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**CONSUMER ELECTRONICS AND BROADCAST INDUSTRIES
PRESENT CONSENSUS POSITION ON DIGITAL TV TRANSITION
TO U.S. COMMERCE DEPARTMENT'S NTIA**

**Joint CEA, NAB, MSTV Comments Call for High-Quality, Low-Cost Converters
Providing Continued Consumer Access to Broadcast Service**

WASHINGTON, Sept. 25, 2006 – In a landmark collaboration to advance the nation's transition to all-digital television broadcasting, the Consumer Electronics Association (CEA), the Association for Maximum Service Television (MSTV) and the National Association of Broadcasters (NAB) filed joint comments today in response to the National Telecommunications and Information Administration's (NTIA) Notice of Proposed Rulemaking regarding a coupon program for digital-to-analog converter set-top boxes.

"The digital television transition is the single most significant conversion in the history of broadcast television, and it promises to bring important and long-awaited benefits to the American public," the trade associations representing the nation's broadcasters and consumer electronics manufacturers stated in their filing. "In implementing the converter box program, NTIA must ensure that no consumer is left behind."

The final transition from analog to digital broadcasting in the U.S. is scheduled for completion on February 17, 2009 and, following that date, consumers with over-the-air reception and analog television sets will require a digital-to-analog converter box in order to continue receiving free, broadcast programming on their analog TV sets.

According to the 25-page NAB-MSTV-CEA filing: "The transition is revolutionizing the broadcast television service by enabling stations to offer consumers new program choices, high-quality video and audio, and advanced features at no cost to the public, and at the same time making available additional spectrum for public safety and other

innovative uses. The converter box program is an important component of the success of the digital conversion for the American consumer.”

Broadcasters and manufacturers reached an historic consensus on key issues raised by the NTIA in the Notice of Proposed Rulemaking. MSTV, CEA and NAB agreed to and recommended minimum performance requirements for eligible converter boxes in this unique instance of a government-funded coupon program. The manufacturers and broadcasters also jointly recommended the features of the basic converter boxes that would be eligible for the coupon program, while agreeing that functions such as electronic program guide navigation and “smart antenna” interfaces should not preclude converter boxes from obtaining approval under NTIA’s program.

In addition, the joint commenters urge NTIA not to limit eligibility for converter box coupons to analog-broadcast-only households, explain that distributing coupons according to economic need is impractical and inconsistent with Congressional intent, pledge active participation in comprehensive DTV consumer education programs, and make energy efficiency a key ingredient of the NTIA program.

“CEA has long been espousing the benefits of digital television, and now the finish line of this historic transition is clearly in sight. It’s more important than ever that government and industry collaborate to make the transition process as smooth as possible for all consumers, especially those that will be relying on their analog television beyond the transition date. The core principles presented by manufacturers and broadcasters provide the framework for government as we enter the final stretch of the analog-to-digital transition,” said CEA President and CEO Gary Shapiro.

“NAB is pleased to join MSTV and CEA in an unprecedented partnership to preserve and enhance over-the-air television. Both government and industry have an obligation to complete the DTV transition with as little disruption to consumers as possible. As we usher in this exciting new era of digital TV, NAB looks forward to working with our colleagues and NTIA in establishing final rules that reflect the appreciation Americans place on having access to free, local television,” said David K. Rehr, President and CEO of the National Association of Broadcasters.

MSTV President David Donovan stated: “This historic agreement builds on the success of our program launched a year ago to work with manufacturers to develop high-quality, low-cost digital-to-analog converter boxes. Our goal was to assure that all Americans would continue to enjoy the full benefits of over-the-air television. The steps outlined in this joint filing will help ensure that the transition can move forward without disenfranchising tens of millions of Americans that rely exclusively on free, local, over-the-air television broadcasting. Together, we look forward to working closely with NTIA to finalize the DTV transition.”

To guide NTIA as the U.S. government studies how to administer a coupon program for consumer purchases of these DTA converter boxes, CEA, MSTV and NAB agreed to and submitted the following core principles:

- **Continued Consumer Access to the Broadcast Service.** The associations state that the DTA coupon is not a subsidy program; it is a consumer reimbursement program. NTIA's administration of the program must effectively ensure continuity of service to existing analog television sets.
- **Availability of High Quality, Usable, Low-Cost Converter Boxes.** Consumers' out-of-pocket expenses for DTA converters must be minimized and the converter boxes must be intuitive and work properly in the myriad of challenging installation configurations in which they will be placed.
- **Simplicity and Clarity.** NTIA's administration of the program must strive for simplicity. For consumers and others involved, the program must also be easy to understand and follow.
- **Fairness and Prevention of Waste and Abuse.** The program should be structured to facilitate equitable distribution of coupons to all Americans with analog televisions that depend on over-the-air broadcasts. The program should also be structured to prevent abuses and waste and deter fraudulent attempts to obtain program benefits.
- **Cooperation.** The government, broadcasters, manufacturers, and retailers must each contribute to the above goals by providing consumers with the tools and information necessary to make effective use of the converter box program.

Based on these principles, CEA, MSTV and NAB underscored their commitment "to contributing to the success of the program. We will work with NTIA to inform consumers how they can apply to receive program coupons as part of their overall program to educate viewers about the transition," the joint filing stated.

"The broadcast and consumer electronics industries have already developed resources to assist consumers in obtaining equipment for the transition and accessing other important information. We will continue to engage in consumer outreach after NTIA adopts regulations for the converter box program, and NTIA should also coordinate with the FCC and other agencies that have experience in large-scale consumer education campaigns on how best to use the \$5 million that Congress allocated for consumer education.

"Like the industries involved in the program," the trade associations stated, "NTIA should work to effectuate that goal by making decisions for implementing the program that are, at their core, consumer-focused."

About NAB:

The National Association of Broadcasters (NAB) is a trade association that advocates on behalf of more than 8,300 free, local radio and television stations and broadcast networks before Congress, the Federal Communications Commission and the Courts. Information about NAB can be found at <http://www.nab.org/>.

About MSTV:

The Association for Maximum Service Television, Inc. (MSTV) is the leading technical trade association of the television broadcasting industry. Its members include most local

television stations across the country. Founded in 1956, MSTV's primary objective is to protect the technical integrity of over-the-air television broadcasting and insure that, to the maximum extent possible, consumers receive interference-free service. MSTV has been a leader in the development of the over-the-air digital television service and technology. For more information, see <http://www.mstv.org>.

About CEA:

The Consumer Electronics Association (CEA) is the preeminent trade association promoting growth in the consumer technology industry through technology policy, events, research, promotion and the fostering of business and strategic relationships. CEA represents more than 2,100 corporate members involved in the design, development, manufacturing, distribution and integration of audio, video, mobile electronics, wireless and landline communications, information technology, digital imaging, home networking, multimedia and accessory products, as well as related services that are sold through consumer channels. Combined, CEA's members account for more than \$125 billion in annual sales. CEA's resources are available online at <http://www.CE.org>, the definitive source for information about the consumer electronics industry.

CEA also sponsors and manages the International CES – Defining Tomorrow's Technology. All profits from CES are reinvested into industry services, including technical training and education, industry promotion, engineering standards development, market research and legislative advocacy.