

COMMISSIONER JONATHAN S. ADELSTEIN
FCC EN BANC HEARING ON THE DIGITAL TELEVISION TRANSITION

FEBRUARY 5, 2009

Thank you, Chairman Copps, for your leadership in dramatically escalating the Commission's preparations for the digital television transition. I commend you for giving us and all interested stakeholders this opportunity to discuss the many thorny issues we face in an open, public forum. While this Commission has been responsible for the transition for quite some time, this is the first opportunity we – Commissioners, other federal agencies, broadcasters, the cable industry, consumer electronic manufacturers and retailers, consumer groups and yes, FCC engineers – have had to openly discuss some of the more difficult questions. I am pleased that we can now roll-up our sleeves and address those issues in a collegial and transparent manner. Your leadership is a real turnaround that gives me hope we can at last develop a planned, coherent response that all of us remaining Commissioners have long advocated, to no avail.

For several years now, I have expressed grave concern with the Federal government's management of the DTV transition. In one of my earlier speeches, nearly three years ago, at the Consumer Electronics Association's Entertainment Technology Policy Summit, I called for a *unified* federal message and a *coordinated* national approach. With the signing for the DTV Delay Act by President Obama and the unprecedented cooperation that is already underway, we can finally move in that direction. I supported the extension of time because it was clear that the DTV transition was simply not ready for primetime: over 3 million coupon requests are outstanding; our call center is unprepared for its current call level, let alone what we clearly expect; our field operation needs more time to get into place; and we know that millions of over-the-air households are not ready. I thank Chairman Rockefeller, Chairman Waxman and other congressional leaders for giving us and the American people more time to prepare.

But, while the law gives us a limited amount of additional time, it presents significant challenges given the longstanding problems that had already existed. Today, I would like to examine some of these challenges. My main focus is on three categories of concern: the broadcast station transition, the consumer experience, and converter box availability.

Broadcast Stations – How do we ensure an orderly transition? While we previously had a hard, nationwide DTV transition deadline, now broadcasters can transition anytime through June 12th, so long as they comply with the Commission's rules in the Third Periodic Report. The worst case scenario would be a disorderly "wild, wild west" scenario, where stations are converting virtually every day or hour in a given market, and our best advice to consumers would only be to re-scan their converter boxes whenever they turn on their TVs. I'm pleased that major networks have indicated that they will not transition early. It is unclear, however, what other stations will do.

In the past several months, I have visited dozens of television markets from Charleston, West Virginia to Seattle Washington and from Honolulu, Hawaii to St. Juan, Puerto Rico. From these visits, I can say that broadcasters have their viewers' best interests at heart. And as a result, I hope that they will coordinate with in-market stations to ensure that the transition is not overly disruptive to their viewers. I know that broadcasters have made a significant investment in this transition and most have been ready to go for quite some time. Nevertheless, I urge broadcasters to plan and continue to keep their viewers in mind, as they always do.

The Public Notice we released earlier today is a good faith effort to balance the needs of consumers and the interests of broadcasters, pursuant to the letter and spirit of the DTV Delay Act. Let's work together on a smooth path to the finish line.

Consumer Experience – How do we ensure a seamless, fully-integrated, end-to-end consumer service experience? Thanks to Chairman Copps, my office has been deeply involved in working with Commission staff, grassroots contractors and grantees and consumers to build on our outreach efforts. As we will hear from our panelists, this is one of the areas that will most assuredly benefit from the extension of time.

Under Chairman Copps' leadership, we have made great progress toward developing an outreach effort that provides prompt and effective assistance to consumers during the DTV transition and for a reasonable, post-transition period. Our goal is to ensure that everyone in need of information and support receives a consistent, standard quality of service from our integrated call center and local help centers, and are directed to local sources for additional technical assistance, which may include on-the-ground installation or other assistance services. While we continue to believe that a basic level of service in every DMA is critically important, we nevertheless must continue to identify special challenges, prioritize our limited resources to target the at-risk communities and consumers, and align stakeholders to form a consistent, coordinated effort.

The backbone of our national outreach effort is the Commission's hardworking staff. For several months, over 200 FCC employees from headquarters and our field offices have been working long days, night and weekends to ensure that consumer needs are met in every television market in the country. They have been the foot soldiers throughout this transition – whether they had too little guidance, or when they were being micromanaged – and they have experienced both. Through it all, they have stayed on course, committed to the needs of the American people we serve. Their General has been Cathy Siedel. She and her national deputies from the Media and the Consumer and Governmental Affairs Bureaus have done outstanding work. I look forward to hearing from Cathy today. But needless to say, from the outreach perspective, we are moving from general awareness to in-home assistance, from "lit drops" to community-based help centers. We are hopeful that we will soon receive additional resources so we can build on their efforts to ensure a national, coordinated, but locally-based grassroots field operation that is responsive to the needs of the many at-risk communities we serve.

Converter Box Availability – Is there an adequate supply of converter boxes to meet consumer demand throughout the transition? Assuming that broadcasters transition in an orderly process, that consumers are properly assisted on the phone or in the field, and that everyone who needs a federal coupon actually gets one, the ultimate question is – will there be adequate supply of converter boxes?

When I visited San Juan in December last year, the availability of converter boxes was their main concern, because Puerto Rico’s over-the-air household population is over 50 percent of total television households – the highest in the United States. While the retail stores I visited on the island had hundreds on-site and thousands in regional warehouses, according to conservative estimates based on the number of OTA households and TV sets, there would inevitably be a shortage of government-eligible converter boxes.

Today, I am deeply concerned about whether there will be sufficient government-eligible boxes on a national level. According to industry reports, it appears that there will not be enough converters boxes. If that’s the case, what can we do to encourage manufacturers to produce more, as soon as possible? I interested in hearing the testimony on this issue from the Consumer Electronics Association.

It is clear to me that all facets of this transition require open discussion and cooperation. Mr. Chairman, thank you for setting the right tone and getting us on the right track. Under your leadership, with the continued support of your fellow Commissioners, Congress, other federal agencies, private industry, community groups and consumers, we will all make it across the goal line together.