



## S. 328--DTV Delay Act

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### FLOOR SITUATION

S. 328 is being considered under a motion to suspend the rules, requiring a two-thirds majority vote for passage.

This legislation was introduced by Senator John Rockefeller (D-WV) on January 26, 2009. The Senate passed the measure by unanimous consent on the same date.

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### SUMMARY

S. 328 postpones the digital television (DTV) transition date from February 17, 2009, to June 12, 2009. This legislation also enables the Federal Communications Commission (FCC) to extend the terms of license for the recovered analog spectrum for a period of 116 days. However, this bill allows television stations to go all-digital before June 12, 2009, as long as the transition is conducted in accordance with the FCC's current requirements.

This bill extends the end of the federal coupon program for subsidized converter boxes from March 31, 2009, to July 31, 2009. Additionally, one replacement coupon may be issued per household for each coupon that was issued to such a household and that expired without being redeemed.

S. 328 extends the authority of the FCC to auction available spectrum through 2012. This authority had been scheduled to terminate in 2011.

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### BACKGROUND

The Deficit Reduction Act of 2005 (P.L. 109-171) directed that over-the-air television broadcasts, currently provided in both analog and digital formats, will become completely digital on February 17, 2009. Pursuant to that Act, households with only analog televisions will no longer receive television service after February 17<sup>th</sup> unless they buy a digital-to-analog converter box, purchase a digital television (or analog television with digital tuner), or subscribe to cable or satellite telephone services.

The digital television (DTV) transition comes partly as a result of a 9/11 Commission recommendation calling for increased bandwidth for public safety services. The 9/11 Commission, established by President George W. Bush after the Sept. 11 terrorist attacks, recommended additional radio spectrum for first responders, after reports of police and firefighters not being able to communicate with one another or with rescue helicopters in the air. The transition will also "free up" additional spectrum for advanced wireless broadband services. Some of the analog spectrum has been auctioned by the FCC for such commercial wireless services.

To help mitigate the transition, the Deficit Reduction Act of 2005 established a digital-to-analog converter box program, to be administered by the Department of Commerce. This program provides up to two \$40 coupons for requesting households so that they may purchase converter boxes. These coupons are being issued between January 1, 2008, and March 31, 2009, and must be used within 90 days.

On January 8, 2009, then President-elect Obama's transition team asked the House and Senate Commerce Committees to consider postponing the transition date. This request was based on a National Telecommunications and Information Administration (NTIA) announcement that the funding ceiling for converter box coupons was reached and that many households would not receive coupons in time for the February 17<sup>th</sup> transition. However, as of the end of November 2008, 93 percent of households had at least one television prepared for the transition and 83 percent had all their TVs prepared, according to Nielsen.



Additionally, according to a [letter](#) sent by House Republicans on the Energy and Commerce Committee to Obama on January 14, 2009, "Of the \$1.5 billion allocated for coupons, about half has been paid out for redeemed coupons; the other half is committed to coupons issued but not yet redeemed, which is why there is a waiting list. Coupons not redeemed in 90 days expire, allowing about 300,000 coupons to be re-issued to other households every week."

Members may be concerned that delaying the DTV transition would cause confusion for the American public, which has long been exposed to outreach efforts stressing the February 17<sup>th</sup> transition date. These public outreach efforts included taxpayer-funded public service announcements, flyers, billboards, etc. A delay may also impose a significant burden on local broadcast stations, causing additional expense and logistical issues stemming from operating analog signals for unplanned months.

The letter from House Republicans went on to say: "No one said this was going to be easy, but we have unquestionably made the right decision to complete the digital television transition on February 17, 2009. We believe that panicky talk of a delay is breeding stultifying uncertainty, and that an actual delay would be a monumental error in judgment that would damage the program and the public."

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#### COST

There is no Congressional Budget Office (CBO) cost estimate available for this legislation at this time, but the bill is expected to cost money (roughly \$100 million according to Republican Energy and Commerce staff). For instance, the bill designates the cost as an "emergency" for purposes of evading budget constraints.

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#### STAFF CONTACT

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