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July 10, 2008

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: DTV Consumer Education Initiative; MB Docket No. 07-148

Dear Ms. Dortch:

On behalf of the National Cable & Telecommunications Association, Inc. (“NCTA”), we hereby submit our second report on the cable industry’s consumer education efforts in conjunction with the broadcast industry’s transition to digital television (“DTV”) on February 17, 2009.

This report is submitted pursuant to the Commission’s Report and Order, released March 3, 2008, in the above-captioned proceeding instructing DTV.gov Transition Partners to report their consumer education efforts on a quarterly basis as a condition of continuing partner status.

Sincerely,

/s/ **Daniel L. Brenner**

Daniel L. Brenner

cc: Cathy Seidel, Chief, Consumer & Governmental Affairs Bureau
Pam Slipakoff, Chief of Staff, Consumer & Governmental Affairs Bureau

**SECOND REPORT TO THE COMMISSION ON THE
NATIONAL CABLE & TELECOMMUNICATIONS ASSOCIATION'S
DTV CONSUMER EDUCATION EFFORTS**

The National Cable & Telecommunications Association (“NCTA”) hereby submits its second report to the Commission on the association’s consumer education efforts in conjunction with the broadcasters’ transition to digital television (DTV). As a DTV.gov transition partner, NCTA provides this update to the Commission on the cable industry’s recent activities and incorporates by reference the ongoing DTV consumer education campaign discussed in the April 10, 2008 report.¹

NCTA is the principal trade association representing the cable television industry in the United States. Its members include cable operators serving more than 90% of the nation’s cable television subscribers, as well as more than 200 cable programming networks and services. NCTA’s members also include suppliers of equipment and services to the cable industry. The cable industry is also the nation’s largest broadband provider of high speed Internet access after investing \$100 billion over ten years to build out a two-way interactive network with fiber optic technology.

As the Commission recently acknowledged, the cable industry is “already engaged in a ‘\$200 million digital TV transition consumer education campaign, highlighted by English and Spanish language television commercials.’”² In fact, *Get Ready for Digital TV* is an 18-month multimedia consumer education campaign, launched in September 2007, with a wide range of public outreach and marketing activities aimed at educating cable customers and many non-cable

¹ See *In the Matter of DTV Consumer Education Initiative*, Report from National Cable & Telecommunications Association, to Marlene H. Dortch, Secretary, Federal Communications Commission, MB Docket No. 07-148, Apr. 10, 2008 (“DTV.gov partner first quarterly report”).

² Further Notice at ¶ 19. See also NCTA News Release, Sept. 26, 2007.

viewers about the broadcasters' DTV transition and how to ensure continued service to analog television sets after the transition.

Public Service Ad Campaign

To date, NCTA has distributed seven 30-second national PSAs to its member cable operators and programming networks along with media plans for their use. Two 15-second PSAs are also available to programming networks. As noted above, in an effort to reach a wider audience, several of these spots, which were made in consultation with other members of the DTV Transition Coalition, are available in both English and Spanish language versions. NCTA also has encouraged its member companies to create their own PSAs appropriate for their individual audiences and customer demographics. Since our last report, several multiple system operators, including Cox, Cablevision and Suddenlink, have produced their own DTV ads.

As NCTA reported to the Commission last April,³ for the period September 2007 through January 2008, NCTA member companies reported airing PSAs about the broadcasters' transition to digital in commercial airtime valued at more than \$25 million. As of April 30, 2008, cable companies – both operators and programmers – have run ad spots valued at almost \$94 million and expended substantial sums on other marketing activities, such as radio spots, print and online media.⁴

Moreover, cable operators will be airing all of the DTV public service announcements of the *broadcast* stations carried on their systems. Thus, cable customers, who will need to take no action at all to ensure that their sets connected to cable receive DTV signals, will nonetheless get

³ DTV.gov partner first quarterly report.

⁴ The Cable and Telecommunications Association for Marketing (CTAM) surveys cable companies monthly to request reporting data on the number of times that PSAs on the digital transition have run and the commensurate commercial value of that time.

the messages from the most critical source in the transition – the broadcast stations that will be converting to digital in February 2009.

Cable companies have reported to NCTA and its partner organization, CTAM, that they expect that they will not only keep pace with their overall \$200 million commitment through the rest of 2008 and early 2009 but will likely exceed their individual commitments as the transition gets closer.

Monthly Customer Bill Notices

On March 3, 2008, the Commission released a comprehensive Order to ensure “widespread consumer understanding of the benefits and mechanics of the transition [to digital broadcasting] by promot[ing] a coordinated national DTV consumer education campaign.”⁵ Pursuant to that Order, cable operators and other MVPDs began providing monthly notices about the transition from analog to digital broadcasting in their customers’ bills beginning April 30, 2008. The monthly notices are inserted in all customer bills, both paper and electronic, and will continue to be provided on a monthly basis through March 2009.

NCTA had already developed a template for customer “bill stuffers” pursuant to the industry’s consumer education initiative announced last fall and it has subsequently revised both the long and short-form versions of the bill inserts consistent with the Commission’s new rules.⁶ In addition to alerting customers about the coming end of analog broadcasting and converter box equipment that may be needed for analog sets not connected to cable service, the notices provide information on government and cable company websites and toll-free telephone numbers where

⁵ See Further Notice, *In the Matter of DTV Consumer Education Initiative*, Report and Order, MB Docket No. 07-148, rel. March 3, 2008, at ¶¶ 1, 5. See 47 C.F.R. § 76.1630.

⁶ See NCTA brochure/bill stuffer material at http://i.ncta.com/ncta_com/DTV/IndustryToolkit/DTVlongbrochure.pdf and http://i.ncta.com/ncta_com/DTV/IndustryToolkit/DTVlongbrochureSPANISH.pdf (long version); http://i.ncta.com/ncta_com/DTV/IndustryToolkit/DTVshortbrochure.pdf and http://i.ncta.com/ncta_com/DTV/IndustryToolkit/DTVshortbrochureSPANISH.pdf (short version).

consumers may obtain information about the transition and the digital-to-analog converter box program.

Other Consumer Education Initiatives

In addition to PSAs and monthly bill notices, the cable industry undertook a host of other cable-initiated consumer outreach activities, ranging from “how to” guides to websites to on-demand and local origination programming to community-sponsored events related to the DTV transition. NCTA also continues to participate in regular meetings on the DTV coalition to ensure consistent messaging in inter-industry consumer education efforts.

NCTA has promoted appropriate messaging and consumer outreach among cable-specific organizations and coordinated with the voluntary efforts of the DTV Transition Coalition, a consortium of the broadcast, cable, satellite and consumer electronics industries.

In partnership with NCTA and cable companies, other cable organizations are focusing substantial resources on consumer education, including instituting their own DTV-related activities and initiatives to educate cable customers.⁷ And the association continues to work with a variety of consumer and public interest groups, minority and grassroots organizations to help get the word out to their varied memberships and constituencies through media and other forms of communication.

Internet DTV Education Content

The two industry websites, www.GetReadyForDigitalTV.com and www.prepareparatvdigital.com, launched in September 2007, explain in clear and concise language the reasons for the transition, its benefits, and provide consumers with useful information to help them prepare for the transition should they need to take action. They also

⁷ See *In the Matter of DTV Consumer Education Initiative*, Further Notice, MB Docket No. 07-148, Comments of NCTA, July 27, 2008; First Quarterly DTV. gov Partner Report, April 10, 2008.

include an extensive list of sources of additional information including links to the NTIA and FCC websites. In April, we reported that 28,000 unique visitors had viewed more than 72,500 pages. The total number of unique website visitors has now grown to 35,000, and they have viewed more than 90,600 pages.

As reported earlier, NCTA's website, www.ncta.com, has become a major portal to a vast array of consumer education information about the transition. The NCTA site was reconfigured to prominently feature links to websites from the FCC, NTIA, the TV Converter Box Coupon Program, and the DTV Transition Coalition. Direct links to the NCTA microsites identified above further provide users easy access to additional informational websites from the National Association of Broadcasters, the Consumer Electronics Association, and AARP.

DTV Transition Communications "Toolkit"

As we reported last April, NCTA developed a "communications toolkit" to assist its member companies communicate with their customers about the digital television transition. The "toolkit" was initially distributed in December 2007, and has been updated and redistributed several times between January and June 2008. The toolkit contains a variety of template communications materials such as long- and short-form brochures and "bill stuffers"; messages designed for digital cable boxes, on-screen scrolls and telephone on-hold announcements; and informational resources for cable customer contact personnel. The web-based toolkit also enables users to view NCTA's PSAs, and an informational video produced by the Consumer Electronics Association (CEA).⁸

⁸ See www.ncta.com/dtvtransitionindustrytoolkit.

On-Demand and Local Origination Programming and Company-Sponsored

Initiatives

One of the main components of the toolkit is a nine-minute video tutorial produced by CEA, “DTV 101: A Consumer’s Guide to Digital Television,” which has been used by many cable systems on an on-demand or local origination programming basis to educate their customers. For example, in the Time Warner Wisconsin division, the CEA tutorial program was the highest rated show on “Wisconsin on Demand” for three weeks in a row.

NCTA is currently working with the Cable & Telecommunications Association for Marketing (CTAM) to create additional programming suitable for use in cable local origination and on-demand services. This programming should be completed in time for distribution no later than the third quarter of 2008.

In addition to NCTA- and CTAM-driven initiatives, cable companies are doing a variety of other educational and marketing activities. For example, as part of its multi-pronged DTV transition campaign, Comcast’s local systems plan to do customer e-blasts, direct mail, door-to-door flyers, web content, print ads and community events. Time Warner’s operations nationwide are similarly committed to preparing customers for the transition. Time Warner’s Wisconsin division, for example, has incorporated DTV education into virtually every community event in which they participate this year. The system recently sponsored the local Seniorfest, speaking to more than 3,000 seniors about the transition. Time Warner Cable “street teams” will also be out in force at summer festivals distributing DTV educational materials.

In Wilmington, North Carolina, where the DTV transition will occur months before the rest of the country, Time Warner Cable is actively educating local viewers through such activities as a Wilmington DTV transition-specific website, Wilmington-specific PSAs,

informational crawls on the Weather Channel and local channels, newspaper ads, radio spots (in English and Spanish), bill inserts and brochures, and outreach to local officials, the Hispanic, African-American, and senior communities.

Among an array of DTV-related activities, Cox is producing and airing programs and programming segments on local Cox Communications Channels, along with on-demand spots and informational programs.

Suddenlink and Insight are doing e-newsletters and blogs about the DTV transition. Cox, Mediacom and many other cable companies have spoken at city council meetings and done presentations before organizations, businesses and community groups. And all MSOs continue to train front-line employees on communicating with customers about the transition.

DTV Consumer Education is Working as Evident From Increased Awareness

Consumer awareness has risen dramatically over the past six months, and studies show a high state of readiness or near readiness for the transition. This trend is likely to continue as the various industries further ramp up DTV messaging through both mandatory and voluntary commitments.

Unlike over-the-air viewers, cable customers whose sets are connected to cable will not be required to take any action in order to continue watching broadcast and non-broadcast television.

Nevertheless, existing consumer education initiatives have already significantly raised public awareness and readiness for the transition among *all* populations, cable *and* non-cable viewers. According to a recent study by Leichtman Research Group, 84% of all adults had heard of the digital transition, nearly double the rate from six months earlier.⁹ Similarly, a recent

⁹ “Leichtman Research Poll Finds People Are Generally Aware But Fuzzy on Specifics”, Multichannel News, June 10, 2008, citing LRG study, “Cable, DBS & Telcos: Competing for Customers 2008.”

Nielsen Company study on digital readiness found that as of April 30, 2008 over 90% of U.S. households are at least partially ready for the transition to digital, with 78.0% of households identified as “completely ready.”¹⁰ And, as Nielsen pointed out, the situation is sure to get even better in upcoming months: “It is imperative to note that as we get closer to the DTV Transition date, households will upgrade their television equipment at an accelerated rate. Therefore, this analysis does not suggest that viewing in February 2009 will be impacted to the same degree as it would be if the transition occurred today.”¹¹

As we reported in April, CTAM conducted a nationwide survey of consumers regarding their knowledge of the DTV transition, level of preparedness, and other issues of concern to consumers about the transition.¹² The survey demonstrated rising levels of awareness by the end of 2007 but still showed a substantial shortfall from 100 percent awareness. In particular, the survey indicated that groups of consumers with the highest levels of awareness included broadband subscribers, digital cable subscribers, and subscribers to basic cable services; the lowest levels of awareness appeared to be among consumers living in households served only by over-the-air broadcasting – the households that will be most affected by the transition.

The CTAM survey helped cable industry public affairs and marketing executives better understand how to target consumer education outreach efforts. According to CTAM’s most recent study, based on a national poll conducted between February 21, 2008 and March 31, 2008, awareness of the digital transition and familiarity with the transition concept has increased

¹⁰ “The February 2009 Digital Television Transition: Overview of the Digital Readiness of U.S. Households and Analysis of Viewing to Unready Sets,” Nielsen Company, June 17, 2008 at 3. Completely Ready household is defined as a household that has all ready sets (*i.e.*, a set connected to cable, satellite or digital converter box or has an internal digital tuner. Partially Unready household is one that has at least one ready set and at least one unready set.

¹¹ *Id.* at 2.

¹² See CTAM News Release regarding PULSE study at <http://www.ctam.com/news/releases/071210.htm>. For the full study, see <http://www.ctam.com/news/pulse111207.pdf>.

dramatically between November 2007 and now. The level of awareness of the digital transition went from 49% in November 2007 to 75% as of March 2008. CTAM attributed such results to press coverage of the one-year countdown to the digital transition and PSAs regarding the digital transition that have been broadcast since the beginning of 2008.

A national survey recently sponsored by the National Association of Broadcasters confirms this accelerating trend. It found that 90% of respondents were aware of the transition (in June 2008) as compared to an awareness level of 83% in January 2008.¹³

CTAM will continue original research this year to track the levels of awareness and most of the major cable MSOs are conducting research among consumers within their service areas as well.

In sum, all indicators show high levels of consumer awareness at this stage of the transition, particularly in homes served by cable, and that industry-wide mandatory and voluntary efforts should continue to bring consumer awareness and preparedness to a near universal level.

The level of awareness may lag to some extent in over-the-air households, but this population will not benefit from cable PSAs. The best way to reach over-the-air viewers is through *broadcast-* originated PSAs. For example, some broadcast stations, as permitted under the Commission's rules, may cease analog broadcasting ahead of the February 2009 transition date or take other actions affecting the switchover from analog to digital broadcasting at the local level. The mandatory monthly bill notices and other rules ensure a consistent, national message across industries, but cable operators need the flexibility as the transition gets closer to determine

¹³ "New National Poll Shows Near-Universal Awareness of DTV: Ninety percent of Americans know about February 17, 2009 switch to digital television," National Association of Broadcasters Press Release, June 16, 2008.

how best to fashion their customer messages based on such factors as the individual market, region, demographics or even the level of over-the-air sets in the homes of the communities they serve.

CONCLUSION

The cable industry has promoted the DTV transition by aggressively deploying a consumer education campaign valued at more than \$200 million to help American consumers understand their options before and during the broadcasters' conversion to digital in February 2009.

Cable will continue to take steps to promote the transition, including PSAs and other initiatives through the time of the transition, educate and train its workforce to manage consumer questions, and partner with government, industry and consumer groups to spread the word about the transition.

Respectfully submitted,

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