



Before the
National Telecommunications and Information Administration
United States Department of Commerce

Implementation and Administration
Of a Coupon Program for Digital-to-Analog
Converter Boxes

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Notice of Proposed Rulemaking

Comments of AARP

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Implementation and Administration of a Coupon Program for Digital-to-Analog Converter Boxes

Introduction

AARP appreciates the opportunity to offer comment on the implementation and administration of a coupon program for digital-to-analog converter boxes. On February 17, 2009, the transition from analog to digital signal will be complete and a new range of spectrum will be available to enhance public safety and new high tech offerings for consumers. At the same time, millions of consumers will lose access to their television transmission. In anticipation of this transition, Congress authorized a program to compensate consumers for the loss of their analog television signal by appropriating funds to offset the cost of a converter box purchase.

With just a little over two years before the analog signal termination, it is critical that the implementation of this program accomplish a most important goal: to ensure that consumers with the greatest need receive and use coupons to offset the cost of the converter boxes that will enable them to continue to receive television programming.

Background

Since the first public demonstration of television in 1935, consumers have had a growing reliance on television technology. Today, television offers more than just entertainment;

it is also a source of information about what is happening in the community and around the world. It provides consumers with life-saving weather forecasts, information on government, politics, and community news, and brings them closer to every corner of the world. For the mid-life and older Americans AARP represents, television can be a primary connection to the outside world. In fact, Americans aged 50 and above watch the greatest average number of hours of television a day, almost 5.5 hours, compared to all other age groups.¹ Television gives those spending more time confined to their homes companionship and comfort, lessening a sense of isolation.

While some consumers already enjoy the benefits of new digital television technology, others anticipate the enhanced service it can offer. However, there are costs for consumers associated with this transition. For consumers with over-the-air broadcast (OTA) television sets, the move to digital television will require the purchase of a converter box in order to continue the operability of their TV sets.

Principles

AARP believes that the plan to implement the coupon program for digital-to-analog converter boxes needs to address the following principles:

- **Coupons should be distributed to those households with the greatest need (low and fixed income households);**

¹ Nielsen Media Research, 2005.

- **Households that do not have Internet access should not be disadvantaged;**
- **Outreach and education efforts must reach underserved communities;**
- **Converter box coupon applications should be widely available, particularly at locations serving low and fixed income households:**
- **Coupon applications should have clear instructions and be simple to complete;**
- **Coupons should have important information printed on the front that is in a clear, easy-to-read format and this information should also be included in a letter enclosed in the coupon mailing;**
- **Steps must be taken to protect consumers from purchasing fraudulent coupons.**

Coupons must be distributed to those households with the greatest need (low and fixed income households)

According to a 2004 survey², about 21 million consumers rely on OTA television. These are the consumers who will be without any television on February 17, 2009 unless they purchase—and install—a converter box. In 2005 testimony before the House Subcommittee on Telecommunications and the Internet, the GAO reported that of the 21 million OTA households, 48% have incomes under \$30,000. According to the report, “non-white and Hispanic households are more likely to rely on over-the-air television

² Knowledge Networks/SRI, *Home Technology Monitor Ownership Survey*, Spring 2004.

than are white and non-Hispanic households.” Of the 21 million households, approximately 8.6 million include at least one person over the age of 50.*(footnote) Millions of these consumers are on fixed incomes and/or are in lower income brackets.

Older Americans, consumers on fixed incomes, and consumers who are in the lower income brackets, are the *least likely* to purchase new sets with integrated digital components that will obviate the need to purchase a converter box. While the overall number of OTA households may decrease over the next two years as some consumers replace their analog sets with the purchase of a digital set, the number of households that require financial assistance for the converter box purchase, will likely remain relatively constant.

We question the NTIA proposed plan to limit coupons to OTA analog-only households, regardless of income. Congress did not specifically limit the distribution of converter box coupons to analog-only households and NTIA should make at least one coupon available to all consumers, particularly those in low and fixed income households.

AARP’s primary concern is to ensure that these households receive the necessary coupons to subsidize their purchase of *at least one* converter box. The NTIA must make it a priority to direct both outreach and education and the distribution of coupons to low-income and fixed-income communities. Without such an approach, there is a great risk that some consumers, through no fault of their own, will be left behind in the transition to digital television when their television screens go dark on February 17, 2009.

NTIA asks specifically whether it should consider economic need in the eligibility for coupons. AARP believes NTIA should at a minimum prioritize distribution of the coupons to low income and fixed income households. This could be accomplished, for example, by distributing applications for coupons through channels used to communicate with persons receiving Social Security benefits or other services, such as Medicaid and Medicare, and free school lunch. These applications could be coded to identify them as coming from high priority households when coupons are distributed. We believe this or any other method for prioritizing low and fixed income households will better target coupons to those most in need.

Households that do not have Internet access must not be disadvantaged

The NPRM indicates that the NTIA “intends to allow potential applicants to request forms through the mail, via telephone, and over the Internet.” The benefits of allowing consumers to receive applications over the Internet are apparent: a convenience for most consumers and an essential accommodation for disabled and homebound consumers. However, the NTIA must ensure that this benefit does not inadvertently limit access to and availability of the coupon for households that do not have Internet access.

NTIA proposes to “fulfill valid coupon requests on a first-come, first-served basis until funds devoted to this program have been spent.” AARP is concerned that with this first-come, first-served approach, consumers using the Internet to submit their applications

will have a distinct advantage. Although we do not advocate limiting the opportunity for online applications, we urge the NTIA to consider ways to offset this advantage. One such step is to focus the education and outreach efforts on communities with households that have the greatest need for the assistance the coupon provides.

Outreach and education efforts must reach underserved communities

The communities with households that have the greatest need for converter box coupons are those with high concentrations of low and fixed-income households, persons with disabilities, and older Americans (many of whom are homebound and rely on television as their main source of information and entertainment). Informing these groups about the transition, and the availability of converter box coupons, will be a daunting task requiring the coordination of federal agencies and the cooperation of non-governmental associations and organizations.

AARP commits to doing its part to educate our members about the transition and the converter box coupon program. AARP has several communications tools that can be used to pass on critical information to our members. The bi-monthly AARP magazine and monthly Bulletin, distributed to all members, are two such communication tools we can utilize to inform consumers about the transition and what they will need to do to continue to watch their television service. This past year, AARP included information about the DTV transition in our monthly Bulletin and designed a web page to provide consumer information about the transition.

AARP suggests the following outreach tools and activities to help inform underserved consumer communities:

Media kit: In addition to the announcements broadcasters will be required to provide on-air, there are numerous public and private entities at the national, state, and local level that can assist in notifying the public about the coupon program. A media kit could be widely distributed and used by consumer agencies and organizations to publicize the coupon program and complement broadcast announcements. Potential distributors of coupon information might include legal service offices, consumer credit counseling departments, credit unions, consumer protection offices, and military family service centers.

Advertisements at public transportation locations: Advertisements for the coupon program, with a toll-free telephone number to contact for more information, placed at bus stops and subway stations are effective in reaching underserved populations. The ads should be written in clear, understandable language and, at the very least, printed in both English and Spanish.

Faith-based outreach: AARP has found that local community churches and synagogues are excellent venues through which to reach the underserved population. There are a number of creative outreach activities that can be organized around a local house of worship or other faith-based community groups.

Partnerships with local business and schools: Displays at grocery stores and pharmacies in low-income and ethnically diverse communities with coupon applications and easy-to-

read information about the program in display pockets offer another accessible means for receiving information about the coupon program and an application. Public schools can distribute information about the coupon program to the attending children to bring home to their household.

Mailing enclosures: A mail insert with information about the coupon program should be prepared and enclosed in a government mailing to be received by the widest range of consumer populations. Annual tax forms could serve as the government mailing, including an enclosure with information about the DTV transition and the converter box coupon program. The enclosure could also be included in a mailing from another government assistance program, such as Food Stamps or LIHEAP (Low Income Home Energy Assistance Program).

Converter box coupon applications should be widely available, particularly at locations serving low and fixed income households

The coupon applications should receive the widest possible distribution in all communities, particularly those with households most likely to have analog-only television receivers. The applications should be available at local libraries, senior centers, houses of worship, community centers, and in retail stores in low-income and ethnically diverse communities.

In addition to making applications available in the community, NTIA should also consider printing the application in daily newspapers, community newsletters, newspaper magazines (e.g. Parade), and other print publications.

Coupon applications should have clear instructions and be simple to complete

The application form should be written using easy-to-understand language, with clear instructions for completing the form. AARP recommends that a minimum 12-point font be used to ensure readability for older Americans and others visually challenged by small print. The application should be available in other languages, such as Spanish, Vietnamese, and other languages that may be associated with high need.

We suggest a toll-free number be available for those unable to complete a written application. Consumers that are illiterate or unable to write due to a physical disability should have the option to complete the application over the telephone.

NTIA should also consider steps to allow for an easy enrollment process for low-income households. We recommend enclosing a simple form with a food stamp program mailing, or other financial assistance program mailing, that will allow an individual to simply check-off a box to indicate they need the converter box coupon.

Coupons should have important information printed on the front that is in a clear, easy-to-read format and this information should also be included in a letter enclosed in the coupon mailing

As proposed in the NPRM, the converter box coupons will expire 90 days either after they are sent in the mail or, possibly, 90 days after a consumer receives it in the mail. We recommend that the coupon expiration date should be 90 days, plus one additional week from the date it is mailed, to allow adequate time for the coupon to reach consumers through the mail.

Providing consumers with a reasonable amount of time to purchase the converter box is important, given the possibility that some consumers are homebound or disabled and may require assistance. Older Americans may need to arrange for transportation and assistance from neighbors or relatives in order to purchase the converter box. Harsh weather during the winter months may also make the process more difficult for older Americans. In rural communities, older Americans will have the additional challenge of locating, within a reasonable distance, a retail store that sells the converter boxes.

It is also important that consumers are clearly notified of the expiration date for each coupon. The expiration notification should be printed in large, bold lettering on the *front* of each coupon. In addition, notification of the expiration date should be included in a letter that accompanies the coupon mailing.

The NPRM also indicates that the coupons will only be able to be used for the purchase of “approved” converter boxes. The NPRM indicates that the NTIA will determine which converter box models can be purchased using a coupon. While some consumers will benefit from having a list of the approved converter boxes provided on the Internet, this information should also be clearly communicated to consumers that may not have access to the Internet.

In general, relying on the electronic media for communicating important consumer information will limit the success of the coupon program. For consumers who have priority to receive coupons -- “those specific households that only receive over the air broadcast television” -- it is critical that there be alternative methods of communicating key information about the coupons such as its expiration date, the list of approved converter boxes, and the rules for using the coupon for the converter box purchase. Again, information about this program should be distributed as widely as possible to ensure that consumers have correct information and understand how they can take advantage of this purchase reimbursement.

AARP recommends that NTIA include the list of approved converter box models that can be purchased with the coupon in a letter that accompanies the coupon mailing, in addition to listing the approved converter boxes on the Internet. As previously stated, there are a significant number of OTA households that do not have Internet access and the coupon distribution must accommodate their interests. The information on approved converter boxes should also be available at retail stores offering the converter boxes for purchase.

Steps must be taken to protect consumers from purchasing fraudulent coupons

As recent consumer protection history has shown, whenever there is an opportunity for scam artists to take advantage of the consumer, it will happen. NTIA must take the necessary steps to protect consumers against scam artists who could sell unsuspecting consumers counterfeit or illegally duplicated converter box coupons.

The coupon will need to be designed so that it cannot be counterfeited, duplicated, or scanned. In addition, all outreach and education materials designed to inform the public about the DTV transition and the converter box coupon program must include information about the approved process for receiving coupons. The application for the coupons should also clearly describe how consumers can receive a valid coupon, and offer tips on how to avoid scam artists. Information distributed about the coupon program should inform consumers that the coupons are free, to help avoid scam artists who will attempt to offer coupons at a discounted price.

Conclusion

NTIA's plan to implement the converter box coupons must include steps to ensure that low and fixed-income consumers, many of whom are older Americans, receive the coupons needed to assist with their purchase of a converter box. AARP will be pleased to work with the NTIA and other designated federal agencies to design an efficient and

equitable process for submitting applications, distributing coupons, and purchasing converter boxes. The successful implementation of the converter box coupon program will help to ensure a smooth transition to digital television.