

THE TRANSITION TO DIGITAL TELEVISION

CEA POSITION: CEA supports the goals of the Congress and the Federal Communications Commission (FCC) to quickly accelerate the transition from analog to digital television (DTV). The rapid transition to DTV will provide numerous consumer benefits. It also will enable the 108 megahertz of spectrum currently occupied by broadcasters on channels 52-69 to be reclaimed in order to meet the increasing demands for public safety and wireless services.

BACKGROUND: TV manufacturers are leading the DTV transition, offering more than 600 models of DTV products including integrated sets, digital monitors and set-top receivers at affordable prices. CEA research shows a remarkable level of satisfaction with the products with, as expected, the biggest disappointment being the relative lack of HDTV programming. Nonetheless, we're making progress in the transition. More than 13 million DTV products have been sold since product introduction in 1998 and we're now in the transition home stretch.

The FCC's expressed goals for digital television (DTV) are: "to preserve and promote free, universally available, local broadcast television in a digital world;" and "to promote spectrum efficiency and rapid recovery of spectrum by fostering the swift development of DTV." CEA is working with government and related industries to address the few remaining policy issues, such as intellectual property rights in the digital world and to create solutions that will avoid marketplace confusion and needless delay - bringing the enhanced performance and services found in digital television to consumers as soon as possible.

CEA conducts numerous programs to increase public awareness of and confidence in the DTV transition, with an emphasis on broadcast reception. Among its educational efforts for DTV, CEA operates two websites that promote the DTV transition through consumer and dealer education. One of these websites specifically permits consumers and salespeople to determine the DTV signals that can be received at their location and what type of antenna is needed to do so. This website is <http://www.antennaweb.org>. CEA also maintains another website at <http://www.ceknowhow.org>, where retail salespeople and others can obtain in-depth training about digital TV terminology, products and capabilities. More than 5,000 sales associates have taken advantage of CEA's CEknowhow DTV training.

CEA's educational materials also appear on several partner websites and publications. For instance, Decisionmark's new consumer education website, www.CheckHD.com, features CEA's educational brochure, "A Consumer's Guide to the Wonderful World of HDTV." Many of CEA's pieces are available for download at www.CE.org/hdtv.

Further demonstrating its commitment to the DTV transition, CEA publishes a number of articles to educate consumers and retailers. In December 2003, CEA purchased national coverage in *TV Guide* for a multi-page *Home Entertainment Buyers' Guide* to explain DTV to viewers and describe the kinds of reception equipment available to them. In June, 2004, a similar special section was run in *Sports Illustrated*. Working with Comcast, CEA also published an educational DVD to accompany the brochure, *A Consumer's Guide to the Wonderful World of HDTV* that explains the DTV transition and makes practical suggestions for selecting and purchasing suitable reception equipment. In addition, CEA designed, printed, and has made available to retailers a "tip sheet" or card that explains the DTV transition and basic DTV terms and technology. In November 2004,

Continued

CEA teamed up with the FCC and the Consumer Electronics Retailers Coalition (CERC) to produce a tip sheet with the FCC, CEA, and CERC logos. This fall, CEA also held five HDTV Updates for retailers, broadcasters, manufacturers and other area DTV leaders in five U.S. cities to inform them about the latest developments in the DTV transition. Over the past 2 years, CEA has been to more than 30 markets with its HDTV Updates.

OUTLOOK: To date, the transition has been a resounding success for equipment manufacturers, suppliers, and the consumers they serve. DTV sets, and high definition television (“HDTV”) sets in particular, are among the fastest selling products in consumer electronics history. We forecast that this already-rapid introduction will accelerate with the introduction of Digital Cable Ready (“DCR”) and over-the-air (“OTA”) integrated DTV sets.

CEA urges the Congress and the FCC to adopt a fixed date for the return of the analog spectrum in order to provide regulatory certainty to all industries involved in the DTV transition. Further, CEA urges broadcasters to more aggressively promote digital broadcast channels, both during analog broadcasts and in TV program listings. In addition, broadcast stations must fully construct their facilities to reach all the viewers of their analog signal with a digital signal. For their part, cable operators must support Digital Cable Ready (“DCR”) integrated television sets with adequate supplies of CableCARDS in order to provide a seamless viewing experience for new digital viewers.

For more information, please contact CEA at publicpolicy@ce.org
or visit www.CE.org/hdtv