send legislation to the president so quickly. The Senate briefly took up climate legislation last summer but it did not get close to final passage.

One major obstacle has been concerns from lawmakers in both parties that a limit on greenhouse gases will harm the coal

industry. They are seeking funding to research new technology to capture and sequester carbon dioxide emissions from coal-fired power plants.

Chairman [John Kerry](#), D-Mass., said he and other relevant committee chairs were talking about how to move forward with climate legislation. The intent, he said, is “piece this together differently from what we did last year.”

[Barbara Boxer](#), D-Calif., who leads the Environment and Public Works Committee, plans to unveil basic principles for new climate legislation later this week. She has already said that she wants a “streamlined” bill after last year’s legislation was criticized as too complex.

“We need a transformation in public policy thinking to embrace the reality of what science is telling us, accept its implications, and then act in accordance with the full scope and urgency of the problem,” Kerry said.

Ranking member [Richard G. Lugar](#), R-Ind., stressed the need for international assistance to help adapt to climate changes that are already happening. A necessary component, he said, would be allowing the use of genetically modified crops.

“An international fund for climate change adaptation that does not include cutting edge advances in biotechnology will be unnecessarily limited,” he said.

On the House side, [Energy and Commerce Committee Chairman Henry A. Waxman](#), D-Calif., has announced an ambitious schedule for marking up a cap-and-trade bill by Memorial Day.

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# POLITICO

## Planned Parenthood v. Obama

By: [Josh Gerstein](#)

January 28, 2009 01:24 PM EST

President Obama's only been in office for eight days and some of his friends are already steaming mad at him.

The president of Planned Parenthood Action Fund, Cecile Richards, just sent an "urgent" email to supporters decrying Obama's decision to jettison a family planning provision from the nearly \$900 billion economic stimulus package to be voted on in the House Wednesday.

Obama spokesman Robert Gibbs confirmed Tuesday that Obama called House Ways and Means Chairman [Henry Waxman](#) (D-CA) and asked him to drop the provision. The president "believed that the policy of increased funding for family planning was the right one.... He didn't believe that this bill was the vehicle to make that happen," Gibbs said.

"I'm stunned," Richards wrote in the e-mail. "Removing this provision is a betrayal of millions of low-income women, and it will place an even greater burden on state budgets that are already strained to the breaking point."

Richards's e-mail faults "Congressional leaders" for the decision to drop the provision, but she didn't urge Planned Parenthood members to call their member of Congress. Instead, supporters were advised to direct their ire at the White House, by phone or e-mail.

White House communications director Ellen Moran, a former executive director of EMILY's List, referred questions about the new grassroots lobbying effort to the White House press office, which had no immediate response.

The legislative language in question would relieve states of the need to seek a Medicaid waiver from the federal government before spending. Richards contends the provision would actually save the federal government \$700 million over ten years, though Republicans have said the measure would cost hundreds of millions of dollars and do little to boost the economy.

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## Family planning cuts irk activists

By: [Josh Gerstein and Lisa Lerer](#)  
January 29, 2009 04:20 AM EST

President Barack Obama has been in office for just over a week, but already he has managed to upset some top leaders in a key constituency — women’s groups — after he personally intervened to get family planning funds stripped from the House stimulus package.

Planned Parenthood led the charge, with President Cecile Richards sending an “urgent” e-mail to supporters on Wednesday decrying the deletion — calling it a “betrayal of millions of low-income women, and it will place an even greater burden on state budgets that are already strained to the breaking point.”

“I’m stunned,” she wrote, urging supporters to call the White House.

Other prominent women leaders joined in expressing their disappointment at Obama’s move — which came after Republicans turned up the heat on Obama by highlighting the family planning proposal in the House bill to spur conservative opposition.

Kim Gandy, president of the National Organization for Women, said she met with Democratic leaders in Congress Tuesday and received repeated assurances that the money will be restored in another way — but she made clear she’s watching.

“I think the [Obama administration] should have kept it in there,” Gandy said Wednesday in an interview. “But in their political calculus they felt this was something that would pass Congress rather easily as a stand-alone measure and didn’t think was worth fighting for in the stimulus.”

“I think that poor women’s lives are worth fighting for,” Gandy said.

Mary Jane Gallagher, president and CEO of the National Family Planning and Reproductive Health Association, said she was “devastated” by Obama’s decision.

But she added, “He’s made commitments to fund family planning and do it quickly. ... The president had a tough choice, and he told us he was going to make them and we have to stick with him, and I’m sticking with him because I fully expect really quick action on this,” said Gallagher.

Obama’s spokesman Robert Gibbs confirmed that Obama personally called Rep. [Henry A. Waxman](#), chairman of the [House Energy and Commerce Committee](#), and asked him to drop the provision, just a day after House Speaker Nancy Pelosi defended it on national television Sunday morning.

The president “believed that the policy of increased funding for family planning was the right one,” Gibbs said. “He didn’t believe that this bill was the vehicle to make that happen.”

All of the women’s leaders stopped well short of blasting the new White House over the move — appearing not to want to split with the Obama administration so quickly out of the

gate and also confident that Obama stands by them in the long run on the issues they care about most.

As Gandy said, “We were definitely told that the Obama administration has a strong commitment to women’s reproductive rights and family planning. This should not be seen as a lessening of that commitment, only as a change of the vehicle.”

But Obama also made clear in recent days that he’s willing to disappoint some of his most ardent supporters in the abortion rights movement to win what in his mind amount to larger political victories.

Last week, Obama seemingly did his best to downplay his decision to reverse U.S. policy that prevented international organizations that offer abortions from receiving American aid money.

At first, women’s groups hailed Obama for overturning the policy. However, the same groups privately grumbled over Obama’s decision not to issue his new order on the anniversary of Roe v. Wade, the Supreme Court decision legalizing abortion in the U.S. Obama waited a day, apparently out of deference to abortion opponents who rally in the capital on the anniversary.

In addition, he signed the order away from cameras, late in the afternoon on a Friday, traditionally the time when newsmakers try to keep news out of the headlines.

At the time, Obama also said he wants to reshape the polarized political debate over abortion by highlighting the need to reduce the number of abortions, not the old political fights over the right to choose.

The political reality is that the family planning funding — as much as hundreds of millions in dollars in aid to states to provide those services to poor families — was becoming a too-perfect talking point that Republicans were using to rally conservative opposition to his stimulus plan.

The proposal would have relieved states of the need to seek a waiver from the federal government before spending Medicaid money on family planning services for women who don’t qualify for the ordinary Medicaid program. Women’s health advocates say such services include not only contraception but cancer screenings and regular checkups for low-income women.

And if there was any doubt about the political dangers in the bill, the House Republican campaign committee sent out news releases Wednesday asking if newly elected Democrats in conservative districts backed what Republicans said was a second provision in the legislation — to provide \$335 million in funding to prevent sexually transmitted diseases.

Any serious breach with women’s groups has the potential to reopen lingering wounds from the Democratic primary campaign. Many women’s organizations and prominent feminists backed Hillary Clinton in the primary and came aboard Obama’s campaign only after it became clear he would be the nominee. There were also complaints from some women that Obama and his backers had not paid enough respect to the struggles American women have faced over the years.

In a statement released to Politico on Wednesday afternoon, Richards tempered her words,

saying that although the group was “disappointed” the family planning funds were stripped out, “we are confident that ... we have [Obama’s] support on this and other critical women’s issues.”

But Planned Parenthood’s e-mailed protest was not well received by Democrats on Capitol Hill, said one Democratic Senate aide who asked to remain anonymous. “That newsletter was completely inappropriate,” said the aide, adding that the action made “zero political sense.”

“There are plenty of opportunities to plus up family planning funds,” the aide said. “A lot of Democratic members and female members felt that didn’t belong in the [stimulus] bill.”

Leaders of women’s groups have one of their own in White House communications director Ellen Moran. She served as executive director of EMILY’s List, an organization that raises money for female candidates who support abortion rights. Moran declined an interview request, referring comment to the White House press office.

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# Committee



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## US bill would boost food, drug safety inspections

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Wed Jan 28, 2009 8:49pm GMT

WASHINGTON, Jan 28 (Reuters) - U.S. Democratic lawmakers unveiled legislation on Wednesday to increase government inspections of food and drug manufacturing plants in an effort to keep tainted products off the market.

The measure was introduced during a salmonella outbreak traced to peanut butter and follows last year's discovery of contaminated ingredients from China that were used to make the blood-thinner heparin.

Under the bill, food producers and drugmakers would be required to pay fees to the Food and Drug Administration to help boost the frequency of plant inspections. Investigations have found the FDA's inspection staff stretched thin with a growing number of global products to oversee.

The legislation was introduced by Democrats on the House of Representatives [Energy and Commerce Committee](#).

"Americans shouldn't have to worry about whether the food they serve their families and the medical products they use to improve their health might actually make them sick," said Representative [John Dingell](#) from Michigan.

More than 500 people in 43 states and Canada have been sickened in the current salmonella outbreak, which also may be linked with eight deaths, according to the U.S. Centers for Disease Control and Prevention.

Food facilities, both domestic and foreign, would need to be inspected at least once every four years under the bill. Checks of overseas and domestic drug manufacturing plants would be required every two years unless the agency can justify less frequent inspections.

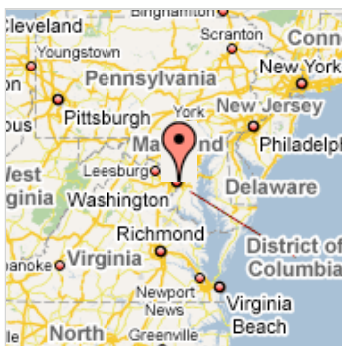
The measure also would give the FDA added authority including the power to order mandatory recalls of tainted foods or unsafe medicines. (Reporting by Lisa Richwine; Editing by Tim Dobbyn)

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Georgia Commissioner of Agriculture Tommy Irvin is shown at his desk in Atlanta Wednesday, Jan. 28, 2009. Irvin said he was outraged by Peanut Corp of America's action and that state criminal probe was possible in the wake of a salmonella outbreak. (AP Photo/John Bazemore)



## Peanut recall grows as feds find problems at plant

By RICARDO ALONSO-ZALDIVAR and GREG BLUESTEIN – 8 hours ago

WASHINGTON (AP) — The salmonella outbreak spawned one of the largest ever product recalls Wednesday by a Georgia peanut plant where federal inspectors reported finding roaches, mold, a leaking roof and other sanitary problems.

Managers at the Blakely, Ga. plant owned by Peanut Corp. of America continued shipping peanut products even after they were found to contain salmonella.

Peanut Corp. expanded its recall Wednesday to all peanut products produced at the plant since Jan. 1, 2007. The company is relatively small, but its peanut paste is an ingredient in hundreds of other food products, from ice cream, to Asian-style sauces, to dog biscuits. Major national brands of peanut butter are not affected.

A senior lawmaker in Congress and Georgia's agriculture commissioner called for a criminal investigation of the company, but the Food and Drug Administration said such a step is premature while its own food safety investigation continues.

More than 500 people have gotten sick in the outbreak and at least eight may have died as a result of salmonella infection. More than 400 products have already been recalled. The plant has stopped all production.

"We feel very confident that it's one of the largest recalls we've had," said Stephen Sundlof, head of the FDA's food safety center. "We're still in the process of identifying products, but it certainly is among the largest."

Most of the older products recalled Wednesday probably have been eaten already. Officials said they were seeing no signs of any earlier outbreaks that might be linked to the plant.

The latest recall covers peanut butter, peanut paste, peanut meal and granulated products, as well as all peanuts — dry and oil roasted — shipped from the factory.

Stewart Parnell, president of Peanut Corp. of America, said in a statement late Wednesday that the recall was expanded out of an abundance of caution.

"We have been devastated by this, and we have been working around the clock with the FDA to ensure any potentially unsafe products are removed from the market immediately," Parnell said, adding that officials at the Lynchburg, Va.-based company were cooperating with state and federal inquiries.

FDA inspectors reported that salmonella had been found previously at least 12 times in products made at the plant, but production lines were never cleaned up after internal tests indicated contamination. Products that initially tested positive were retested. When the company got a negative reading, it shipped the products out.

That happened as recently as September. A month later, health officials started picking up signals of the salmonella outbreak.

PCA on Wednesday said it "categorically denies any allegations that the company sought favorable results from any lab in order to ship its products."

Michael Rogers, a senior FDA investigator, said it's possible for salmonella to hide in small pockets of a large batch of peanut butter. That means the same batch can yield both positive and negative results, he said. The products should have been discarded after they first tested positive.

A leading food safety expert agreed.

"Here's a company that knew it had salmonella in a product and still released it," said Michael Doyle, head of the food safety center at the University of Georgia. "What they tried to do is get around it by having it tested elsewhere. But that doesn't count. The first time counts. They were selling adulterated products."

Separately, senior congressional and state officials on Wednesday called for a federal probe

of possible criminal violations at the plant.

The company's actions "can only be described as reprehensible and criminal," said Rep. Rosa DeLauro, D-Conn., who oversees FDA funding. "This behavior represents the worst of our current food safety regulatory system."

In Georgia, the state's top agriculture official joined DeLauro in asking the Justice Department to determine whether the case warrants criminal prosecution.

"They tried to hide it so they could sell it," Georgia Agriculture Commissioner Tommy Irvin said. "Now they've caused a mammoth problem that could destroy their company — and it could destroy the peanut industry."

Rep. John Dingell, D-Mich., and two other senior House Democrats introduced legislation Wednesday that would significantly increase FDA funding to carry out more inspections of food facilities and improve the agency's obsolete computer systems. The FDA targets its inspections according to the perceived risks of a given product. But that means many facilities may only be inspected once in a decade. Peanut butter, for example, is not considered a high risk food. Prior to the outbreak, the Blakely plant had not been inspected by the FDA in years.

The FDA inspection report is preliminary, and the agency said the findings do not represent a final judgment on the company's compliance with food safety laws and regulations.

The roaches were found in a wash room next to a packaging area. And a sink used for cleaning utensils also was used to wash out mops.

Of even greater concern, inspectors found open gaps as large as a half-inch by two-and-a-half feet at air conditioner intakes on the roof of the plant. Water stains were seen on the ceiling around the intakes and near skylights. The openings were above an area in which finished products were handled. Water leaks would be a problem because salmonella thrives in moist conditions.

A leaky roof is believed to have contributed to a 2007 salmonella outbreak in Peter Pan peanut butter.

ConAgra, the manufacturer, said the plant's roof leaked during a rainstorm, and the sprinkler system went off twice because of a problem, since repaired. The moisture from those three events mixed with dormant salmonella bacteria in the plant that the company said likely came from raw peanuts and peanut dust.

Inspectors at the Blakely plant also found that Peanut Corp. did not take proper steps to prevent finished products from being contaminated by raw peanuts. Roasting is supposed to kill the bacteria, but raw peanuts can harbor salmonella.

Peanut Corp. also warned consumers that salmonella potentially can be transferred to people handling pet treats exposed to salmonella, especially if they have not thoroughly washed their hands after having contact with the products or any surfaces exposed to the products.

*Bluestein reported from Atlanta.*

On the Net:

- FDA's recall page: <http://tinyurl.com/8srctw>

washingtonpost.com

## Every Peanut Product From Ga. Plant Recalled

FDA: Toss Out Anything Made in 2007-08

By Lyndsey Layton  
Washington Post Staff Writer  
Thursday, January 29, 2009; A01

In one of the largest food recalls in history, the Food and Drug Administration asked retailers, manufacturers and consumers yesterday to throw out every product made in the past two years from peanuts processed by a Georgia plant at the heart of a deadly nationwide outbreak of salmonella illness.

The action came after federal officials discovered this month that the company, Peanut Corporation of America, knowingly shipped products contaminated with salmonella 12 times in 2007 and 2008, prompting a congresswoman to call yesterday for a criminal investigation by the Justice Department.

Michael Rogers of the FDA said the company violated good manufacturing practices by selling peanut products that had tested positive for salmonella bacteria in inspections commissioned by the firm. He said it turned over records of its inspections only after the FDA invoked special authority given to it by Congress in 2002 under laws to prevent bioterrorism.

But Rogers would not say whether the company would face sanctions. A Justice Department spokesman declined to comment on whether the agency is evaluating the matter.

A spokesman for Peanut Corporation of America, based in Lynchburg, Va., has said that the company complied with all requests by regulators from "Day One" of their investigation.

"We have been devastated by this, and we have been working around the clock with the FDA to ensure any potentially unsafe products are removed from the market immediately," the company's president, Stewart Parnell, said last night in a written statement. The company also said that its goal "over the past 33 years has always been to follow the U.S. Food and Drug Administration's good manufacturing practices in order to provide a safe product for consumers."

The company's plant in Blakely, Ga., produces peanut butter, paste, meal and granules that are used in products including ice cream, snack crackers and dog biscuits. Since early this month, when federal investigators traced the salmonella contamination to the plant, more than 400 products made with peanut butter or paste from the facility were recalled. That represented products made with peanut ingredients handled by the plant since July 1.

But yesterday's move expands the recall to all peanut products that came out of the Blakely plant since Jan. 1, 2007. Federal officials said they do not know how many consumer products will be affected.

"We don't have a good idea right now in terms of how much of that product is still out there; it may have largely been consumed," said Stephen Sundlof, director of FDA's Center for Food Safety and Applied Nutrition.

Federal officials found four different strains of *Salmonella enterica* at the plant, raising questions about

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whether products besides peanut butter and paste may have been contaminated.

The outbreak of salmonella illness, which began in late summer and is ongoing, has been linked to eight deaths, including two in Virginia. In all, about 500 people in 43 states and Canada have become ill. About 22 percent were hospitalized, and about half of those affected are children.

Health officials said they will work with companies supplied by Peanut Corporation of America to continually update a recall list that is available on the FDA's Web site. The Web site details a long list of popular products that are affected, including candies, cookies, snack bars and snack mixes.

Peanut Corporation of America, which also has plants in Virginia and Texas, is a relatively small company, but the contamination's impact is large because the peanuts the plant processes are turned into hundreds, if not thousands, of food products.

Once federal investigators traced the current outbreak to the Blakely plant, they made 14 visits earlier this month and documented unsanitary conditions, poor practices and structural problems that invited bacterial contamination.

The inspection reports, made public yesterday by the FDA, detail mold growing on a ceiling, rainwater leaking into the production area from skylights, gaps in the building where rodents could enter, dead roaches and inadequate ventilation, among other defects.

Raw peanuts, which can carry bacteria, were stored in proximity to roasted peanuts, increasing the chances for contamination, the report said. Peanut products ready for packaging were stored 15 feet from a spot where a swab tested positive for one of four salmonella strains that the FDA said existed in the plant. A single sink was used by workers to wash their hands as well as utensils and mops, making it possible to pass contaminants among all three.

The last time the FDA inspected the plant was in 2001, officials said yesterday. In 2006, the agency contracted inspections to the Georgia Department of Agriculture. State inspectors visited the plant about twice a year, but in 2008 they did not check for salmonella. The state inspection reports all seemed to play down deficiencies, saying all that was needed was routine follow-up.

The outbreak of salmonella illness has spurred two civil lawsuits against the company. Yesterday, [Rep. Rosa DeLauro](#) (D-Conn.), chairwoman of the House Appropriations subcommittee on agriculture and the FDA, said she will ask the Justice Department to investigate possible criminal charges against plant officials. She also wants the FDA's inspector general to review the agency's inspection contracts with the state of Georgia and others.

[Rep. John D. Dingell](#) (D-Mich.) introduced a bill yesterday that would increase resources and regulatory authority for the FDA. "The Food and Drug Administration can't and doesn't do its job, and American lives are at risk," Dingell said. "We're killing Americans."

Sundlof of the FDA defended his agency. "It's the responsibility of the industry to produce safe products. The FDA is not in the plants on a continuous basis. We do rely on inspections to find problems when they exist. It's just as if it were an individual citizen: We expect individual citizens to obey the law. Occasionally, they don't obey the law, and when they don't, it's the responsibility of the regulatory agency to take the appropriate action, which is what we're doing."

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## HILL BRIEFS

## Bill To Bolster FDA Authority Introduced By House Dems

After a year of negotiations with industries, House Energy and Commerce Democrats introduced legislation Wednesday to beef up FDA's ability to police food, drugs, medical devices and cosmetics.

The bill sets up an industry registration fee to fund increased inspections of facilities that make food, drugs and devices. The bill also institutes a user fee for generic drugmakers to cover the cost of pre-approval inspections and establishes new enforcement tools, including allowing FDA to destroy counterfeit or adulterated drugs and permitting the agency mandatory recall authority for unsafe medications.

The bill was introduced by Rep. [John Dingell](#), D-Mich., Energy and Commerce Health Subcommittee Chairman [Frank Pallone](#), D-N.J., and Oversight and Investigations Chairman [Bart Stupak](#), D-Mich.

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January 28, 2009

## FDA releases report of peanut butter plant

*BY MEGHA SATYANARAYANA  
FREE PRESS STAFF WRITER*

On Tuesday, the Food and Drug Administration released its inspection report of Peanut Corporation of America, the Georgia plant that has been the epicenter of the national salmonella outbreak. FDA found numerous problems in PCA's manufacturing process, including poorly maintained machinery, and multiple findings of salmonella subtypes at the plant.

On Monday, federal health and food officials said PCA found through its own testing instances of salmonella of multiple types, yet continued to ship its products. The outbreak has sickened more than 500, and could have killed eight.

In Michigan, 25 people have fallen ill after eating peanut butter and peanut butter products sourced by Peanut Corporation of America, and all survived. Yet, that 25, say state health officials, is a mere drop in the bucket. Many more people have fallen ill from salmonella, but either got well on their own, or did not get salmonella tests at hospitals.

On Tuesday, Michigan Congressmen [John Dingell](#) and [Bart Stupak](#), and New Jersey Congressman [Frank Pallone Jr.](#) introduced the Food and Drug Administration Globalization Act of 2009, intended to give FDA the money and power to better regulate interstate and international food products, and to more quickly trace sources of contamination. The FDA report comes months after the outbreak began last fall. The three are pushing for swift passage of the reintroduced act, which some say will be an uphill battle.

[http://freep.com/uploads/pdfs/2009/01/0128\\_PCA.pdf](http://freep.com/uploads/pdfs/2009/01/0128_PCA.pdf) target="\_blank" "color:blue;">Click here to read the report.

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nation and world

## Peanut recall now one of largest

**Plant broadens it back to '07 stock**

*By The Associated Press*

Posted: 01/29/2009 12:30:00 AM MST

Updated: 01/29/2009 01:14:19 AM MST

WASHINGTON — The salmonella outbreak spawned one of the largest-ever product recalls Wednesday. An expanded recall was issued by a Georgia peanut plant where federal inspectors reported finding roaches, mold, a leaking roof and other sanitary problems.

Managers at the Blakely, Ga., plant owned by Peanut Corp. of America continued shipping peanut products, even after they were found to contain salmonella.

Peanut Corp. broadened its recall Wednesday to all peanut products produced at the plant since Jan. 1, 2007. The company is relatively small, but its peanut paste is an ingredient in hundreds of other food products, from ice cream to Asian-style sauces to dog biscuits.

Rep. Rosa DeLauro, D-Conn., who oversees funding of the Food and Drug Administration, and

Tommy Irvin, Georgia's agriculture commissioner, called for a criminal investigation of the company, but the FDA said such a step is premature while its own food-safety investigation continues.

Rep. [Diana DeGette](#), D-Colo., vice chairwoman of the [House Energy and Commerce Committee](#), likened food manufacturers to truant children who "can't be relied on to report their own problems and correct them in a timely fashion, so we're going to have to make them do it."

More than 500 people — including 12 in Colorado — have gotten sick in the outbreak, and at least eight may have died as a result of salmonella infection. More than 400 products have been recalled. The plant has halted production.

"We feel very confident that it's one of the largest recalls we've had," said Stephen Sundlof, head of the FDA's food-safety center.

The latest recall covers peanut butter, peanut paste, peanut meal and granulated products, as well as all peanuts — dry and oil-roasted — shipped from the factory.

Salmonella had been found previously at least 12 times in products made at the plant, but production lines were never cleaned up after internal tests indicated contamination, FDA inspectors said in a report. Products that initially tested positive were retested. When the company got a negative reading, it went ahead and shipped out the product anyway.

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That happened as recently as September. A month later, health officials started picking up signals of the salmonella outbreak.

Michael Rogers, a senior FDA investigator, said it's possible for salmonella to hide in small pockets of a large batch of peanut butter. That means the same batch can yield both positive and negative results, he said.

A searchable list of products affected by the recall can be found on the FDA's website, [www.fda.gov](http://www.fda.gov).

*The New York Times contributed to this report.*

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## **Peanut Product Recall Grows in Salmonella Scare**

**By [GARDINER HARRIS](#)**

WASHINGTON — One of the largest food contamination scares in the nation's history grew far larger on Wednesday as a Georgia peanut plant that federal regulators said knowingly shipped contaminated food recalled even more products.

Already, more than 400 consumer products, including Jenny Craig nutritional bars and Keebler Peanut Butter Sandwich Crackers, have been recalled after eight people died and more than 500 people in 43 states, half of them children, were sickened by [salmonella](#) poisoning.

On Wednesday, the Peanut Corporation of America, whose plant in Blakely, Ga., is the source of the contamination, expanded its recall from all products made since July to all those made since Jan. 1, 2007. The company supplied some of the largest food makers in the nation.

"We don't have a good idea of how much of that product is still out there," said Dr. Stephen F. Sundlof, director of the [Food and Drug Administration's](#) food center.

An F.D.A. inspection team that visited the plant on Jan. 9 discovered that on 12 occasions in 2007 and 2008 tests conducted by the company found salmonella contamination in its products but that it shipped the contaminated products to customers after a retest found no contamination and did nothing to clean the plant.

"The practice of initially obtaining a positive sample and subsequently of getting a negative result and not having" cleaned up the plant is illegal, said Michael C. Rogers, director of the division of field investigations at the food and drug agency.

A representative of the Peanut Corporation of America said she would respond to the accusations but did not.

The recall of peanut products is the latest in a series of increasingly severe food contamination scares involving tomatoes, spinach, cantaloupes and other foods that have enraged legislators on Capitol Hill.

"I want to make this the year that we fix the nation's [food safety](#) system," Representative Rosa DeLauro, Democrat of Connecticut and chairwoman of the Appropriations subcommittee with jurisdiction over the food and drug agency, said in an interview. Ms. DeLauro called for the Justice Department to conduct a criminal investigation.

Representative [Bart Stupak](#), Democrat of Michigan and chairman of the House subcommittee on

investigations, was one of three powerful House members who proposed legislation on Wednesday that would increase safety requirements for food makers and give F.D.A. officials greater authority and money to conduct inspections.

Representative [Diana DeGette](#), Democrat of Colorado and vice chairwoman of the [House Energy and Commerce Committee](#), likened food manufacturers to truant children who “can’t be relied on to report their own problems and correct them in a timely fashion, so we’re going to have to make them do it.”

The nation’s food-protection system relies largely on voluntary efforts by food makers to process food safely and agree to recall tainted foods when their own tests show problems. Government inspections are rare and sometimes inadequate.

Finger-pointing is common when problems occur. Representatives for McKee Foods and Whole Foods Market, for instance, both blamed contract manufacturers for failing to police the Peanut Corporation of America.

Libba Letton, a spokeswoman for Whole Foods, said the company carefully checked the paperwork for all its products.

“For the thousands of products we sell, that’s the extent we can go to,” Ms. Letton said. “The rest of it is up to the F.D.A. and to the manufacturer.”

Michael R. Taylor, a professor at [George Washington University](#) and a food safety expert, said the peanut contamination demonstrated that the government must set stricter standards and spend more on enforcing them.

“If the government doesn’t enforce the standards, they won’t be met,” Mr. Taylor said.

F.D.A. officials said they relied on inspections by the Georgia Department of Agriculture, a common situation.

State inspectors found rust that could flake into food and gaps in warehouse doors big enough for rodents to enter at the Peanut Corporation of America plant. But Oscar S. Garrison, Georgia’s assistant agriculture commissioner, described the violations as “minor.”

“There was really no red flag that gave us concern at the time,” Mr. Garrison said.

The recent federal inspection, however, concluded that the plant should never have been allowed to make peanut butter at all because it did not adequately separate raw and finished products, among other problems. Finished products should be stored far from raw materials to reduce the chances of re-contamination of the finished goods, according to food and drug agency rules.

Dr. Donald Zink, an F.D.A. food scientist, said state inspectors often visited different kinds of plants and might not know what was needed in a peanut butter facility. This same lack of specialization is true of many F.D.A. inspectors.

The agency found that the Georgia plant had mold on its ceiling and walls, and footlong gaps in its roof. The

report also found that even after the company discovered that its peanut butter was contaminated, it did not clean its equipment.

In Blakely, Lawanda McGriff, manager of a McDonald's restaurant, said that when the peanut plant was shut down because of the contamination, "we had approximately 50 people come down here trying to get hired."

A local peanut farmer, Nelson Hattaway, said the closing would affect how much acreage he and others planted in May. "Now this salmonella thing means we'll plant even less," Mr. Hattaway said.

*Robbie Brown contributed reporting from Atlanta, and Clint Claybrook from Blakely, Ga.*

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## Look at big picture on digital TV issue

By Jane Harman

Posted: 01/28/2009 06:56:39 PM PST

For many Americans the process of replacing analog television programming with a digital format has become mere background noise.

The reality is that when the DTV transition deadline comes, a vast majority of television viewers won't notice a difference. But millions of Americans remain at risk of losing their TV signals. Most of these are minorities, the elderly or those living in rural areas.

In Congress, the House and Senate have split on the issue of delaying the transition. The Senate agreed to push back the deadline, while a House vote Wednesday failed due to procedural rules. (I voted in support of a short delay.)

The transition process has been wracked with challenges: not enough money, a lack of leadership, and an underwhelming sense of urgency. Congress tried to do its part by appropriating \$1.5 billion in 2005 to offset the cost of digital converter boxes.

But lost in all of this seems to be an appreciation of the transition's real purpose, which is to free up analog spectrum so first responders can communicate across the country in the event of a terror attack or natural

emergency.

The lessons from 9-11 are sadly fading. Hundreds of police and firefighters died in the World Trade Center, in part because they could not talk to each other on their radios.

Similar problems beset first responders during Hurricanes Katrina and Rita, and while fighting the fierce wildfires that have ravaged California. And yet, almost eight years after 9-11, we are no closer to building out a nationwide interoperable communications network.

The foundation to giving our first responders the communications tools they need lies in completing the digital transition. Only after the analog channels are cleared can that spectrum be put to its intended use.

The most important part of the spectrum is the 24 megahertz set to be allocated to public safety users, including bandwidth intended to create a nationwide, interoperable, wireless broadband network for America's police, fire and emergency medical technicians .

Once this network is in place, as rescue workers from different units race to respond to a natural disaster or a terrorist attack, they will be able to talk to each other even though they operate separate radio systems. The result is improved coordination, faster response times and more lives saved.

Not surprisingly, there was strong support immediately in the wake of 9-11 to make this

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move, but months turned to years. After Hurricanes Katrina and Rita there was renewed urgency, but with time that ebbed too.

Meanwhile, we are now weeks from the deadline Congress set for the DTV transition and fighting about whether we should delay the date.

I sympathize. Television is important to our lives and can serve as a vital tool in times of emergency.

My support for a short, one-time delay is to help our most vulnerable citizens without jeopardizing the nationwide public-safety network that is our ultimate goal. We must keep our focus on the underlying reason for this transition. And to be successful, private sector wireless carriers must contribute resources and expertise to the development of the network.

Police, firefighters and EMTs nationwide, and the families they protect, are counting on us to finally get this right.

South Bay Rep. Jane Harman, D-El Segundo, chairs the Homeland Security Subcommittee on Intelligence and Terrorism Risk Assessment. She is a member of the House Energy and Commerce Committee.

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TECHNOLOGY | JANUARY 29, 2009, 2:51 A.M. ET

## Cyber-Scams on the Uptick in Downturn

By [M.P. MCQUEEN](#)

The bear economy is creating a bull market for cyber-crooks.

Experts and law-enforcement officials who track Internet crime say scams have intensified in the past six months, as fraudsters take advantage of economic confusion and anxiety to target both consumers and businesses.

Thieves are sending out phony emails and putting up fake Web sites pretending to be banks, mortgage-service providers or even government agencies like the Federal Bureau of Investigation or the Federal Deposit Insurance Corp. Cellphones and Internet-based phone services have also been used to seek out victims. The object: to drain customer accounts of money or to gain information for identity theft.

Avivah Litan, vice president with Internet-technology research company [Gartner Inc.](#), said clients are telling her that cyber-assaults on many banks have doubled in the past six months in the U.S. and other parts of the world, including the U.K., Canada, Mexico and Brazil. Though most are thwarted by computer-security defenses, such as spam filters and fraud-detection systems, that still leaves potentially millions of victims.

"They are all experiencing a lot more attacks, and a lot more ATM fraud" aimed at depositors' accounts, Ms. Litan said.

More than 800 complaints have been logged by the National White Collar Crime Center in Richmond, Va., so far this year from checking-account customers in the U.S. about mysterious, unauthorized transactions of \$10 to \$40 that appear on monthly statements. Craig Butterworth, a spokesman for the center, a federally funded group that assists police agencies, said investigators suspect a data breach or "phishing" campaign, where deceptive emails and text messages are used to acquire personal information, such as Social Security numbers, user names and passwords. Separately, a "penny" scam of phantom credit- and debit-card charges from 21 cents to 48 cents has generated 300 complaints, Mr. Butterworth said.

The FBI's Internet Crime Complaint Center confirms a increase in cyber-attacks. In its most recent Internet Crime Report, the FBI said it received 207,000 complaints about crimes perpetrated over the Internet in 2007, the latest year for which data are available, amounting to nearly \$240 million in reported losses, or \$40 million more than a year earlier. Organized groups in the U.S. and elsewhere are behind many of the crimes, experts say.

Until recently, most attacks were scattershot, with spam emails blasted randomly to thousands of computer users at once. Now crooks are starting to single out specific targets identified through prior research, a tactic called "spear phishing." In these attacks, emails are sent to the offices of wealthy families or to corporate money managers, for example. They address potential victims by name and company or appear to come from an acquaintance.

### *Executives Targeted*

In one such attack, hundreds of senior executives across the globe received personally addressed emails in last April,

saying they were being subpoenaed to testify before a grand jury by the U.S. District Court in San Diego, according to a federal courts spokesman in Washington, D.C. When users clicked on a link containing the attachment, their computers were infected with malicious software. The case was referred to the FBI, the spokesman said.

Panos Anastassiadis, chief executive of Cyveillance, an Internet security firm in Arlington, Va., that also examined the case, suspects fraudsters were trying to get "first-quarter financial results of publicly traded companies a week before everybody else."

Mr. Antastassiadis himself received an email but didn't open it because he says he knew better. He estimates that almost half of the recipients opened the documents, exposing themselves to the malware. Many also forwarded the bogus messages to their legal departments -- infecting them, too. Mr. Anastassiadis said an organized-crime ring based in Eastern Europe is believed responsible.

The use of cellphone text messages is a fairly new tactic. Earlier this month, customers of Associated Bank, a unit of [Associated Banc-Corp](#), were among the recipients of email and cellphone text alerts warning them that their credit cards had been deactivated. The message directed them to call a telephone number and leave their account information. Customers of Norway Savings Bank in Maine were also among those hit by cellphone text messages about their debit cards shortly before Christmas.

In another case, emails bearing the logo of Franklin Bank of Jacksonville, Texas, which failed on Nov. 7, were circulating throughout Texas in November and December that also sought account numbers, personal-identification numbers and passwords from recipients. Prosperity Bank, which assumed all the deposits of the failed bank, said customers didn't lose any money.

### Avoiding Traps

Security experts and law-enforcement officials offer this advice on protecting your personal information from criminals.

- Don't respond to phone or email messages that are unsolicited or from unknown senders. Likewise, don't open or forward attachments from unknown sources.
- If a message appears to be from a financial institution, contact your financial institution directly using a phone number you obtain independently from a bank statement or phone book.
- Install firewalls and up-to-date antivirus software. Also install updates, when available, to your computer's operating system, Web browsers and third-party applications, such as RealPlayer.
- Check that a Web site connection is secure before sending information to financial institutions or retailers. Check the browser for an "s" in the prefix before a Web address so that it reads "https." Look for the padlock icon, which many browsers display to indicate encryption is in place so that information you send is less likely to be intercepted in transit.
- If you believe your computer is compromised, reset your password immediately. Change user names and passwords for any sensitive Web sites that are visited on that computer, such as banking and credit cards sites.

In another new twist, scammers using Internet-based phone service are faking the caller-IDs of banks and other businesses in telephone phishing scams. Because the phone ID bears the name of a real company, victims have been tricked into supplying personal information. Some customers of the Bank of Lancaster County in central Pennsylvania, which became part of the [PNC Financial Services Group Inc.](#) in August, were targeted in this type of scam last summer, a PNC spokesman confirmed. Because of federal regulations and bank policy, any customers' money lost would have been reimbursed, he said.

Difficult times are also causing more people to fall prey to job- and business-opportunity scams that have migrated to the Internet from postal mail.

### Job Board Scam

A 68-year-old woman in Pennsylvania, who asked that her name not be used because she is still being victimized, said she searched an online job board not long ago and received a "work-at-home" offer by email. The "job" was to cash checks that would be delivered by parcel post. She was to keep 10% of the money and return the rest. Skeptical, she took the first check to her bank, where a clerk promptly declared it a fake and confiscated it. After threatening to report the sender to police, the woman thought she had avoided trouble, but she hadn't.

"Suddenly I am getting phone calls from all over the country saying why did you send me these emails and checks? They are using my name and address. I have gotten calls from at least 30 or 35 people from all over the country, from California to Florida to Pennsylvania," she said.

## *Watching for Grammar*

Identity thieves frequently post fake ads on job boards to ensnare victims, and they've become increasingly sophisticated in recent years, says Pam Dixon, executive director of the World Privacy Forum, a nonprofit public-interest research group. "It used to be you could pick them out by their bad grammar, but now it's much more difficult," she says. "You really have to be careful."

The Pennsylvania woman notified police and also contacted Identity Theft 911, a fraud-resolution company based in Scottsdale, Ariz., for help. The outfit, which provides the ID-theft resolution under contract with insurance companies, employers and credit unions, used credit monitoring and fraud alerts to try to prevent the incident from spiraling out of control.

Brian Lapidus, chief operating officer for the Fraud Solutions division of Kroll Inc., a company that also helps businesses and individuals resolve cases, said his company is fielding a growing number of calls from wary recipients of similar emails pitching too-good-to-be-true jobs, loans and sweepstakes offers. Even when advised of the risks, many respond anyway, Mr. Lapidus says.

"People want to believe that even in this economic climate, the cloud has a silver lining," he said.

—Sarah E. Needleman contributed to this article.

**Write to** M.P. McQueen at [mp.mcqueen@wsj.com](mailto:mp.mcqueen@wsj.com)

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# Energy/Environment

washingtonpost.com

## With Al Due Respect, We're Doomed

By Dana Milbank

Thursday, January 29, 2009; A03

The lawmakers gazed in awe at the figure before them. The Goracle had seen the future, and he had come to tell them about it.

What the Goracle saw in the future was not good: temperature changes that "would bring a screeching halt to human civilization and threaten the fabric of life everywhere on the Earth -- and this is within this century, if we don't change."

The chairman of the Senate Foreign Relations Committee, John Kerry (D-Mass.), appealed to hear more of the Goracle's premonitions. "Share with us, if you would, sort of the immediate vision that you see in this transformative process as we move to this new economy," he beseeched.

"Geothermal energy," the Goracle prophesied. "This has great potential; it is not very far off."

Another lawmaker asked about the future of nuclear power. "I have grown skeptical about the degree to which it will expand," the Goracle spoke.

A third asked the legislative future -- and here the Goracle spoke in riddle. "The road to Copenhagen has three steps to it," he said.

Sen. James Risch (R-Idaho) begged the Goracle to look further into the future. "What does your modeling tell you about how long we're going to be around as a species?" he inquired.

The Goracle chuckled. "I don't claim the expertise to answer a question like that, Senator."

It was a jarring reminder that the Goracle is, indeed, mortal. Once Al Gore was a mere vice president, but now he is a Nobel laureate and climate-change prophet. He repeats phrases such as "unified national smart grid" the way he once did "no controlling legal authority" -- and the ridicule has been replaced by worship, even by his political foes.

"Tennessee," gushed Sen. Bob Corker, a Republican from Gore's home state, "has a legacy of having people here in the Senate and in public service that have been of major consequence and contributed in a major way to the public debate, and you no doubt have helped build that legacy." If that wasn't quite enough, Corker added: "Very much enjoyed your sense of humor, too."

Humor? From Al Gore? "I benefit from low expectations," he replied.

The Goracle's powers seem to come from his ability to scare the bejesus out of people. "We must face up to this urgent and unprecedented threat to the existence of our civilization," he said. And: "This is the most serious challenge the world has ever faced." And: It "could completely end human civilization, and it is rushing at us with such speed and force."

Though some lawmakers tangled with Gore on his last visit to Capitol Hill, none did on the Foreign Relations

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Committee yesterday. Dick Lugar (Ind.), the ranking Republican, agreed that there will be "an almost existential impact" from the climate changes Gore described.

As such, the Goracle, even when questioned, was shown great deference. Johnny Isakson (R-Ga.), challenging Gore over spent nuclear fuel, began by saying: "I stand to be corrected, and I defer to your position, you're probably right, and I'm probably wrong." He ended his question by saying: "I'm not questioning you; I'm questioning myself."

Others sought to buy the Goracle's favor by offering him gifts. "Thank you for your incredible leadership; you make this crystalline for those who don't either understand it or want to understand it," gushed Sen. Bob Menendez (D-N.J.), who went on to ask: "Will you join me this summer at the Jersey Shore?"

The chairman worried that the Goracle may have been offended by "naysayers" who thought it funny that Gore's testimony before the committee came on a morning after a snow-and-ice storm in the capital. "The little snow in Washington does nothing to diminish the reality of the crisis," Kerry said at the start of the hearing.

The climate was well controlled inside the hearing room, although Gore, suffering from a case of personal climate change, perspired heavily during his testimony. The Goracle presented the latest version of his climate-change slide show to the senators: a globe with yellow and red blotches, a house falling into water, and ones with obscure titles such as "Warming Impacts Ugandan Coffee Growing Region." At one point he flashed a biblical passage on the screen, but he quickly removed it. "I'm not proselytizing," he explained. A graphic showing a disappearing rain forest was accompanied by construction noises.

The Goracle supplied abundant metaphors to accompany his visuals. Oil demand: "This roller coaster is headed for a crash, and we're in the front car." Polar ice: "Like a beating heart, and the permanent ice looks almost like blood spilling out of a body along the eastern coast of Greenland."

The lawmakers joined in. "There are a lot of ways to skin a cat," contributed Isakson, who is unlikely to get the Humane Society endorsement. "And if we have the dire circumstances we're facing, we need to find every way to skin every cat."

Mostly, however, the lawmakers took turns asking the Goracle for advice, as if playing with a Magic 8 Ball.

Lugar, a 32-year veteran of the Senate, asked Gore, as a "practical politician," how to get the votes for climate-change legislation. "I am a recovering politician. I'm on about Step 9," the Goracle replied, before providing his vision.

Prospects for regulating a future carbon emissions market? "There's a high degree of confidence." The future of automobiles in China and India? "I wouldn't give up on electric vehicles." The potential of solar power in those countries? "I have no question about it at all."

Of course not. He's the Goracle.

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## Energy Loan Program With No Projects May Get More U.S. Funds

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By Daniel Whitten

Jan. 29 (Bloomberg) -- Congress is planning to direct at least \$10 billion in economic stimulus funding to an Energy Department loan guarantee program that hasn't backed any projects since it began in 2005.

The new money is intended to generate \$100 billion in loans for renewable energy and transmission projects, according to Senator **Byron Dorgan**, a North Dakota Democrat. Congress previously approved at least \$38.5 billion for clean-energy loan guarantees, and not a single project was funded.

"It will get worse the more you put into it," said Doug Koplw, president of **Earth Track** of Cambridge, Massachusetts, which reviews environmental subsidies. "There is still a lot of talk about dumping much more in, and you have to be wary."

Lawmakers, trying to encourage a shift to clean-energy sources such as wind and solar, have sought to stretch government funds by using loan guarantees instead of grants or direct support for renewable energy projects.

The Senate's economic stimulus plan includes about \$78 billion overall for Energy Department programs or tax breaks for energy projects. The House plan would spend about \$10 billion less on such projects.

A July **Government Accountability Office** report found the Energy Department's loan guarantee program lacked "adequate management and internal controls."

Energy officials hadn't determined the resources needed to carry out the program, set policies for processing applications or monitor the loans, the report found. GAO, the investigative agency for Congress, also said the Energy Department had no clear idea of program costs or how it would identify eligible lenders.

### Staff Expertise

Former Energy Secretary **Samuel Bodman** told reporters Jan. 14, before he left office, that the loan guarantee program had foundered initially because the staff lacked experience financing large projects. The department hired staff with such expertise before he left, Bodman said.

Energy Department Spokesman Dan Leistikow didn't immediately respond yesterday to questions about the program.

**Mary Anne Sullivan**, an attorney at Hogan & Hartson in Washington who represents clients seeking guarantees, said the department's improved preparation, combined with the new Obama administration's commitment to the program, should lead to loan guarantees being given out.

"With motivated administrators of the program, it should go much more quickly," said Sullivan, who was a general counsel at the Energy Department during former President **Bill Clinton**'s administration.

Koplw of Earth Track said government employees who administer financing programs don't have any personal or institutional risk in reviewing whether projects will succeed.

### Nuclear Power

**Brent Blackwelder**, president of the Washington-based environmental group Friends of the Earth, said in a statement yesterday that, under the Senate plan, as much as half of the \$100 billion in loans could be used for nuclear power plants. He said that would be a waste of the money.

Congress approved the loan guarantee program as part of energy legislation in 2005. It called for the

government to guarantee repayment of loans made to fund energy projects such as nuclear power plants, coal projects and renewable-energy investments.

Of the \$38.5 billion already authorized, the department is planning to distribute \$18.5 billion in guarantees for nuclear plants; \$10 billion for renewable or energy-efficient systems; \$8 billion for clean coal; and \$2 billion for processing of nuclear fuel.

To contact the reporter on this story: **Daniel Whitten** in Washington at [dwhitten2@bloomberg.net](mailto:dwhitten2@bloomberg.net)

*Last Updated: January 29, 2009 00:00 EST*



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# Health



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**THE WALL STREET JOURNAL**

WSJ.com

JANUARY 29, 2009

## House Passes Stimulus Package

*\$819 Billion Jolt to Economy Aims to Reshape Education, Health Care; Deficit to Soar*

By JONATHAN WEISMAN, GREG HITT and NAFTALI BENDAVID

The House passed an \$819 billion tax-and-spending bill Wednesday, in a recession-fighting effort that would extend the reach of the federal government across the U.S. economy by reshaping policy on energy, education, health care and social programs.

The House bill is one of the largest single stimulus packages in history, almost equal to the entire cost of annual federal spending under Congress's discretion. A parallel Senate measure, which is expected to come to a vote next week, is now valued at nearly \$900 billion.

Either bill, if enacted, would push the federal debt toward levels not seen since the second World War.

The package embodies President Barack Obama's philosophy, stated in his inaugural address, that a nation in crisis has moved beyond "stale political arguments" over the size and reach of government.

Although most of the money -- about \$526 billion -- will be spent in 2009 and 2010, spending on some programs, including student-loan programs, clean-water projects and housing assistance, is expected to last well beyond the current recession. The House bill expands access to health care for the unemployed, represents perhaps the largest expansion of the federal government's role in education financing ever and begins what Mr. Obama has promised will be a push toward renewable energy that will continue throughout his presidential tenure.

Also tucked inside is \$335 million for programs that help prevent sexually transmitted diseases, and \$50 million for the National Endowment for the Arts. The Senate version includes \$70 million for a supercomputer at the National Oceanic and Atmospheric Administration and \$75 million for smoking-cessation programs.

The package, which would cost more than the entire Iraq War, would reverse the Bush administration's approach to boosting the economy. That approach relied heavily on tax cuts that tended to put money in the pockets of middle-class and more affluent Americans. The \$275 billion in tax relief offered in the stimulus package focuses more on lower-income families. It also includes business incentives to spur job creation and a \$500 payroll tax holiday for workers.

The 244-188 vote was not what Mr. Obama had hoped for. A week of presidential wooing -- including a visit to the Capitol, a return visit to the White House by moderate House Republicans and a bipartisan cocktail party Wednesday night -- did not yield a single Republican vote. The president also lost 11 Democrats.

House Republican leadership aides said the vote should force Democrats to compromise in the Senate, but White House aides were more sanguine. They said the package in the Senate has already moved toward Republican positions on key issues, making GOP votes more likely. Mr. Obama has said he wants a final compromise version by Feb. 13.

By providing enormous sums for social programs and changing many of the rules to allow more people to take advantage of the programs, the Obama plan has prompted some Republicans to complain that the bill is becoming a back-door way to expand the social contract. The long-lasting nature of some of the items, say Republicans, has as much to do with pent-up policy demands of a Democratic Congress and White House as reviving a flailing economy.

"The strategy under this bill is to throw billions of dollars in every bureaucratic direction, and cross our fingers and hope for the best," said Rep. Ken Calvert (R., Calif.) Wednesday during debate on the House floor.

"We need to compare the cost of this package against the cost of doing nothing. The cost of nothing would be catastrophic," said Rep. David Obey (D., Wis.).

Among the longstanding policy fights the bill weighs in on is whether to mandate that broadband cables controlled by telecommunications and cable firms be open to any Internet content provider; the House bill includes language favoring open access -- so-called net neutrality -- that telecoms have long opposed. It also secures an expansion of unemployment insurance for part-time workers that Democrats have sought for more than a decade. And it would push the private sector toward enterprises the free market has not favored, such as providing fast Internet access to rural areas and funding for alternative energy during a time of low energy prices.

In the education realm, the stimulus aims more than \$125 billion at bolstering public education, an unusual federal intervention in a sphere usually left to state and local governments. It calls for spending \$20 billion on school and college renovations. There's another \$79 billion proposed for aid to the states to help them avoid education-related layoffs. In addition, more than \$2 billion would go to the Head Start program, \$13 billion to supplemental funding for high-poverty areas, and another \$13 billion for special-education programs.

The plan provides \$5 billion for the construction and repair of public housing. Democrats say this will reduce a backlog of such projects and will mostly be distributed according to existing formulas. But Rep. Jerry Lewis (R., Calif.) depicts it as a quiet reversal of a 30-year trend of the government extracting itself from public housing construction.

In an effort to directly help those hurt by the economic downturn, the plan provides \$27 billion to continue unemployment insurance benefits through Dec. 31. It allots \$9 billion to increase the current benefit from roughly \$300 to \$325 per week.

The bill also expands COBRA, the law that allows a company's former employees to continue receiving group coverage. It would fund 65% of individuals' premiums for up to 12 months. And it allows workers older than 55, or those who have worked at a company for 10 years, to keep their COBRA coverage until they qualify for Medicare or find a new job. Among the plan's biggest departures is allowing those who are unemployed to enroll in Medicaid, the health program for the poor. It would temporarily expand Medicaid to allow millions of unemployed workers to qualify for benefits.



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**THE WALL STREET JOURNAL**  
WSJ.com

JANUARY 29, 2009

## From Yachts to Textiles, Perks for Special Interests

By [BRODY MULLINS](#) and [ELIZABETH WILLIAMSON](#)

WASHINGTON -- The economic stimulus plan could include dozens of special-interest provisions pushed by lawmakers to help constituents such as the South Florida yacht-repair industry, Manhattan subway riders and California wine makers.

President Barack Obama wanted to keep the package free of such narrow provisions, partly to hold down the cost of the plan. But the business-as-usual process for handling the legislation on Capitol Hill is swelling its price tag to nearly \$900 billion and giving Mr. Obama a refresher course on the congressional sausage-making process.

Many of the special-interest projects were included in a version of the stimulus plan that passed the House on Wednesday. In the Senate, lobbying groups from the agriculture to timber industries are working with home-state senators to add their pet items to the Senate version of the bill, which is set to be debated on the floor next week.

On Wednesday, Democrats from New York, Chicago and other cities added \$3 billion in funding for transit systems. New York would be in line for several hundred million dollars for transit projects, such as the planned Second Avenue Subway and the East Side Access Tunnel. The extra funding "will be a great boon to New York in particular," New York Democratic Rep. Jerry Nadler said after lawmakers voted to add the funding in a House floor vote.

The House legislation also would exempt yacht-repair companies from paying for federal workers' compensation insurance to cover those hurt on the job. The Fort Lauderdale-based Marine Industries Association of South Florida had fought for the exemption for six years before Florida Reps. Deborah Wasserman Schultz and Ron Klein inserted it in the stimulus plan.

South Florida boat-repair businesses say that because their workers aren't subject to the same hazards as those who work on big ships, the federal insurance is expensive and duplicative. Previously, the exemption applied only to craft less than 65 feet long. Under the new measure, businesses that repair boats used primarily for recreation, regardless of their size, are exempt.

Kristina Hebert, chairwoman of the group's government-relations committee, said the measure affects more than 200,000 people who work in the pleasure-boat-repair industry in the state. Reached at a yachting convention on the Caribbean island of St. Martin, Ms. Hebert, vice president of Ward's Marine Electric, said the exemption would help marine-repair businesses in the Great Lakes and Pacific Northwest, too.

North Carolina Rep. Larry Kissell won a House amendment that requires the Transportation Security Administration to buy some 100,000 employee uniforms from U.S. textile plants.

Rep. Kissell's staffers said that while they aren't sure exactly where TSA uniforms worn by airport-security checkers come from, they aren't completely U.S.-made.

Currently, the Department of Defense is required to buy American-made uniforms. In arguing for the measure, Rep. Kissell, himself a former textile worker, points to 44 textile plants that have closed in the South, including 14 in his home state. "Last year, over 60,000 textile jobs were lost in the entire nation, 8,000 of those in North Carolina," he said. "This is the right thing to do."

Not all of the home-state provisions were related to the economy. Maryland Democratic Rep. Chris Van Hollen, whose district includes a large number of government workers, added legislation to give federal workers new whistle-blower protections.

Lawmakers from Illinois secured an amendment to the House bill keeping stimulus money destined for the state out of the hands of Gov. Rod Blagojevich, who is facing impeachment proceedings.

"It was one of the few Republican amendments that was accepted," said Rep. Mark Kirk (R., Ill.), who sponsored the bipartisan measure with five other Illinois lawmakers. Rep. Kirk said the measure would send billions in discretionary stimulus funds to the state Legislature for allocation, and "keeps it away from Rod."

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**THE WALL STREET JOURNAL**  
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REVIEW & OUTLOOK | JANUARY 29, 2009

## The Entitlement Stimulus

*More giant steps toward government health care.*

The more we dig into the pile of spending and tax favors known as the "stimulus bill," the more amazing discoveries we make. Namely, Democrats have apparently decided that the way to gun the economy is to spend even more on health care.

This is notable because if there has been one truly bipartisan idea in Washington, it's that the U.S. as a whole spends too much on health care. President Obama has been talking up entitlement reform as a way to free up the money for his other social priorities. But it turns out that Congress is using the stimulus as cover for a massive expansion of federal entitlements.

Only the bill's \$20 billion or so devoted to electronic health records can be reasonably called an investment. More typical is the \$87 billion that will go to Medicaid, which -- silly us -- we underestimated by about \$6 billion in our stimulus editorial yesterday. This pot of money will be used to blow out the federal matching rate by 4.9 percentage points across the board. Medicaid is nominally a joint state-federal program, but the feds pick up 57% of the Medicaid bill on average and are willing to go as high as 82% in some states. In other words, Democrats want to bail out the states that make unaffordable health-care promises and haven't tried to control costs. This latest rescue will give Governors more incentive to do so, given that the more they spend, the more Congress pays.

National taxpayers will also fund a new program allowing some laid-off workers receiving unemployment checks to enroll in Medicaid. For the first time ever on a large scale, the federal government will pay 100% of the costs they incur, and states are explicitly prohibited from means-testing this benefit. Supposedly the \$11 billion plan will expire in 2010, but the word "temporary" does not exist in the entitlement world -- and Democrats will fight furiously to extend these benefits before they sunset.

Another damaging inspiration is the plan to throw \$30.3 billion at Cobra insurance plans. The unemployed are currently allowed to keep their work health benefits for 18 or 36 months since 1986. While they search for a new job, they must pay 102% of the full insurance premium, including the employer's share. But Democrats now plan to subsidize these plans to the tune of 65%.

Are they making Cobra a new entitlement? Cobra was never intended as an option to assist the long-term unemployed -- considering that adverse selection means Cobra enrollees cost businesses about 145% as much as covered employees. Since Democrats want to boost participation by propping up Cobra use, that will result in less capital to invest in new jobs in the middle of a recession. It will also mean adding another disincentive (in addition to unemployment insurance) to get a new job. When you subsidize people not to work, you get more nonworkers.

Not for nothing did Democratic health-care commissar Pete Stark tell the New York Times that "We accomplished more today than in the last eight years" after his committee approved the Medicaid and Cobra pieces of the stimulus. In one swoop Democrats will make employer-sponsored health care even more expensive and expand opportunities

for an anxious public to join, or remain on, the welfare rolls. The pretext of "stimulus" is being leveraged to capture ever more of the private health-care market and transfer those costs onto government.

But don't forget that everyone agrees that health spending is already too high. So the stimulus also devotes \$1.1 billion to create a new bureaucracy called the Federal Coordinating Council for Comparative Effectiveness Research. A billion dollars isn't nearly enough to conduct the rigorous clinical studies needed to provide more information on what medical treatments result in the best outcomes. But Democrats want to get this "health-care Fed" on the books now so it's around when they pass the next entitlement expansion -- for the entire middle class.

When government finances start to buckle under that subsidy, the comparative effectiveness outfit will start to ration care to control costs, much like the United Kingdom's National Institute for Clinical Excellence (NICE). The draft report accompanying the House portion of the bill notes that procedures and drugs "that are found to be less effective and in some cases, more expensive, will no longer be prescribed."

In sum, what we are really getting in this stimulus bill are several more steps in the gradual government takeover of the health-care market.

Please add your comments to the [Opinion Journal forum](#).

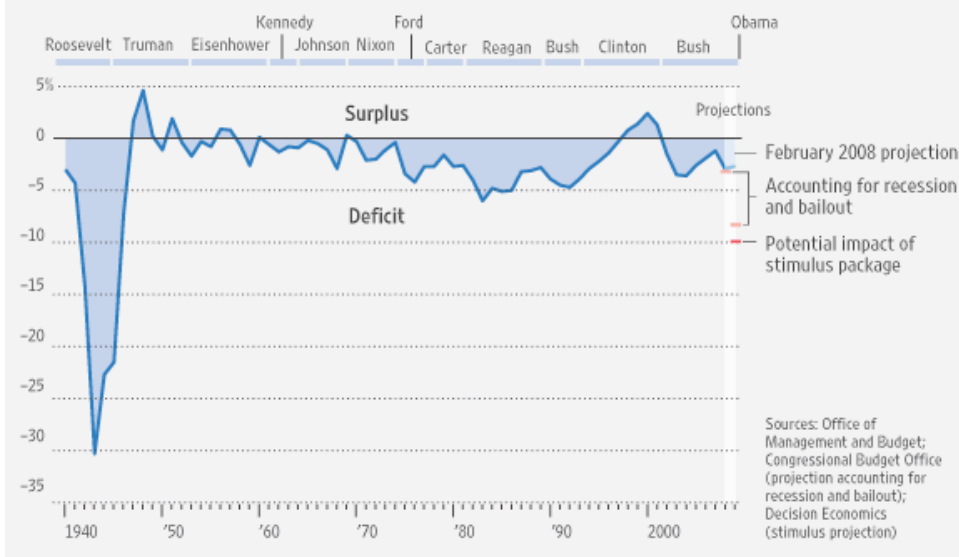
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## Deep Into Debt

Some economists project that the House Democrats' economic stimulus package could lead to the nation's biggest budget deficit since World War II.

Surplus/deficit as a percentage of gross domestic product:



Top House and Senate Democrats are also negotiating major changes to longstanding efforts to help workers who lose their jobs to foreign competition. The Trade Adjustment Assistance program, created in 1962, would be broadened to cover a wider range of workers, including employees in service industries, from accounting to aircraft maintenance,

lawmakers and congressional aides said.

As the sweeping measure moves to the full Senate next week, tussles loom that will eventually require Mr. Obama to referee differences between the House and Senate. The Senate is looking to add more business-friendly provisions, for example. Senate Finance Chairman Max Baucus (D., Mont.) is signaling a willingness to add amendments that would extend soon-to-expire tax breaks for U.S. timber companies, as well as strengthen a provision already in the bill that creates a tax benefit to encourage corporate debt restructuring.

An issue of keen interest to a wide coalition of businesses, including real-estate, home builders and telecommunications companies, is a proposal added in the Senate to allow companies to defer taxes in 2009 and 2010 that they would otherwise owe for restructuring or retiring debt. As currently written, the bill would require corporations to eventually pay back the taxes, and only applies when companies use cash to buy back debt.

Behind the scenes, a fight is brewing that pits Democrats from rural and urban areas against one another. At issue is how to divvy up \$87 billion in spending on Medicaid, which is designed to ensure cash-strapped states don't cut services as a result of the recession. Under the House bill, 52.5% of the funds would be doled out under the regular formula for annual Medicaid disbursements; the balance would be parceled out under a new "bonus" program benefiting states with high unemployment rates.

Critics say that "bonus" formula short changes poor rural states, where unemployment numbers are already high, but where the rate of decline in jobs isn't as steep as in urban areas.

"We are getting killed," said Sen. Conrad of North Dakota. The Senate's version would split the funds up differently, with 80% to be doled out under existing rules and the balance spent under the "bonus" plan.

Then there is the cost. The deficit, already in record territory, would likely reach between 10% and 12% of the gross domestic product in 2009 and 2010, roughly double the previous peacetime record, according to projections by Decision Economics Inc., a New York economic forecasting firm. That's partly because of the sheer size of the package, but also the long-term nature of some of the programs.

Without fast action, federal debt levels could soon reach 100% of GDP, levels not seen since World War II, said Allan Sinai, chief economist at Decision Economics. That would put the U.S. in the same league as Italy, whose debt equals

104% of GDP.

Democrats are focusing on rallying public support for the Senate vote expected next week. Mr. Obama met Wednesday morning with a corps of supportive chief executives and used the occasion to make his case that doing nothing in the face of the economic slump isn't an option.

"The workers who are returning home to tell their husbands and wives and children that they no longer have a job, and all those who live in fear that theirs will be the next job cut, they need help now," he said to a group that included longtime allies Google CEO Eric Schmidt and Xerox CEO Anne Mulcahy. They are looking to Washington for action -- bold and swift."

—Jane Zhang contributed to this article.

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# Telecom

## The New York Times

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January 29, 2009

# Digital TV Beckons, but Many Miss the Call

By [JACQUES STEINBERG](#)

HOUSTON — Vesta Clemmons, who is 77 and lives alone, relies on the battered Zenith television in her tiny apartment here as more than just a lifeline to the outside world.

“It’s like a friend,” she said in her living room, which is also her dining room and bedroom. “I would feel very isolated without it. I get lonesome anyway.”

So Ms. Clemmons was concerned to learn from a public-service campaign that after Feb. 17 the rooftop antenna connected to her television would no longer function properly, and thus neither would her TV — unless she bought and installed an adaptor. On that day the country’s broadcast stations have long been scheduled to shut down the old-fashioned, analog signals that have carried their programming since the days of [Milton Berle](#), and replace them with high-definition digital signals that offer a clearer picture, among other benefits.

But less than a month before the Feb. 17 deadline, so many American households have yet to take the necessary steps to continue to watch over-the-air television — more than 6.5 million, according to Nielsen Media Research — that Congress has considered giving them more time.

On Monday night the Senate passed a bill, supported by [President Obama](#), that would extend the deadline until June 12. The House of Representatives took up the same measure on Wednesday but failed to muster the two-thirds majority needed for it to pass on a fast-track procedural vote. Its fate is now unclear.

Regardless of when the switchover takes place, viewers with cable or satellite systems, and many others with digital televisions purchased after 2004, need not do anything in anticipation of the deadline, nor will they notice much of a change afterward. But for those older and low-income viewers like Ms. Clemmons who still use set-top rabbit ears or rooftop antennas to pull in images of “The [Oprah Winfrey Show](#)” or “The Young and the Restless,” the switchover to digital television has often proven a bewildering and cumbersome burden.

That so many viewers here and around the country risk losing something as basic as a free television signal is a function, at least in part, of the government’s failure to anticipate that those most affected would be among the nation’s most frail and vulnerable. Further aggravating the confusion and uncertainty has been that a coupon program established by Congress to defray the cost of converter boxes — each American household is entitled to two \$40 vouchers, which cover most, if not all, of the cost of the adaptors — ran out of money in early January, leaving hundreds of thousands of applicants to languish on a waiting list. (The program has already issued more than \$1 billion worth of coupons.)

Ms. Clemmons, a woman whose slight frame and white mane belie her taste in music — [Pink Floyd](#), [Ozzy Osbourne](#) and Nine-Inch Nails are her favorites — said she had made several attempts to call the government's toll-free number in recent days to request a coupon and had not been able to get through.

Ultimately she received peace of mind from an unlikely source: Meals on Wheels. For several months now, drivers and volunteers for the Houston-area program have been delivering and installing digital converter boxes for its clients — as a side dish alongside the baked chicken and stewed peaches that are their usual fare. Ms. Clemmons's turn came last week.

In Houston, which is the nation's 10th-largest television market and whose flat topography makes it relatively easy to watch TV with only an antenna, the problem is particularly acute: 1 in 10 households remains out of compliance, by Nielsen's estimates, ranking it behind only Albuquerque and Dallas.

Mindful of the need for such efforts, [Consumers Union](#), the nonprofit advocacy group and publisher of Consumer Reports, is among those that lobbied Congress to put off the Feb. 17 deadline by four months. It has estimated the cost of replenishing the coupon program alone at nearly \$1 billion, said Gene Kimmelman, vice president for international affairs. To defray the cost of the efforts by Meals on Wheels here, Interfaith Ministries for Greater Houston, the social service organization that administers the program, appealed last year to congregants in churches and synagogues around the city to donate the converter coupons they may have already received; more than 1,500 people answered that call.

"After I heard about the process of what it would take for a person to get the coupon, and get the boxes, I was pretty livid," said Bridget Samuel, chief operating officer for Interfaith. "I still go out on the routes making deliveries. Most of them are sitting in front of their TVs. They're watching 'Price Is Right.' They're watching 'Judge Judy.' That's their company."

Meals on Wheels is hardly the only entity in Houston, or around the country, that has been trying to bring viewers' outdated equipment into compliance. The National Association of Broadcasters estimates that its stations and networks, have, collectively, allotted more than \$1 billion worth of advertising time to raise public awareness.

The [CBS](#) affiliate here, KHOU-TV, ran a series of tests during its local newscasts in which viewers were told that the analog signal was about to be temporarily replaced by the digital one — and that if their screens go to a test pattern, they should call the phone number listed to learn how to get up to date.

When KHOU and several other local stations ran the tests one day in December, nearly 14,000 viewers called the hot line in response. When the test was rerun on Jan. 6, 8,000 more calls were logged.

KHOU also joined with a local grocery chain, H-E-B, for a series of promotional events at which thousands of customers lined up to apply for coupons, and, if they already had them, to buy converter boxes. Most were able to do so at no personal expense, with H-E-B having priced the boxes at \$40, the value of the coupons. (Other electronics retailers have been charging as much as \$100.)

Through surveys of its nearly 4,000 clients, Meals on Wheels identified Ms. Clemmons as among those needing assistance. And so, on Jan. 21, Samantha Greenwood, the program's assessment coordinator, arrived to install her converter box.

As it turned out, Ms. Greenwood couldn't get the converter, which is about the size of a cable box and is connected to both the antenna and TV, to work, because of some wiring problems in the back of Ms. Clemmons's Zenith. But she vowed that her husband, an engineer, would return well before the Feb. 17 deadline to solve the problem.

Ms. Clemmons, who risks losing access to "World News with [Charles Gibson](#)," her favorite news program, said she would be waiting.

Earlier that morning Ms. Greenwood had fared better in the apartment of Ramona DeFore, a widow in the same building who is also 77. On her own Ms. DeFore had gotten a coupon and a box but had been baffled as to how to connect it to her Magnavox TV, a set so old she couldn't remember when she had bought it.

After Ms. Greenwood made the connection successfully, Ms. DeFore was able to tune in Channel 2, the local [NBC](#) affiliate, for the first time in years. "I think Phil is on 2," she said, with obvious excitement, in reference to "Dr. Phil." "I've missed him. I wish I had him a few years back, when I had my husband."

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Wednesday, January 28, 2009



## Wait! House Holds to Digital TV Deadline

January 28, 2009 02:40 PM ET | [David LaGesse](#) | [Permanent Link](#) |

Those wacky House Republicans bucked the steamroller and voted to keep next month's deadline for switching to digital TV. The U.S. House refused to back a Senate-passed bill that would have [extended the deadline](#) until June.

Don't expect much moaning from industry groups, including broadcasters and wireless companies that had backed the bill. They did so despite having much to lose with a delay, and probably only under duress.

There doesn't seem to be much room for compromise here. Either the deadline sticks or it doesn't. More important, there isn't much time to cobble one together. The switch is less than three weeks away.

It may be politics at play, as the House vote today is a setback for President Obama. But just maybe [common sense is winning](#) out.

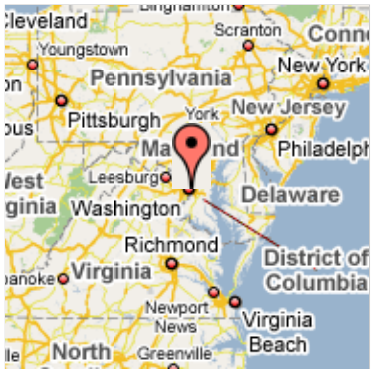
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An Apex Digital TV converter box is displayed at a Best Buy store



## House rejects delay in digital TV switch

2 hours ago

WASHINGTON (AFP) — The US House of Representatives, in a setback to new President Barack Obama, on Wednesday rejected his call to delay next month's nationwide shift to digital television.

The Senate unanimously agreed on Monday to delay the switch from an analog to a digital signal, which had been scheduled for February 17, until June 12 but the House rejected the move in a 258 to 168 vote on Wednesday.

The vote fell short of the two-thirds majority needed for passage of the bill without amendments.

Members of the Democratic-controlled House are expected to bring it back to the floor again to try to secure passage with a simple majority.

Before he took office, Obama's transition team had called for a switch to digital to be delayed, arguing that many people were not yet ready for the end of analog broadcasting by the major US television networks.

The government has been providing Americans who rely on over-the-air signals with a 40-dollar coupon to defray the cost of buying a digital converter box.

But the coupon program has run out of funds and, according to research firm Nielsen Co., more than 6.5 million American households are not prepared for the move.

Many of the unprepared are low-income households, minorities, seniors or disabled, according to Nielsen.

The switch to digital television will free up wireless airwaves for public safety agencies and other advanced mobile services.

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Nashville Business Journal - January 28, 2009

<http://nashville.bizjournals.com/nashville/stories/2009/01/26/daily23.html>

## NASHVILLE BUSINESS JOURNAL

Wednesday, January 28, 2009, 8:54am CST | Modified: Wednesday, January 28, 2009, 1:48pm

# Digital TV may be delayed four months

Nashville Business Journal

A measure to delay the digital television transition to June was shot down today by U.S. House Republicans, who said the nation has had ample time to prepare for the move from an analog to a digital signal in less than three weeks.

The four-month delay, from Feb. 17 to June 12, was unanimously approved by the Senate yesterday and President Barack Obama had said he would sign the bill to give the nation more time to get updated television sets or buy converter boxes for analog sets.

The government has run out of money to subsidize discount coupons for the converter boxes, and more than 2.5 million people are on the waiting list for the coupons.

The House defeat could leave millions of American households without television Feb. 17.

**Nielsen Media Research** estimates 6.5 million American homes that use older analog TV sets and do not subscribe to cable still aren't prepared. The converter boxes cost less than \$100.

The delay to June was seen as a possible benefit to major networks, which mostly hosts reruns in the summer.

Networks had pushed back their traditional February "sweeps" period, when ratings are used to set local advertising prices, to March. They also made programming changes such as delaying fresh episodes until well after the transition to keep them in front of more eyes.

House Republicans who led the defeat argued postponing the digital broadcasting debate would have confused consumers and placed a financial burden on stations and cable companies that already prepared to switch over their transmissions in February.

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CNET News

[Politics and Law](#)

January 28, 2009 12:00 PM PST

# House rejects DTV delay, keeps Feb. switchover

Posted by [Stephanie Condon](#)

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The national transition to digital television remains on track for a scheduled date of February 17, after the U.S. House of Representatives on Wednesday rejected a proposal to delay the switchover.

The House vote of 258 to 168 failed by just a few votes to meet the two-thirds threshold required to pass the measure under the rules the Democratic leadership put in place for Wednesday's debate. The vote comes just two days after the Senate [unanimously approved](#) pushing back the transition to June 12. President Obama's advisers have also [advocated](#) delaying the transition.



Republicans opposed the delay, saying pushing back the date would create confusion for consumers and burden television stations that would have to continue broadcasting both analog and digital signals.

Proponents of the delay have warned that millions of consumers will be left without television service if the transition is not postponed.

Nielsen reports that more than 6.5 million U.S. households are still not prepared for the transition. Moreover, millions of consumers are still waiting for coupons for digital converter boxes from the National Telecommunications and Information Administration, which [ran through](#) the \$1.3 billion allocated for the coupons. A Senate panel on Tuesday [approved](#) an additional \$650 million for the coupon program as part of its so-called "stimulus" package.

John Rockefeller, the Democratic chairman of the Senate Commerce Committee, said in a statement after the vote that he was "deeply disappointed" and claimed that the Bush administration "grossly mismanaged" the program.



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# House fails to put DTV delay on fast track

**Switch could still be postponed, but it will be more difficult**

By Paul J. Gough

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NEW YORK -- The House's attempts to fast track a delay in the digital TV transition derailed Wednesday as the measure fell more than a dozen votes short.

Congress has been working on legislation that would postpone the DTV transition from Feb. 17 to June 12. The bill, a compromise forged by U.S. Sen. Jay Rockefeller, D-W.Va., [passed the Senate on Monday](#). The House postponed a vote on the measure Tuesday but was expected to adopt it sometime Wednesday.

President Barack Obama has indicated he would sign the bill delaying DTV transition until more people can be switched to digital TV and problems with the coupon program can be resolved.

House leadership was trying to bring it up under a suspension of rules, thereby allowing it to avoid much of the Congressional bureaucracy, due to the looming Feb. 17 deadline. But that vote failed by 32 votes, 258 in favor and 168 opposed. It needed to pass by a two-thirds majority. It didn't kill the effort to postpone but it has made it a bit harder.

A measure to delay the DTV transition has enjoyed wide support from the National Assn. of Broadcasters, the broadcast networks and members of the Assn. of National Advertisers, the American Assn. of Advertising Agencies and the American Advertising Federation, all ad industry trade groups.

"We are disappointed by this action and hope the bill will be brought up again for a vote," the ad industry trade groups said in a statement late Wednesday.

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passed the Senate on Monday

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Smoke from a factory chimney. Carbon trading is leading to the use of more polluting fossil fuels. Photograph: Joel W. Rogers/Corbis

Britain's biggest polluting companies are abusing a European emissions trading scheme (ETS) designed to tackle global warming by cashing in their carbon credits in order to bolster ailing balance sheets.

The sell-off has helped trigger a collapse in the price of carbon, making it cheaper to burn high-carbon fossil fuels and leading to a fall in the number of clean energy projects. The moves were seized on by environmentalists and other critics who have previously criticised the European Union's ETS for delivering more windfall profits for business than climate change.

"This [ETS] was not designed as a scheme to give corporates cheap short-term funding options in the face of a credit crunch meltdown where banks are not lending, but that appears to be what's happening," said Mark Lewis, a carbon analyst at Deutsche Bank.

Steel, concrete and glassmakers are believed to be the main sellers along with financial speculators such as hedge funds. The sell-off of the pollution permits has led to carbon prices plunging 60% – from over €30 to around €12 per tonne.

The EU's emissions trading scheme was set up as a market solution to cut greenhouse gas pollution from industry. Polluters were issued with permits that can be traded between companies and countries as a way of encouraging an overall reduction in carbon output. However, companies are now cashing them in for their own financial benefit.

Up to €1bn-worth of carbon emissions permits are said to have been sold off in recent months as industrial companies see an opportunity to bring in funds at a time when their carbon output is expected to fall due to lower production.

Environmentalists expressed anger last night about the way the ETS was being used. "The ETS has bowed to corporate self-interest at every stage of its design and implementation, so there is no surprise that it is now being used as a cash cow to see firms through a difficult financial phase," said Oscar Reyes, a researcher with Carbon Trade Watch.

Point Carbon, an information provider and consultancy, claims the sell-offs are only one of a number of factors that are influencing prices and argues it is "rational" for companies to be selling off credits at this time. The falling price of oil – from \$147 per barrel last summer to less than \$40 now – has dragged down the cost of gas, making it relatively cheap to burn in power stations, it argues.

"Recession in Europe is bringing a slowdown in manufacturing meaning less production and less emissions. Companies are doing exactly what is the rational thing to do in these circumstances which is to sell if they are long on credits. It is right that if they are emitting less then they do not need the credits so much and the price of carbon will fall," said Henrik Hasselknippe, global head of carbon at Point Carbon.

But the price collapse brings echoes of 2006 when it emerged that EU states had given industry too many carbon credits, creating a glut that made them almost worthless. Since then the European commission has amended the scheme and some of the credits have been auctioned rather than given away.

A study commissioned by the WWF environmental organisation from Point Carbon, published in March last year, estimated that "windfall profits" of between €23bn (£21.4bn) and €71bn would be made under the ETS between 2008 and 2012 on the basis that the price of carbon would be between €21 and €32. Up to €15bn could be made by British companies that were given credits they did not need.

Analysts said it was very hard to identify on an individual basis which companies were selling their credits but easier to say which sectors they came from such as cement, whose production is expected to drop 20% this year and steel where volumes could fall by 15%.

Lafarge, the world's biggest cement maker and owner of Blue Circle Cement in Britain, said last night that it had only sold a small number of credits on the open market. "We mainly sell our credits from one country to another, for example if we have too many in France then we might sell them to Romania if we don't have enough there. Very few credits are being sold on the [open] market," said a spokeswoman at its Paris headquarters, while steelmaker Corus was unavailable for comment.

The collapse in the price of carbon has also caused a slowdown in clean energy projects in developing countries against which western firms can gain credits. The price of Clean Development Mechanism (CDMs) offsets has slumped by nearly 30% over the last couple of weeks.



CantorCO2e, a broker in the field, says it is scaling back its operations. The emissions trading firm has no immediate plans to cut its 40 staff, but says this cannot be ruled out while EcoSecurities, a stock-listed carbon offsetting company, has seen its share price collapse from £1.50 to less than 30p.

The low price of UN-approved offsets, known as Certified Emissions Reductions, is slowing the number of clean energy projects being developed in China. "I'd say there is half the number of players now than there was a year ago. Banks have cut back considerably," said a small Chinese project developer.

James Thompson, finance director of EcoSecurities, says he is confident that the price of carbon will rebound along with a wider economic recovery in 12 or 18 months' time. "The short-term price will also recover when the flow of credits stop coming on to the market and long-term pressure will come from governments realising they need a strong carbon price for environmental reasons."

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