



UNITED STATES DEPARTMENT OF
COMMERCE
NEWS
WASHINGTON, DC 20230

National
Telecommunications &
Information
Administration

Full-Power TV Stations to Cease Analog Broadcasts after Feb. 17, 2009

**Commerce Department Issues Final Rule
To Launch Digital-to-Analog Converter Box Coupon Program**

*All U.S. Households Eligible to Apply For Up to Two, \$40 Coupons Toward the Purchase
of Digital-to-Analog Converter Boxes Starting January 2008*

For Immediate Release: March 12, 2007

Media Contact: Todd Sedmak, (202) 482-7002 or tsedmak@ntia.doc.gov

WASHINGTON, D.C.—The Department of Commerce’s National Telecommunications and Information Administration (NTIA) announced today the final rule for the Digital-to-Analog Converter Box Coupon Program (coupon program) designed to help consumers continue receiving free, over-the-air television when full-power television stations cease analog broadcasting after February 17, 2009, as authorized in the Digital Television Transition and Public Safety Act of 2005 (the Act). Digital television will provide consumers with a clearer picture, more programming and will free up much needed spectrum for advanced wireless broadband services and interoperable communications among emergency first responders.

"The transition from analog to digital television is a historic change and brings with it considerable benefits for the American consumer," said Secretary of Commerce Carlos M. Gutierrez. "The coupon program is designed to help ease the transition to digital TV. Not only will the transition help expand consumer choices, but more importantly, the digital transition will enable more efficient use of the nation’s airwaves providing new advanced wireless services and increased public safety services for all Americans."

Just last month, a Memorandum of Understanding between the Department of Commerce and the Department of Homeland Security was signed to create and administer a \$1 billion Public Safety Interoperable Communications Grant Program to help state, local and federal first responders better communicate during emergencies.

Starting Jan. 1, 2008, all U.S. households will be eligible to request up to two \$40 coupons to be used toward the purchase of up to two, digital-to-analog converter boxes, while the initial \$990 million allocated for the program is available.

If the initial funds are used up, the Act permits funding to increase by \$510 million, upon certification to Congress that the initial allocated amount is insufficient to fulfill coupon requests. If the additional funds are needed, eligibility for those coupons will be limited exclusively to over-the-air-only television households. Consumers requesting coupons from these contingent funds must self-certify to NTIA that they do not subscribe to cable, satellite or other pay television services. This program is

structured to monitor demand to help ensure that over-the-air reliant households will not lose total access to television broadcasts after the Feb. 17, 2009, transition date.

“With the Coupon Program and a successful analog-to-digital transition involving the public, industry and government, the switch from analog to digital television will be completed as planned,” said Assistant Secretary for Communication and Information John Kneuer.

Households using analog televisions will not be able to receive digital broadcasts after February 17, 2009, unless the analog television is connected to a box that converts the digital signal to an analog format, or the analog television is connected to cable or satellite service. While converters may be important to connect some TVs, other viewers may not need or want converters, such as those who have digital televisions or pay TV service.

The final rule is based on the Act and public comments to establish the national coupon program for digital converter boxes. The final rule sets forth the framework for the coupon program and provides guidance for consumers, television converter box manufacturers, and retailers regarding eligibility, responsibilities, and certifications. Specific actions in the final rule include:

Consumers (See Information Sheet)

- Eligible households will be able to request coupons from NTIA through a Web site, over the phone or by mail between Jan. 1, 2008, and March 31, 2009.
- The coupons will be electronically trackable and uniquely numbered so that each transaction will be verified at the retailer’s point of sale terminal through NTIA’s coupon distribution database. Similar to gift cards, this type of coupon will be consumer-friendly and minimize the opportunity for waste, fraud, and abuse.
- If contingent funds are needed, consumers requesting coupons from these contingent funds must self-certify to NTIA that they do not subscribe to cable, satellite or other pay television services.

Manufacturers (See Information Sheet)

- Manufacturers of converter boxes that can be purchased with coupons must build devices that include specific features and meet certain performance specifications identified in the Technical Appendix to the final rule. Features are either “required” or “permitted” and examples of “disqualifying features” also are provided.
- Manufacturers seeking to have their converter boxes certified by NTIA as eligible for purchase with the coupon will follow a technical approval process described in the final rule. Manufacturers will submit production models and certified testing results for review and possible testing by the FCC.
- NTIA will identify certified eligible converter boxes and add the product information to the electronic systems database to tie into retailers’ point of sale terminals.

Retailers (See Information Sheet)

- Online and conventional retailers are encouraged to participate in the program and need to apply by contacting NTIA after June 1, 2007. Retailers must have been engaged in the consumer electronics business for at least one year and be registered in the Central Contractor Registration database (www.ccr.gov). A retailer with interest in the program but who doesn’t meet this requirement should contact NTIA.

- Retailers will need to train employees on the purpose and operation of the coupon program with materials provided by NTIA. Retailers may use commercially reasonable methods to order and manage inventory to meet customer demand for certified eligible converter boxes. NTIA intends that retailers will be paid for valid coupon redemptions on a commercially reasonable basis.

“Besides our own consumer education efforts, NTIA is working with partners such as broadcasters, consumer electronics retailers, manufacturers, and consumer organizations to reach out to those most in need of the coupon program,” said Assistant Secretary Kneuer. “We welcome partners and ask that interested parties contact our office at 202-482-6260 to learn how they can help inform the public about the coupon program.”

For more information, see the final rule and information sheets for consumers, television converter box manufacturers, and retailers on the NTIA Web site, www.ntia.doc.gov.

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