

Special Review Memorandum

Re: Digital Television and the Lessons of Wilmington.

Foreword

So how did the early cut-over to digital broadcast television in Wilmington, North Carolina, actually work out? It's hard to say precisely, isn't it? Commendably, the Federal Communications Commission (FCC) put lots of time and resources into this effort. They certainly don't want to publicize inevitable glitches. And, commercial and educational broadcasters are also in the same boat, aren't they? What does it profiteth interested parties to disparage their own event? Cf. Matthew 16:26.

Remember, too: The switch to digital has been elaborately planned, "analog channels" have mostly been auctioned off, and a set-top converter box program put in place. We're not entirely sure the February 17 cut-over date is all that firm -- after all, it's less than a month after the next Inauguration.

But this is a bit like those White Owl cigar commercials which ran in the 1970s -- right before the law was further amended by Congress. As Sammy Davis Jr. would say, "Sooner or later, we're going to get you." And, that seems to be the case in respect of digital TV, doesn't it?

Find Out a Few Things

But it also seems to us the Wilmington "soft test" is going to teach the FCC -- and, broadcasters -- several important things. Remember, "Knowledge puffeth up." I Cor. 8:1. That's a well-known fact.

First, we think they're going to find there are more people dependent on over-the-air television than you might think. Second, they're going to learn one of the problems caused by not having a standardized set-top box: That is -- as with any complicated piece of electronics -- installation problems can arise.

Third, the FCC and broadcasters will probably learn the impact of hundreds of telephone calls and emails sent to politicians. Politicians, after all, don't hear a lot from many of these "regular people," and certainly not about their technical difficulties when it comes to just watching TV. So, when those politicians -- in a challenging election environment -- start getting lots of public contact, we expect they'll listen. Wouldn't you think?

Over-the-Air Dependency?

Now, there aren't a lot of really accurate statistics regarding public dependence on over-the-air TV. And, for the past couple of years, the tendency in Washington has been to downplay any worries -- the assumption being that lots of people subscribe to cable or satellite television service anyway. But is that true?

And, is it true in respect of all the TV sets in your typical household?

Ourselves, we were much impressed earlier this year by Pew Internet Program findings that only about half the U.S. households were buying high-speed Internet access -- because (a) it was expensive, (b) nearly everyone had such a connection at work, and (c) there's a large group of "aggressive non-adapters" out there. Pew also expressed reservations we'd ever be able to push penetration of "broadband" all that much higher.¹

In Washington, there's the understandable tendency to extrapolate from one's personal experience and circumstances. The well-educated, solidly middle-class, well-compensated people who run the city and its various Federal programs assume everyone out there -- in "Flyover" or "South Succotash" America -- is much like them. Thus, the FCC assumes only a minority of the public (perhaps 15%) depends fully on over-the-air TV. But is that really the case?

Again, we're not sure. We do know the cable television, telephone-cable, and satellite television people have probably pushed rates close to a "pricing inflection." In the Washington metropolitan area, Comcast's charging about \$100 a month for the "enhanced basic" digital service package. That's a lot for people out there in the provinces. Heck, it's a lot for many Americans, isn't it? And, that's especially true when there's a "free, over-the-air television" alternative, right?

A Standardized "Box"

Second, we've always been impressed by the Wiley FCC's decision to mandate use of the "Hinchman jack" -- that very standard attachment for all telephone apparatus. Just imagine the confusion if telephone interconnection had been treated differently!

Sure, in recent years the computer industry has done a good job standardizing UBS "plugs." But it wasn't always that way, was it? Maybe we produced innovation by not adopting "rigid standards" -- but it also shifted the burden of adapting to the consumer, didn't it?

Now, if it'd been our druthers, we would have mandated much different set-top boxes. As we reported here, for instance, the Digital Stream boxes being distributed by Radio Shack are harder and more complicated to set-up than the Magnavox boxes. The FCC -- or, the Commerce Department's National Telecommunications & Information Administration (NTIA) -- should have mandated simple, comparable machines, shouldn't they. Instead of the dozens which are on the market apparently these days.

¹ TV Newday editor Harry Jessell on Friday estimated that there were about 15,000 Wilmington households dependent on over-the-air service -- and, another 15,000 with TVs in the house that aren't hooked up to satellite TV or cable systems. Nationally, the average house has something like 2.7 TVs.

We probably also would have required some sort of signal amplifier be built into these boxes. People living in rural and fringe areas have been buying TV signal "boosters" for years -- and, there's no reason why that couldn't have been incorporated into these boxes. That way, the problem of the "dead screen" which many have identified -- or, the on-screen message "weak signal" -- might have been minimized.

We're not sure, but it seems to us when Berlin cut-over to digital, there was a standard customer box -- and, things worked out a bit easier. True, nearly everyone in the country has access to an 11-year-old these days. In Wilmington, even the fire department stations apparently weighed in. But we don't think enough attention was paid "ergonomics" and basic product design, here. We think, too, a lot of people in Washington probably underestimated the propensity of the American public to hold onto TV sets and equipment. We don't know what the median age of the "embedded base" of TV gear is in this country -- but we expect it's a lot older than many in Washington think.

They Talk, the Politicians Listen

Third, it's always worth remembering that while people over 50 may constitute only 41% of the public, they're well over half the people who actually vote -- and, probably two-thirds or more of the people who contribute. Older Americans are especially prevalent when it comes to primaries -- what really matters in these days of "perfected redistricting."²

So exactly those people most likely to be "aggressive non-adapters" are going to be the folks the politicians listen to most, wouldn't you think? And, wouldn't that mitigate in favor of special attention to the "convenience and needs" of this group?

How hard would it have been to arrange for all the converter boxes to be professionally connected? Years ago, your Review recommended the Boy Scouts, Girl Scouts, Campfire Girls, and Boy's Clubs be recruited -- something which we gather was considered, but rejected because of legal liability worries (?). But there are tens of thousands of independent electrical installation folks in this country -- they're the backbone of the cable television business, right?

We don't get the sense anyone at the FCC -- or, Commerce -- gave a lot of thought to the Government arranging for a set-top box to be installed for anyone who wanted it. But, wouldn't that have made sense in Wilmington?

² The late Tim Russert of NBC News often noted that through redistricting, we have created a system where 95% or more of the incumbents who choose to run are reelected. Thus, the chief threat to incumbents becomes primary challenges -- which is why the extreme groups on either side of the political spectrum have such influence these days.

Conclusion

The digital television conversion program has always reminded us a bit of that scene in Evelyn Waugh's The Loved One (1965), where the head of Whispering Glades, the Blessed Reverend (Jonathan Winters) announces his ambitious plans for the soon-to-be-filled cemetery. Blessed Reverend's development staff appear with "elevation" drawings, architectural models, etc., showing how the cemetery is going to be converted into a senior recreational/-assisted living facility.

"But Blessed Reverend," says one of the board members. "Whispering Glades has been endowed to perpetual care, to the solace and... ." At which point, Jonathan Winters barks out, "Well, somebody's got to figure out a way to get all those stiffs off my property!"

Well, the digital TV conversion program is designed, first, to generate money for the U.S. Treasury Department -- as Senator Stevens predicted in 1992, the FCC's "become a giant regulatory cash register." And, second, all of these airwaves are going to be redeveloped, aren't they -- or, at least that's what we're told. Somebody (in this case, the FCC), has to figure out how to get those "stiffs" off the Treasury Department's property.

But following Wilmington, the FCC's planning a cross-country trip -- it's almost as if they were Bible salesmen, isn't it? And, are they going to find there are more problems?

Again, it seems to us a more standardized set-top box and "free installation" (as requested) would make a lot of difference. But if they chose to continue "business as usual"? Well, we'll see what the next President thinks about this situation.

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